

**CONSTITUTION
OF
GOOD SHEPHERD LUTHERAN CHURCH
BISMARCK, NORTH DAKOTA**

Last updated 1/16/2005

***PREAMBLE.**

In the name of the Father and of the Son and of the Holy Spirit, we, baptized members of the Christian Church, responding in faith to the call of the Holy Spirit through the Gospel, desiring to unite together to preach the Word, administer the sacraments, and carry out God's mission, do hereby adopt this "Constitution and By-Laws" and solemnly pledge ourselves to be governed by its provisions.

Chapter 1.

NAME AND INCORPORATION

C1.01. The name of this congregation is GOOD SHEPHERD LUTHERAN CHURCH, Bismarck, North Dakota.

C1.02. For the purpose of this "Constitution and Bylaws," Good Shepherd Lutheran Church Congregation is hereinafter designated as "this congregation."

C1.03. This congregation shall be incorporated under the laws of the State of North Dakota.

Chapter 2.

CONFESSION OF FAITH

***C2.01.** This congregation confesses the Triune God, Father, Son, and Holy Spirit.

***C2.02.** This congregation confesses Jesus Christ as Lord and Savior and the Gospel as the power of God for the salvation of all who believe.

- a. Jesus Christ is the Word of God incarnate, through whom everything was made and through whose life, death, and resurrection God fashions a new creation.
- b. The proclamation of God's message to us as both Law and Gospel is the Word of God, revealing judgment and mercy through word and deed, beginning with the Word in creation, continuing in the history of Israel, and centering in all its fullness in the person and work of Jesus Christ.
- c. The canonical Scriptures of the Old and New Testaments are the written Word of God. Inspired by God's Spirit speaking through their authors, they record and announce God's revelation centering in Jesus Christ. Through them God's Spirit speaks to us to create and sustain Christian faith and fellowship for service in the world.

***C2.03.** This congregation accepts the canonical Scriptures of the Old and New Testaments as the inspired Word of God and the authoritative source and norm of its proclamation, faith, and life.

***C2.04.** This congregation accepts the Apostles', Nicene, and Athanasian Creeds as true declarations of the faith of this congregation.

***C2.05.** This congregation accepts the Unaltered Augsburg Confession as a true witness to the Gospel, acknowledging as one with it in faith and doctrine all churches that likewise accept the teachings of the Unaltered Augsburg Confession.

***C2.06.** This congregation accepts the other confessional writings in the Book of Concord, namely, the Apology of the Augsburg Confession, the Smalcald Articles and the Treatise, the Small Catechism, the Large Catechism, and the Formula of Concord, as further valid interpretations of the faith of the Church.

***C2.07.** This congregation confesses the Gospel, recorded in the Holy Scriptures and confessed in the ecumenical creeds and Lutheran confessional writings, as the power of God to create and sustain the Church for God's mission in the world.

Chapter 3.

NATURE OF THE CHURCH

- *C3.01. All power in the Church belongs to our Lord Jesus Christ, its head. All actions of this congregation are to be carried out under his rule and authority.
- *C3.02. The Church exists both as an inclusive fellowship and as local congregations gathered for worship and Christian service. Congregations find their fulfillment in the universal community of the Church, and the universal Church exists in and through congregations. The Evangelical Lutheran Church in America, therefore, derives its character and powers both from the sanction and representation of its congregations and from its inherent nature as an expression of the broader fellowship of the faithful. In length, it acknowledges itself to be in the historic continuity of the communion of saints; in breadth, it expresses the fellowship of believers and congregations in our day.

Chapter 4.

STATEMENT OF PURPOSE

- *C4.01. The Church is a people created by God in Christ, empowered by the Holy Spirit, called and sent to bear witness to God's creative, redeeming, and sanctifying activity in the world.
- *C4.02. To participate in God's mission, this congregation as a part of the Church shall:
 - a. Worship God in proclamation of the Word and administration of the sacraments and through lives of prayer, praise, thanksgiving, witness, and service.
 - b. Proclaim God's saving Gospel of justification by grace for Christ's sake through faith alone, according to the apostolic witness in the Holy Scripture, preserving and transmitting the Gospel faithfully to future generations.
 - c. Carry out Christ's Great Commission by reaching out to all people to bring them to faith in Christ and by doing all ministry with a global awareness consistent with the understanding of God as Creator, Redeemer, and Sanctifier of all.
 - d. Serve in response to God's love to meet human needs, caring for all people, working for peace and reconciliation among the nations, and standing with the poor and powerless, and committing itself to their needs.
 - e. Nurture its members in the Word of God so as to grow in faith and hope and love, to see daily life as the primary setting for the exercise of their Christian calling, and to use the gifts of the Spirit for their life together and for their calling in the world.
 - f. Manifest the unity given to the people of God by living together in the love of Christ and by joining with other Christians in prayer and action to express and preserve the unity which the Spirit gives.
- *C4.03. To fulfill these purposes, this congregation shall:
 - a. Provide services of worship at which the Word of God is preached and the sacraments are administered.
 - b. Provide pastoral care and assist all members to participate in this ministry.
 - c. Challenge, equip, and support all members in carrying out their calling in their daily lives and in their congregation.
 - d. Teach the Word of God.
 - e. Witness to the reconciling Word of God in Christ, reaching out to all people.
 - f. Respond to human need, work for justice and peace, care for the sick and the

suffering, and participate responsibly in society.

- g. Motivate its members to provide financial support for the congregation's ministry and the ministry of other parts of the Evangelical Lutheran Church in America.
- h. Foster and participate in interdependent relationships with other congregations, the synod, and the church wide organization of the Evangelical Lutheran Church in America.
- i. Foster and participate in ecumenical relationships consistent with church wide policy.

***C4.04.** This congregation shall develop an organizational structure to be described in the bylaws. The Congregation Council shall prepare descriptions of the responsibilities of each committee, task force, or other organizational group and shall review their actions. [Such description shall be contained in a continuing resolutions in the section on the Congregation Council.]

***C4.05.** This congregation shall, from time to time, adopt a mission statement which will provide specific direction for its programs.

Chapter 5.

POWERS OF THE CONGREGATION

***C5.01.** The powers of this congregation are those necessary to fulfill its purpose.

***C5.02.** The powers of this congregation are vested in the Congregation Meeting called and conducted as provided in this constitution and bylaws.

***C5.03.** Only such authority as is delegated to the Congregation Council or other organizational units in this congregation's governing documents is recognized. All remaining authority is retained by the congregation. The congregation is authorized to:

- a. call a pastor as provided in Chapter 9;
- b. terminate the call of a pastor as provided in Chapter 9;
- c. call or terminate the call of "associates in ministry," deaconesses, and diaconal ministers in conformity with the applicable policy of the Evangelical Lutheran Church in America;
- d. approve the annual budget;
- e. acquire real and personal property by gift, devise, purchase, or other lawful means;
- f. hold title to and use its property for any and all activities consistent with its purpose;
- g. sell, mortgage, lease, transfer, or otherwise dispose of its property by any lawful means;
- h. elect its Congregation Council, and require the members of the council to carry out their duties in accordance with the constitution[,] and bylaws and continuing resolutions; and
- i. elect its Endowment Council, and require the members of the council to carry out their duties in accordance with the constitution and bylaws and continuing resolutions; and

- j. terminate its relationship with the Evangelical Lutheran Church in America as provided in Chapter 6.

***C5.04.** This congregation shall choose from among its voting members laypersons to serve as voting members of the Synod Assembly as well as persons to represent it at meetings of any conference, cluster, coalition, or other area subdivision of which it is a member. The number of persons to be elected by the congregation and other qualifications shall be as prescribed in guidelines established by the Western North Dakota Synod of the Evangelical Lutheran Church in America.

Chapter 6.

CHURCH AFFILIATION

***C6.01.** This congregation shall be an interdependent part of the Evangelical Lutheran Church in America or its successor, and of the Western North Dakota Synod of the Evangelical Lutheran Church in America. This congregation is subject to the discipline of the Evangelical Lutheran Church in America.

***C6.02.** This congregation accepts the Confession of Faith and agrees to the Purposes of the Evangelical Lutheran Church in America and shall act in accordance with them.

***C6.03.** This congregation acknowledges its relationship with the Evangelical Lutheran Church in America in which:

- a. This congregation agrees to be responsible for its life as a Christian community.
- b. This congregation pledges its financial support and participation in the life and mission of the Evangelical Lutheran Church in America.
- c. This congregation agrees to call pastoral leadership from the clergy roster of the Evangelical Lutheran Church in America in accordance with its call procedures except in special circumstances and with the approval of the bishop of the synod.
- d. This congregation agrees to consider associates in ministry, deaconesses, and diaconal ministers for call to other staff positions in the congregation according to the procedures of the Evangelical Lutheran Church in America.
- e. This congregation agrees to file constitution and any subsequent changes to this constitution with the synod for review to ascertain that all of its provisions are in agreement with the constitution and bylaws of the Evangelical Lutheran Church in America and with the constitution of the synod.

***C6.04.** Affiliation with the Evangelical Lutheran Church in America may be terminated as follows:

- a. This congregation takes action to dissolve.
- b. This congregation ceases to exist.
- c. This congregation is removed from membership in the Evangelical Lutheran Church in America according to the procedures for discipline of the Evangelical Lutheran Church in America.
- d. This congregation follows the procedures outlined in *C6.05.

***C6.05.** This congregation may terminate its relationship with the Evangelical Lutheran Church in America by the following procedure:

- a. A resolution indicating the desire of this congregation to terminate its relationship must be adopted at a legally called and conducted special meeting of this congregation by a two-thirds majority of the voting members present.

- b. The secretary of this congregation shall submit a copy of the resolution to the synodical bishop and shall mail a copy of the resolution to voting members of this congregation. This notice shall be submitted within 10 days after the resolution has been adopted.
- c. The bishop of the synod shall consult with this congregation during a period of at least 90 days.
- d. If this congregation, after consultation, still desires to terminate its relationship, such action may be taken at a legally called and conducted special meeting by a two-thirds majority of the voting members present, at which meeting the bishop of the synod or an authorized representative shall be present. Notice of the meeting shall be mailed to all voting members at least 10 days in advance of the meeting.
- e. A certified copy of the resolution to terminate its relationship shall be sent to the synodical bishop, at which time the relationship between this congregation and the Evangelical Lutheran Church in America shall be terminated.
- f. Notice of termination shall be forwarded by the synodical bishop to the secretary of this church and published in the periodical of this church.
- g.¹¹ Since this congregation was a member of the Lutheran Church in America, it shall be required, in addition to the foregoing provisions in *C6.05., to receive synodical approval before terminating its membership in the Evangelical Lutheran Church in America.
- h.²² Since this congregation was established by the Evangelical Lutheran Church in America, it shall be required, in addition to the foregoing provisions in *C6.05., to receive synodical approval before terminating its membership in the Evangelical Lutheran Church in America.

***C6.06.** If this congregation considers relocation, it shall confer with the bishop of the synod in which it is territorially located before any steps are taken leading to such action. The approval of the Synod Council shall be received before any such action is effected.

Chapter 7. PROPERTY OWNERSHIP

***C7.01.** If this congregation ceases to exist, title to undisposed property shall pass to the Western North Dakota Synod of the Evangelical Lutheran Church in America.

***C7.02.** If this congregation is removed from membership in the Evangelical Lutheran Church in America according to its procedure for discipline, title to property shall continue to reside in this congregation.

***C7.03.** If a two-thirds majority of the voting members of this congregation present at a legally called and conducted special meeting of this congregation vote to transfer to another Lutheran church body, title to property shall continue to reside in this congregation. Before this congregation takes action to transfer to

1 This provision is to be used in the constitutions of all congregations that formerly were a part of the Lutheran Church in America, in accord with provision 9.62.h. in the Constitution, Bylaws, and Continuing Resolutions of the Evangelical Lutheran Church in America.

2 This provision is to be used in the constitutions of all congregations that have been established by the Evangelical Lutheran Church in America, in accord with provision 9.62.h. in the Constitution, Bylaws, and Continuing Resolutions of the Evangelical Lutheran Church in America.

another Lutheran church body, it shall consult with representatives of the Western North Dakota Synod.

***C7.04.** If a two-thirds majority of the voting members of this congregation present at a legally called and conducted special meeting of this congregation vote to become independent or relate to a non-Lutheran church body, title to property of this congregation shall continue to reside in this congregation only with the consent of the Synod Council. The Synod Council, after consultation with this congregation by the established synodical process, may give approval to the request to become independent or to relate to a non-Lutheran church body, in which case title shall remain with the majority of this congregation. If the Synod Council fails to give such approval, title shall remain with those members who desire to continue as a congregation of the Evangelical Lutheran Church in America.

Chapter 8. MEMBERSHIP

***C8.01.** Members of this congregation shall be those baptized persons on the roll of this congregation at the time that this constitution is adopted and those who are admitted thereafter and who have declared and maintain their membership in accordance with the provisions of this “constitution and its bylaws.”

***C8.02.** Members shall be classified as follows:

- a. ***Baptized*** members are those persons who have been received by the Sacrament of Holy Baptism in this congregation, or, having been previously baptized in the name of the Triune God, have been received by certificate of transfer from other Lutheran congregations or by affirmation of faith.
- b. ***Confirmed*** members are baptized persons who have been confirmed in this congregation, those who have been received by adult baptism or by transfer as confirmed members from other Lutheran congregations, or baptized persons received by affirmation of faith.
- c. ***Voting*** members are confirmed members. Such confirmed members, during the current or preceding calendar year, shall have communed in this congregation and shall have made a contribution of record to this congregation.
- d. ***Associate*** members are persons holding membership in other Lutheran congregations who wish to retain such membership but desire to participate in the life and mission of this congregation, or persons who wish to retain a relationship with this congregation while being members of other congregations. They have all the privileges and duties of membership except voting rights and eligibility for elected offices or membership on the Congregation Council and Endowment Council of this congregation.

***C8.03.** It shall be the privilege and duty of members of this congregation to:

- a. make regular use of the means of grace, both Word and sacraments;
- b. live a Christian life in accordance with the Word of God and the teachings of the Lutheran church; and
- c. support the work of this congregation, the synod, and the churchwide organization of the Evangelical Lutheran Church in America through contributions of their time, abilities, and financial support as biblical stewards.

***C8.04.** Membership in this congregation shall be terminated by any of the following:

- a. death;
- b. resignation;
- c. transfer or release;
- d. disciplinary action by the Congregation Council; or
- e. removal from the roll due to inactivity as defined in the bylaws. Such persons who have been removed from the roll of members shall remain persons for whom the church has a continuing pastoral concern.

**Chapter 9.
THE PASTOR(S)**

***C9.01.** Authority to call a pastor shall be in this congregation by at least a two-thirds majority ballot vote of members present and voting at a meeting legally called for that purpose. Before a call is issued, the officers, or a committee elected by the Congregation Council to recommend the call, shall seek the advice and help of the bishop of the synod.

***C9.02.** Only a member of the clergy roster of the Evangelical Lutheran Church in America or a candidate for the roster of ordained ministers who has been recommended for the congregation by the synodical bishop may be called as a pastor of this congregation.

***C9.03.** Consistent with the faith and practice of the Evangelical Lutheran Church in America,

- a. Every ordained minister shall:
 - 1) preach the Word;
 - 2) administer the sacraments;
 - 3) conduct public worship;
 - 4) provide pastoral care; and
 - 5) speak publicly to the world in solidarity with the poor and oppressed, calling for justice and proclaiming God's love for the world.
- b. Each ordained minister with a congregational call shall, within the congregation:
 - 1) offer instruction, confirm, marry, visit the sick and distressed, and bury the dead;
 - 2) supervise all schools and organizations of this congregation;
 - 3) install regularly elected members of the Congregation Council and Endowment Council; and
 - 4) with the council, administer discipline.
- c. Every pastor shall:
 - 1) strive to extend the Kingdom of God in the community, in the nation, and abroad;
 - *2) seek out and encourage qualified persons to prepare for the ministry of the Gospel;
 - 3) impart knowledge of this church and its wider ministry through distribution of its periodicals and other publications; and
 - 4) endeavor to increase the support given by the congregation to the work of the churchwide organization of the Evangelical Lutheran Church in America (ELCA) and of the Western North Dakota Synod of the ELCA.

***C9.04.** The specific duties of the pastor, compensation, and other matters pertaining to the service of the pastor shall be included in a letter of call, which shall be attested by the bishop of the synod.

***C9.05. a.** The call of a congregation, when accepted by a pastor, shall constitute a continuing mutual relationship and commitment, which, except in the case of the death of the pastor, shall be terminated only following consultation with the synodical bishop and for the following reasons:

- 1) mutual agreement to terminate the call or the completion of a call for a specific term;
- 2) resignation of the pastor, which shall become effective, unless otherwise agreed, 30 days after the date on which it was submitted;
- 3) inability to conduct the pastoral office effectively in the congregation in view of local conditions, without reflection on the competence or the moral and spiritual character of the pastor;
- 4) the physical or mental incapacity of the pastor;
- 5) disqualification of the pastor through discipline on grounds of doctrine, morality, or continued neglect of duty;
- 6) the dissolution of the congregation; or
- 7) suspension of the congregation as a result of discipline proceedings.

b. When allegations of physical or mental incapacity of the pastor or ineffective conduct of the pastoral office have come to the attention of the bishop of the synod, the bishop in his or her sole discretion may, or when such allegations have been brought to the synod's attention by an official recital of allegations by the Congregation Council or by a petition signed by at least one-third of the voting members of the congregation, the bishop shall, investigate such conditions personally in company with a committee of two ordained ministers and one layperson.

c. In case of alleged physical or mental incapacity, competent medical testimony shall be obtained. When such disability is evident, the bishop of the synod with the advice of the committee shall declare the pastorate vacant. Upon the restoration of a disabled pastor to health, the bishop of the synod shall take steps to enable the pastor to resume the ministry, either in the congregation last served or in another field of labor.

d. In the case of alleged local difficulties that imperil the effective functioning of the congregation, all concerned persons shall be heard, after which the bishop of the synod together with the committee described in *C9.05.b. shall decide on the course of action to be recommended to the pastor and the congregation. If they agree to carry out such recommendations, no further action shall be taken by the synod. If either party fails to assent, the congregation may dismiss the pastor at a legally called meeting after consultation with the bishop, either (a) by a two-thirds majority vote of the voting members present and voting where the bishop and the committee did not recommend termination of the call, or (b) by a simple majority vote of the voting members present and voting where the bishop and the committee recommended termination of the call.

e. If, in the course of proceedings described in *C9.05.d., the committee concludes that there may be grounds for disciplinary action, the committee shall make recommendations concerning disciplinary action to the synodical bishop who may bring charges, in accordance with the provisions of the constitution and bylaws of the Evangelical Lutheran Church in America and the constitution of this synod.

f. If, following the appointment of the committee described in *C9.05.b. or d., it

should become apparent that the pastoral office cannot be conducted effectively in the congregation(s) being served by the ordained minister due to local conditions, the bishop of the synod may temporarily suspend the pastor from service in the congregation(s) without prejudice and with pay provided through a joint synodical and churchwide fund and with housing provided by the congregation (s).

- *C9.06. At a time of pastoral vacancy, an interim pastor shall be appointed by the bishop of the synod with the consent of this congregation or the Congregation Council.
- *C9.07. During the period of service, an interim pastor shall have the rights and duties in the congregation of a regularly called pastor and may delegate the same in part to a supply pastor with the consent of the bishop of the synod and this congregation or Congregation Council. The interim pastor and any ordained pastor providing assistance shall refrain from exerting influence in the selection of a pastor.
- *C9.08. This congregation shall make satisfactory settlement of all financial obligations to a former pastor before calling a successor. A pastor shall make satisfactory settlement of all financial obligations to this congregation.
- *C9.09. When a pastor is called in company with another pastor or pastors, the privileges and responsibilities of each pastor shall be specified in documents to accompany the call and to be drafted in consultation involving the pastors, the Congregation Council, and the bishop of the synod. As occasion requires, the documents may be revised through a similar consultation.
- *C9.10. With the approval of the bishop of the synod, the congregation may depart from *C9.05.a. and call a pastor for a specific term. Details of such calls shall be in writing setting forth the purpose and conditions involved. Prior to the completion of a term, the bishop or a designated representative of the bishop shall meet with the pastor and representatives of the congregation for a review of the call. Such a call may also be terminated before its expiration in accordance with the provisions of *C9.05.a.
- *C9.11. The pastor of this congregation:
 - a. shall keep accurate parochial records of all baptisms, confirmations, marriages, burials, communicants, members received, members dismissed, or members excluded from the congregation;
 - b. shall submit a summary of such statistics annually to the synod; and
 - *c. shall become a member of this congregation upon receipt and acceptance of the letter of call. In a parish of multiple congregations, the pastor shall hold membership in one of the congregations.
- *C9.12. The pastor(s) shall submit a report of his or her ministry to the bishop of the synod at least 90 days prior to each regular meeting of the Synod Assembly.
- C9.13. Ecumenical pastoral ministry
- C9.14. Under special circumstances, subject to the approval of the synodical bishop and the concurrence of this congregation, an ordained minister of a church body with which the Evangelical Lutheran Church in America officially has established a relationship of full communion may serve temporarily under contract as pastor of this congregation.

Chapter 10.

CONGREGATION MEETING

- C10.01. The annual meeting of this congregation shall be held at a time specified by the Congregation Council on a Sunday in the month of January.
 - C10.02. A special Congregation Meeting may be called by the pastors jointly, by the Congregation Council, or Endowment Council, or by the president of this congregation, and shall be called at the written request of
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the voting members. The call for each special meeting shall specify the purpose for which it is to be held and no other business shall be transacted.

C10.03. Notice of all meetings of this congregation shall be posted prominently in the narthex of the church for not less than two weeks prior to the meeting and shall be publicly announced at all given at the services of worship during that period or may be given by mail to all [voting] members at least 10 days in advance of the date of the meeting. The depositing of a notice in the regular mail, with regular postage affixed or paid, sent to the last known address of such members shall be deemed sufficient notice.

C10.04. Seventy-five voting members shall constitute a quorum.

C10.05. Voting by proxy or by absentee ballot shall not be permitted.

C10.06. All actions by the congregation shall be by majority vote of those present and voting except as otherwise provided in this “constitution and By-laws.”

C10.07. When procedure is not otherwise specified herein, Robert’s Rules of Order, shall govern parliamentary procedure of all meetings of this congregation.

C10.08. The order of business at the annual meeting shall be:

- a. opening devotion;
- b. appointment of parliamentarian;
- c. approval of minutes;
- d. reports of the pastors, the Congregation Council, the Endowment Council, the treasurer, committees, and others;
- e. elections;
- f. approval of budget;
- g. unfinished business;
- h. new business; and
- i. closing prayer.

C10.09. In the following cases voting shall be by written ballot:

- a. to elect members of the Congregation Council. (see C12.02.)
- b. to amend the “CONSTITUTION AND BY-LAWS”. (see C17.02.)
- c. to call a pastor or to request a pastor’s resignation. (See Ch. 9.)
- d. to dispose of, encumber, or purchase real property. (see C12.05.b.)
- e. When requested by ten or more voting members who are present at the meeting.
- f. to elect members of the Endowment Council. (See C22.04)

**Chapter 11.
OFFICERS**

C11.01. The officers of this congregation are president, vice president, and secretary, elected by the Congregation Council from its membership and a treasurer and a financial secretary elected by the Congregation Council.

- a. Duties of the officers are as herein specified and as may be specified in an Operating Policy Manual adopted by the Congregation Council.
- b. All officers shall be voting members of the congregation.
- c. Except for the treasurer and financial secretary, all officers of this congregation shall serve for not more than one year and shall not succeed themselves.

C11.02. If present, the president shall preside over all meetings of the congregation and of the Congregation Council unless the meeting shall decide otherwise.

C11.03. The vice-president shall preside in the absence of the president unless the meeting shall decide otherwise.

C11.04. The secretary shall be responsible for keeping the minutes of meetings of the congregation and of the Congregation Council and shall preserve Good Shepherd Lutheran Church archives.

C11.05. The treasurer and the financial secretary shall be bonded in such amount as is deemed appropriate by the Congregation Council. The Congregation Council shall divide and define between the treasurer and the financial secretary the duties as custodian of all funds of this congregation except funds that belong to the Good Shepherd Lutheran Church Women of the ELCA and funds under the control and management of the Endowment Council.

Funds held by the treasurer or financial secretary shall be expended and disbursed only in accordance with decisions of the congregation or the Congregation Council. The treasurer and the financial secretary shall present duly audited financial reports to the congregation's annual meeting and such further reports as may be required by the Congregation Council.

C11.06. The Good Shepherd Lutheran Church Women of the ELCA Treasurer shall annually submit an audited financial report to this congregation as directed by the Congregation Council.

**Chapter 12.
CONGREGATION COUNCIL**

C12.01. The membership of the Congregation Council consists of the Senior Pastor as administrator, ex officio and non voting, and nine voting members of the congregation elected by the congregation, none of whom shall be at-large voting members of the Endowment Council. Any voting member of the congregation may be elected to the Congregation Council for staggered terms of three years but may not be reelected to succeed himself or herself. A member's place on the Congregation Council shall be declared vacant if the member a) ceases to be a voting member of this congregation or b) is absent from three successive regular meetings of the Congregation Council without cause.

C12.02. a. Three voting members of the Congregation Council shall be elected at each annual meeting of the congregation by written ballot.

- b. The Congregation Council shall provide for the nomination of not less than one candidates for each office to be filled and names of all such nominees shall be included in the notice of the meeting that is required by this "Constitution and By-Laws." Additional nominations shall be

called for from the floor.

- c. The three nominees that receive the most votes shall be declared elected.

C12.03. Should a member's place on the Congregation Council be declared vacant, the Congregation Council shall elect, by majority vote, a successor to serve out the remainder of the term.

C12.04. The Congregation Council has general oversight of the life and activities of this congregation, and in particular its worship life, to the end that everything be done in accordance with the Word of God and the faith and practice of the Evangelical Lutheran Church in America. The duties of the Congregation Council shall include the following:

- a. To lead this congregation in performing its mission, to do long-range planning, to set goals and priorities, and to evaluate its activities in light of its mission and goals.
- b. To seek to involve all members of this congregation in worship, learning, witness, service, and support.
- c. To oversee and provide for the administration of this congregation to enable it to fulfill its functions and perform its mission.
- d. To maintain supportive relationships with the pastor(s) and staff and help them annually to evaluate the fulfillment of their calling, appointment or employment.
- e. To be examples individually and corporately of the style of life and ministry expected of all baptized persons.
- f. To promote a congregational climate of peace and goodwill, and, as differences and conflicts arise, to endeavor to foster mutual understanding.
- g. To arrange for pastoral service during the sickness or absence of any pastor.
- h. To emphasize partnership with the synod and church wide units of the Evangelical Lutheran Church in America as well as cooperation with other congregations, both Lutheran and non-Lutheran, subject to established policies of the synod and the Evangelical Lutheran Church in America.
- i. To recommend and encourage the use of program resources produced or approved by the Evangelical Lutheran Church in America.
- j. To seek out and encourage qualified persons to prepare for the ministry of the Gospel.

C12.05. The Congregation Council is responsible for the financial and property matters of this congregation except for the funds and property under the control and management of the Endowment Council. To that extent:

- a. The Congregation Council shall be the board of directors of this congregation, and as such shall be responsible for maintaining and protecting its property and the management of its business and fiscal affairs. It has the powers and is subject to the obligations that pertain to such boards under the laws of the State of North Dakota , except as otherwise provided herein.
- b. The Congregation Council shall not have the authority to buy, sell, or encumber real property unless specifically authorized to do so by a meeting of the congregation.
- c. The Congregation Council shall not have the authority to enter into contracts which are in conflict with the budget.
- d. The Congregation Council is responsible for the preparation of an annual budget

for adoption by this congregation, shall supervise the expenditure of funds in accordance therewith following its adoption, and but may not may incur obligations or expend funds in excess of the total budgeted nor in excess of anticipated income unless approved at a special congregation meeting called for that purpose. The budget shall include this congregation's full indicated share in support of the wider ministry being carried on in partnership with the synod and church wide organization.

- e. The Congregation Council shall ascertain that the financial affairs of this congregation are being conducted efficiently, giving particular attention to the prompt payment of all obligations and to the regular forwarding of benevolence monies to the synodical treasurer.
- f. The Congregation Council is responsible for this congregation's investments and its total insurance program.

C12.06. The Congregation Council shall see that the provisions of this "constitution and bylaws" and of the operating policy manual are carried out.

C12.07. The Congregation Council shall provide for an annual review of the membership roster.

C12.08. The Congregation Council shall be responsible for the appointment of and shall provide for the supervision of the salaried lay workers of this congregation.

C12.09. The Congregation Council shall submit a comprehensive report to this congregation at the annual meeting.

C12.10. The Congregation Council shall have its regular meeting each month at a time and date to be determined by the president, unless cancelled by order of the president. Special meetings may be called by a pastor or by the president, and shall be called by the president at the request of five or more members. Notice of each special meeting shall be given to all who are entitled to be present.

C12.11. A quorum for the transaction of business is five voting members of the Congregation Council.

Chapter 13.

CONGREGATION COMMITTEES

C13.01. The officers of this congregation and the pastors shall constitute the *Executive Committee*.

C13.02. An *Audit Committee* of three voting members shall be appointed by the Congregation Council. Audit Committee members shall not be members of the Congregation Council. Term of office shall be three years, with one member elected each year. Members shall be eligible for reappointment.

C13.03. When a pastoral vacancy occurs, the Congregation Council shall research alternatives and make recommendations to the congregation. When so indicated, a *Call Committee* of six or more voting members shall be appointed by the Congregation Council. Term of office will terminate upon installation of the newly called pastor.

C13.04. The Congregation Council is directed to create such additional regular or ad hoc committees as may be necessary for the efficient functioning of this congregation. One of the pastors shall always be designated as advisor to any committee created.

C13.05. The function and membership of each committee shall be prescribed in the Operating Policy Manual and may be altered as circumstances warrant. Membership on regular committees shall ordinarily include one or more members of the Congregation Council.

Chapter 14.

ORGANIZATIONS WITHIN THE CONGREGATION

Constitution and By-Laws, 1/16/2005

C14.01. All organizations within this congregation shall exist to aid it in ministering to the members of this congregation and to all persons who can be reached with the Gospel of Christ. As outgrowths and expressions of this congregation's life, the organizations are subject to its oversight and direction. This congregation at its meetings from time to time shall determine their policies, guide their activities, and receive reports concerning their membership, work, and finances.

C14.02. Special interest groups, other than those of the official organizations of the Evangelical Lutheran Church in America, may be organized only after authorization has been given by the Congregation Council and specified in the Policy Manual.

Chapter 15.

DISCIPLINE OF MEMBERS AND ADJUDICATION

***C15.01.** Denial of the Christian faith as described in this "constitution conduct grossly unbecoming a member of the Church of Christ, or persistent trouble-making in this congregation are sufficient cause for discipline of a member. Prior to disciplinary action, reconciliation will be attempted following Matthew 18:15-17, proceeding through these successive steps: a) private admonition by the pastor, b) admonition by the pastor in the presence of two or three witnesses, and c) citation to appear before the Congregation Council. If for any reason, the pastor is unable to administer the admonitions required by a. and b. hereof, the president (if not the pastor) or vice president shall administer such admonitions.

***C15.02.** The process for discipline of a member of the congregation shall be governed as prescribed by the chapter on discipline in the *Constitution, Bylaws, and Continuing Resolutions of the Evangelical Lutheran Church in America*. A member charged with the offense shall appear before the Congregation Council after having received a written notice, at least ten days prior to the meeting, specifying the exact charges that have been made against the member. If the member charged with the offense fails to appear at the scheduled hearing, the Congregation Council may proceed with the hearing and may pass judgment in the member's absence.

***C15.03.** Members of the Congregation Council who participate in the preparation of the written charges or who present evidence or testimony in the hearing before the Congregation Council are disqualified from voting upon the question of the guilt of the accused member. Should the allegations be sustained by a two-thirds majority vote of the members of the Congregation Council who are not disqualified but who are present and voting, and renewed admonition prove ineffectual, the council shall impose one of the following disciplinary actions:

- a. censure before the council or congregation;
- b. suspension from membership for a definite period of time; or
- c. exclusion from membership in this congregation.

Disciplinary actions b. and c. shall be delivered to the member in writing.

***C15.04.** The member against whom disciplinary action has been taken by the Congregation Council shall have the right to appeal the decision to the Synod Council. Such right may not be abridged and the decision of the Synod Council shall be final.

***C15.05.** Disciplinary actions may be reconsidered and revoked by the Congregation Council upon receipt of a) evidence that injustice has been done or b) evidence of repentance and amendment.

***C15.06.** For disciplinary actions in this congregation, "due process" shall be observed as specified in

20.41.03. in the *Constitution, Bylaws, and Continuing Resolutions of the Evangelical Lutheran Church in America*.

*C15.07. No member of a congregation shall be subject to discipline for offenses that the Congregation Council has previously heard and decided, unless so ordered by the Synod Council after an appeal.

*C15.08. **Adjudication**

*C15.09. When there is disagreement among factions within this congregation on a substantive issue that cannot be resolved by the parties, members of this congregation shall have access to the synodical bishop for consultation after informing the chair of the Congregation Council of their intent. If the consultation fails to resolve the issue(s), the Consultation Committee of the synod shall consider the matter. If the Consultation Committee of the synod shall fail to resolve the issue(s), the matter shall be referred to the Synod Council, whose decision shall be final.

**Chapter 16.
BYLAWS**

*C16.01. This congregation may adopt bylaws. No bylaw may conflict with this constitution.

*C16.02. Bylaws may be adopted or amended at any legally called meeting of this congregation with a quorum present by a majority vote of those voting members present and voting.

*C16.03. Changes to the bylaws may be proposed by any voting member provided, however, that such additions or amendments be submitted in writing to the Congregation Council at least 60 days before a regular or special Congregation Meeting called for that purpose and that the Congregation Council notify the members of the proposal with its recommendations at least 30 days in advance of the Congregation Meeting.

*C16.04. Approved changes to the bylaws shall be sent by the secretary of this congregation to the synod.

**Chapter 17.
AMENDMENTS**

*C17.01. Amendments to this constitution may be proposed by at least three voting members or by the Congregation Council. Proposals must be filed in writing with the Congregation Council 60 days before formal consideration by this congregation at its regular or special meeting called for that purpose. The Congregation Council shall notify the members of the proposal with the council's recommendations at least 30 days in advance of the meeting.

*C17.02. A proposed amendment to this constitution shall:

- a. be approved at a legally called meeting according to this "constitution by a majority vote of those present and voting;
- b. be ratified without change at the next annual meeting by a two-thirds majority vote of those present and voting; and
- c. have the effective date included in the resolution⁴³ and noted in the constitution .

*C17.03. Any amendments to this constitution shall be sent by the secretary of this congregation to the

4 Such an effective date must be stated in relation to the requirements of *C17.03. to allow time for synodical review of the amendment.

synod. The amendment shall become effective within 120 days from the date of the receipt of the notice by the synod unless the synod informs this congregation that the amendment is in conflict with the constitution and bylaws of the Evangelical Lutheran Church in America or the constitution of the Western North Dakota Synod, of the ELCA.

- *C17.04.** Whenever the *Model Constitution for Congregations* is amended by the Churchwide Assembly, this constitution may be amended to reflect any such amendment by a simple majority vote at any subsequent meeting of the congregation without presentation at a prior meeting of the congregation, provided that the Congregation Council has submitted by mail notice to the congregation of such an amendment or amendments at least 30 days prior to the meeting. Following the adoption of an amendment, the secretary of the congregation shall submit a copy thereof to the synod, consistent with *C17.03.

Chapter 18.

CONTINUING RESOLUTIONS

- *C18.01.** The Congregation Council may enact continuing resolutions. Such continuing resolutions may not conflict with the constitution or bylaws of this congregation.
- *C18.02.** Continuing resolutions shall be enacted or amended by a two-thirds vote of all voting members of the Congregation Council.

Chapter 19.

INDEMNIFICATION

- *C19.01.** Consistent with the provisions of the laws under which this congregation is incorporated, this congregation may adopt provisions providing indemnification for each person who, by reason of the fact that such person is or was a Congregation Council member, Endowment Council member, officer, employee, agent, or other member of any committee of this congregation, was or is threatened to be made a party to any threatened, pending, or completed civil, criminal, administrative, arbitration, or investigative proceeding.

Chapter 20.

PARISH AUTHORIZATION

[Required provisions when congregation is part of a parish]*

- *C20.01.** This congregation may unite in partnership with one or more other congregations recognized by the synod named in *C6.01. to form a parish. Except as provided in *C20.02. and *C20.03., a written agreement, developed in consultation with the synod and approved by the voting members of each congregation participating in the parish, shall specify the powers and responsibilities that have been delegated to a Parish Council.
- *C20.02.** Whenever a letter of call is being recommended for extension to an ordained minister of the Evangelical Lutheran Church in America or a candidate for the roster of ordained ministers who has been recommended to the congregation by the synodical bishop to serve the congregations of a parish, such letter of call shall be first approved by a two-thirds vote at congregational meetings of each of the congregations forming the parish. If any congregation of the parish should fail to approve extending this call, the other congregation(s) in the same parish shall have the right to terminate the parish arrangement.
- *C20.03.** Any one of the congregations of a parish may terminate the call of a pastor as provided in §14.13.d. of the synodical constitution of the synod named in *C6.01. In such case, the other congregation(s) in the same parish shall have the right to terminate the parish arrangement.

Chapter 21.

OPERATING POLICY MANUAL

C21.01 The Congregation shall adopt an Operating Policy Manual containing written policies relating to the functions and membership of the various committees and organizations of this congregation and relating to all specific standard operating procedures of continuing concern to the functions and ministry of this congregation.

C21.02. The procedure described in any of the Operating Policies may be amended by majority vote of the Congregation Council as the circumstances may require.

Chapter 22

MISSION ENDOWMENT FUND AND MEMORIAL FUND

C22.01 A Mission Endowment Fund shall be maintained to receive and administer funds and property given to this congregation through gifts, bequests, wills and the like to enable the further growth of this congregation's ministries, stewardship, activities and projects beyond the operating budget of this congregation.

C22.02 The Mission Endowment Fund shall be invested, administered and distributed in the manner and for the purposes as are stated in this chapter. The Mission Endowment Fund shall receive all donations, gifts, and contributions which (1) are designated by the donor to be deposited in the Mission Endowment Fund or (2) are not designated by the donor to be used for a specific purpose and are not otherwise used or appropriated by the Congregation Council within sixty (60) days of receipt. The principal of the Mission Endowment Fund shall be retained in perpetuity and only the income, as defined in this chapter, shall be used.

C22.03 A separate Memorial Fund shall be maintained to receive all donations, gifts, and contributions which are designated by the donor for a specific purpose. Designated gifts will be accepted and used for the purpose intended, if at all possible. If the Endowment Council determines that the gift will not or cannot be used for the purpose given, the donor will be contacted, and approval to use the gift for undesignated purposes will be solicited. With approval from the Congregation Council, any funds or property received into the Memorial Fund which is not or cannot be used for the designated purpose shall be transferred into the Mission Endowment Fund.

C22.04 The Endowment Council shall be the custodian of the Mission Endowment Fund and the Memorial Fund.

- a. The membership of the Endowment Council shall consist of the church administrator, who shall be ex officio and non-voting, one of the pastors of the congregation, the president or another member of the Congregation Council and nine at-large voting members of the congregation elected by the congregation. Each at-large member of the congregation shall be elected to the Endowment Council for staggered terms of three years but may not be reelected to succeed him or herself for more than two consecutive terms.
- b. Three at-large voting members of the Endowment Council shall be elected at each annual meeting of the congregation by written ballot. The Endowment Council shall provide for the nomination of

not less than one candidate for each office to be filled and names of all such nominees shall be included in the notice of the meeting that is required by the "Constitution and By-Laws." Additional nominations shall be called for from the floor. The three nominees that receive the most votes shall be declared elected.

- c. A member's place on the Endowment Council shall be declared vacant if the member a) ceases to be a voting member of this congregation, b) resigns, c) is absent from four successive regular meetings of the Endowment Council without cause or d) is removed by a majority vote of membership voting at a legally called congregational meeting.
- d. Should a member's place on the Endowment Council be declared vacant, the Endowment Council shall elect, by majority vote, a successor to serve out the remainder of the term.
- e. The Endowment Council may appoint non-voting ad hoc members to the Endowment Council.
- f. No Endowment Council member shall receive any compensation but may be reimbursed from the income of the Mission Endowment Fund for expenses reasonably incurred.
- g. The Endowment Council may establish such subcommittees as deemed necessary to fulfill its obligations. All subcommittees at all times shall be subject to the control and direction of the Endowment Council.

C22.05 The Endowment Council shall elect from its at-large members, as officers of the Endowment Council, a chairperson, secretary, and treasurer.

- a. These officers shall be elected at the first Endowment Council meeting following the annual congregation meeting, and the officers shall serve a term of one year but may be reelected.
- b. The chairperson shall preside over the meetings of the Endowment Council. The chairperson, or another member designated by the chairperson, shall send gift acknowledgments to donors of the Mission Endowment Fund and the Memorial Fund.
- c. The secretary shall keep an accurate record of all Endowment Council proceedings and shall correspond as directed by the Endowment Council chairperson.
- d. The treasurer shall supervise all income, investments, and disbursements for the Mission Endowment Fund and the Memorial Fund. The treasurer shall be bonded in such amount as is deemed appropriate by the Congregation Council. Funds held by the treasurer shall be expended and disbursed only in accordance with decisions of the Endowment Council as approved, if necessary, by the Congregation Council. The treasurer shall present duly reviewed financial reports to the congregation's annual meeting and such further reports as may be required by the Endowment Council or Congregation Council.
- e. An at-large Endowment Council member may not serve concurrently on the Congregation Council.

C22.06 The Endowment Council shall hold regular, quarterly meetings at a time and place to be determined by the Endowment Council, and more frequently as it may be deemed necessary by the Endowment Council.

- a. Special meetings may be called by the Endowment Council chairperson or any two of its members on 24 hours written or oral notice to the Endowment Council members. The

notice for each special meeting shall specify the purpose for which it is to be held. No other business shall be transacted.

- b. A quorum for the transaction of business shall be five voting members of the Endowment Council. The affirmative vote of a majority of the present and voting members shall carry any motion or resolution.

C22.07 The funds and property in the Mission Endowment Fund and the Memorial Fund shall be invested and kept in safekeeping only in such places as shall be approved by the Endowment Council, in accordance with the investment guidelines set forth in this chapter. All assets shall be invested with the care, skill and diligence that a prudent person acting in this capacity would undertake.

- a. The funds and property in the Memorial Fund shall be invested for the purpose of achieving competitive returns without exposure to undue risk, while at the same time keeping such funds and property readily accessible for the specific purposes designated by the donor.
- b. The funds and property in the Mission Endowment Fund shall be invested for the exclusive, long-term purpose of achieving competitive returns without exposure to undue risk, as defined in this chapter. Whereas it is understood that fluctuating rates of return are characteristic of the securities markets, the Endowment Council's focus should be long-term appreciation of assets, promotion of programs supported by the congregation and consistency of total portfolio returns.
- c. When the balances of the Mission Endowment Fund and the Memorial Fund collectively exceed \$1,000,000, no more than one-half of the funds and property may be invested with any single institution.
- d. The following investment allocation restrictions shall apply to the Mission Endowment Fund once its balance exceeds \$500,000

	Minimum	Target	Maximum
1) Cash and cash equivalents	0%	5%	15%
2) Fixed Income	30%	40%	70%
3) Equities	30%	55%	70%
4) International Equities	0%	0%	7%

- e. The Endowment Council should maintain equity investments at a risk level roughly equivalent to that of the equity market as a whole. Equity holdings may be selected from the New York, American and Regional Stock Exchanges or the NASDAQ markets. The Endowment Council is prohibited from investing in private placements, letter stock, and options; or from engaging in short sales, margin transactions or other specialized investment activities. No assets will be invested in securities who issuers have filed a

petition for bankruptcy. Individual holdings shall not exceed 5% of the Mission Endowment Fund's or the Memorial Fund's respective equity portfolios.

- f. The Endowment Council may maintain an International equity portfolio of individual publicly traded equity securities or an International Mutual Fund consisting of companies domiciled outside of the United States, primarily in countries included in the MSCI EAFE Index, representing industrialized nations. Investments may include foreign traded securities as well as American Depository Receipts (ADRs). The International Equities portion of the portfolio will be reported and measured against the market as represented by the MSCI EAFE Index. The Endowment Council is prohibited from investing in private placements, letter stock, and options; or from engaging in short sales, margin transactions or other specialized investment activities. No assets will be invested in securities whose issuers have filed a petition for bankruptcy. Individual holdings shall not exceed 5% of the Mission Endowment Fund's or the Memorial Fund's respective equity portfolios.

- g. Investments in fixed income securities may be managed actively to pursue opportunities presented by changes in interest rates, credit ratings, and maturity premiums. The Endowment Council may select from appropriately liquid preferred stocks, corporate debt securities, obligations of the U.S. Government and its agencies, certificates of deposits, and securities convertible to equities. These investments will be subject to the following limitations:
 - 1) Investments in securities of a single issuer (with the exception of the U.S. Government, its agencies and Federally Insured Certificates of Deposit) shall not exceed 10% of the market value of the Mission Endowment Fund's or the Memorial Fund's respective fixed income portfolios.
 - 2) Only corporate issues that meet or exceed a credit rating of A from Standard and Poor's and/or an A rating from Moody's, may be purchased. Any corporate issue downgraded below these standards shall be brought to the attention of the Endowment Council. Approval from the Congregation Council must be obtained in order to hold any such issue.
 - 3) Preferred stocks must be rated A or better by Moody's and/or Standard and Poor's at the time of purchase.

The Endowment Council shall be prohibited from investing in private placements, and from speculating in fixed income or interest rate futures. No derivative instruments or strategies which make use of derivatives which would cause the Mission Endowment Fund or the Memorial Fund portfolios to be in any way leveraged may be used.

- h. The Endowment Council may invest in commercial paper, repurchase agreements, Treasury Bills, certificates of deposit, and money market funds to provide income, liquidity for expense payments, and preservation of the Mission Endowment Fund's and the Memorial Fund's principal values. Commercial paper assets must be rated A1/A2 or P1/P2 by Standard & Poor's and Moody's, respectively. The Endowment Council may not purchase short-term financial instruments considered to contain speculative characteristics (uncertainty of principal and/or interest). The Endowment Council also may not invest more than 10% of the Mission

Endowment Fund's or the Memorial Fund's respective market values in the obligations of a single issuer, with the exception of the U.S. Government and its agencies' certificate of deposits. Un-invested cash reserves should be kept to minimum levels.

- i. The Endowment Council will not purchase or retain donated assets without unanimous written consent of the voting members of the Endowment Council. Investments in options or futures contracts are also prohibited. Securities of foreign companies traded on foreign stock exchanges and investments not specifically addressed in this chapter may be purchased only with approval of the Congregation Council.

C22.08

The income of the Mission Endowment Fund shall be used for ministries, stewardship, activities and projects, beyond the operating budget of this congregation, that will further the religious or charitable purposes of Good Shepherd Lutheran Church, in accordance with the following granting guidelines.

- a. The Endowment Council shall determine the market value of the Mission Endowment Fund as of September 30 in each calendar year. The Endowment Council shall then compute an average market value, based upon the three most recent September 30 market value determinations, and may then distribute up to ten percent (10%) of that average market value during the following calendar year for such ministries, stewardship, activities and projects. The Endowment Council should strive to distribute five percent (5%) of the average market value each year, but may distribute more or less depending on the performance of the Mission Endowment Fund and availability of worthy ministries, stewardship, activities and projects acceptable to the Endowment Council. The total amount of anticipated distributions shall be incorporated into a budget and presented to the congregation at the annual meeting. For purposes of the Mission Endowment Fund, the percentage of average market value budgeted by the Endowment Council for distribution, and approved by the congregation, shall be deemed income.
- b. The Endowment Council shall establish a formal granting process whereby the pastors, staff, Congregation Council and members of Good Shepherd Lutheran Church can submit requests, for consideration by the Endowment Council, for such distributions from the Mission Endowment Fund.
- c. Grant requests must meet the following criteria:
 - 1) The requests must be sponsored by a member of Good Shepherd Lutheran Church.
 - 2) The requests may not be for activities or projects that are a part of the normal operating budget for Good Shepherd Lutheran Church.
 - 3) The requests must be for a one-time funding for an activity or to establish a project, and not for an on-going commitment.
 - 4) Grants to persons or agencies outside of Good Shepherd Lutheran Church should be for new programs, and not for normal operating budgets.
- d. All grant requests and distributions from the Mission Endowment Fund authorized by the Endowment Council must be approved, prior to any payments, by the Congregation Council; however, notwithstanding any other provisions to the contrary in this chapter, the Endowment Council does not need to obtain approval from the Congregation Council for any disbursement.

payment or other transfer of Mission Endowment Fund assets in an amount less than \$1,000.

- e. All checks and other documents transferring or expending any funds or assets of the Mission Endowment Fund shall be executed by the treasurer and the chairperson of the Endowment Council; however, all checks and other documents transferring or expending any funds or assets of the Mission Endowment Fund for distributions requiring approval from the Congregation Council shall be executed by the chairman of the Endowment Council and the president of the Congregation Council.

C22.09 The Endowment Council and the pastors and any staff of Good Shepherd Lutheran Church may distribute portions of the Memorial Fund at such times as reasonable or necessary to fulfill the specific purposes of the respective donors; however, all checks and other documents transferring or expending any funds or assets of the Memorial Fund in an amount of \$2,500 or more shall be executed by the treasurer and the chairperson of the Endowment Council.

C22.10 All funds and property in the Mission Endowment Fund and the Memorial Fund shall be kept and maintained separate, distinct, and independent from the other funds and property belonging to the church. The Endowment Council may manage other church funds or property upon request from the Congregation Council. The Endowment Council shall maintain accounts with such financial institutions as it may by resolution authorize and determine.

C22.11 The Endowment Council shall maintain complete and accurate books of accounts and may employ such professional help as it deems necessary.

C22.12 The Endowment Council shall, at each annual congregation meeting, render a full and complete account of the administration of the Mission Endowment Fund and Memorial Fund during the preceding year.

C22.13 The Endowment Council shall maintain a high degree of communication with the Congregation Council, other organizations within Good Shepherd Lutheran Church, and members of the congregation to nurture the total life and mission of the church and of the Memorial Fund and Mission Endowment Fund..

C22.14 No member of the Endowment Council shall engage in any self-dealing or transactions with the Mission Endowment Fund or the Memorial Fund, and members shall at all times refrain from any conduct in which their personal interest would conflict with the interests of those Funds.

C22.15 The Endowment Council shall not be liable for any losses which may be incurred upon investments of the Mission Endowment Fund or the Memorial Fund except to the extent that such loss shall have been caused by bad faith or gross negligence of the committee members. No member who acts in good faith and with ordinary prudence in discharging the duties of the office shall be personally liable. A committee member shall be liable only for his or her willful misconduct or omissions in bad faith. No committee member shall be liable for the acts or omissions of any other committee member, or of any accountant, agent, attorney, or custodian selected with reasonable care.

C22.16 To the extent consistent with this constitution, the Endowment Council shall have all powers and authority necessary to carry out the purposes of the Mission Endowment Fund and Memorial Fund, including the following:

- a. To take, have and hold on behalf of this congregation, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to handle, manage and control the Funds, or any part thereof, as they in their judgment and discretion shall deem wise and prudent;
- b. To retain any property in the form in which received; to convert and reconvert the Funds, or any part thereof, into other kinds and forms of property whether real, personal or mixed; and to invest or reinvest the Funds or assets therein, or any part thereof, as they shall deem wise and prudent, including in such common or preferred stocks, bonds, debentures, mortgages, notes or other securities, investments, or property whether real or personal, which they in their absolute discretion may select or determine, and including without limitation, savings deposits of any bank, mutual savings bank, federal home loan bank or savings and loan association, or in any common trust fund, mutual fund, or any like fund, subject to the usual standards of prudence required of trustees of similar funds;
- c. To receive the income, profits, rents and proceeds of the Funds and pay all administrative and necessary expenses in connection with them. Expenses are to be paid from the Funds' income;
- d. To make, execute and deliver all instruments necessary or proper for the accomplishment of the purposes of the Funds or of any of the foregoing powers, including deeds, bills of sale, transfers, leases, mortgages, assignments, conveyances, contracts, purchase agreements, waivers, releases, and settlements;
- e. To contribute, donate, support, or distribute, from time to time, for the purposes herein stated, such payments or amounts as the Endowment Council in its discretion shall determine consistent, so far as practicable, with the recommendations of this congregation as to the use of Funds' income;
- f. To determine what is principal and income according to accounting procedures;
- g. To hold investments in the name of Good Shepherd Lutheran Church on behalf of this congregation and to sign checks and all other necessary documents on behalf of this congregation in furtherance of the Funds' purposes;
- h. To employ and reasonably compensate, from the Funds' income, accountants, agents, and attorneys to assist and advise in the execution of the Funds, without liability for their omissions or neglect, but using reasonable care in their selection, and to rely on the advice of the persons so employed. The Endowment Council may employ, at the expense of the Funds' income, such professional counseling on investments and legal matters as it deems to be for the best interests of the Funds;
- i. To administer the funds and property of the Mission Endowment Fund, the Memorial Fund, and any other funds or property held by the Endowment Council as a single fund, so long as the committee records at all times accurately reflect the receipts and disbursements properly allocable to each fund and the property in each fund.

- j. The Endowment Council, on behalf of the congregation, may, in its discretion, accept grants, contributions, and bequests made in fee or in trust and shall use the accepted grants, contributions, and bequests, or the proceeds hereof and the income there from, for the purposes of the Funds;
- k. The Endowment Council shall have no obligation to determine the value of any non-cash gift;
- l. The Endowment Council may reject any gift; and
- m. The Endowment Council may, upon a two-thirds majority vote of those voting members present and voting at a legally called congregation meeting, loan some or all of the principal of the Funds to the congregation, with or without interest, upon terms acceptable to the Endowment Council and Congregation Council.

C22.17 Any gifts given to the Mission Endowment Fund or Memorial Fund, as well as all income derived therefrom, shall be used exclusively for religious, charitable and education purposes in accordance with Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law. The Mission Endowment Fund and Memorial Fund are created, and shall be operated, exclusively for church purposes. No part of the income or property of either Fund shall inure to the benefit of, or be distributable to, any member, director or officer of the church or to any other private person, except that the Endowment Council is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein. No part of the activities of either Fund shall be the carrying on of propaganda or otherwise attempting to influence legislation, and it shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, neither the Mission Endowment Trust Fund nor the Memorial Fund shall (a) carry on any activities not permitted to be carried on by an entity exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law or (b) do any act which would render contributions to the Funds non-deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law.

C22.18 The Mission Endowment Fund and Memorial Fund may be dissolved in accordance with the laws of the State of North Dakota. Upon dissolution of either Fund, and after payment of all liabilities, obligations, costs and expenses incurred by such Fund, any remaining assets shall be distributed to such entities organized and operated exclusively for one or more purposes described in Sections 170(c) (2) and 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law.

Be it further resolved, that until the foregoing amendment to the constitution of this congregation has been approved and ratified by the congregation and the Western North Dakota Synod, as set forth in the constitution, the Congregation of Good Shepherd Lutheran Church, Bismarck, North Dakota, hereby establishes a Mission Endowment Fund and Memorial Fund, adopts the foregoing Chapter 22 as a Bylaw of this congregation to serve as a

guideline for the investment, administration and distribution of the Mission Endowment Fund and Memorial Fund and establishes an endowment committee to serve in the role of the Endowment Council as provided in said Chapter 22.