

**CONSTITUTION FOR
GRACE LUTHERAN CHURCH
COVINA, CALIFORNIA**

Last Review and Revision: October 4, 2006

Approved by congregational vote: November 19, 2006

PREAMBLE**

We, baptized members of the Church of Christ, 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 solemnly pledge ourselves to be governed by its provisions. In the name of the Father and of the Son and of the Holy Spirit.

**Chapter 1.
NAME AND INCORPORATION**

- C1.01.** The name of this congregation shall be Grace Lutheran Church of Covina.
- C1.02.** For the purpose of this constitution and the accompanying bylaws, the congregation of Grace Lutheran Church of Covina is hereinafter designated as "this congregation."
- C1.11.** This congregation shall be incorporated under the laws of the State of California.

**Chapter 2.
CONFESSIONS 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.

* Items marked with an asterisk are required constitutional provisions as designated by the national church office of the Evangelical Lutheran Church in America.

- 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 the sick and the aged, advocating dignity and justice 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 churchwide organization of the Evangelical Lutheran Church in America.
 - i. Foster and participate in ecumenical relationships consistent with churchwide policy.
- *C4.04.** This congregation shall develop an organizational structure to be described in the bylaws. The Congregation Council shall prepare descriptions of responsibilities of each committee, task force, or other organizational group and shall review their actions.
- *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. adopt amendments to the constitution, as provided in Chapter 17, and amendments to the bylaws, as specified in Chapter 16;
 - e. approve the annual budget;
 - f. acquire real and personal property by gift, devise, purchase, or other lawful means;

- g. hold title to and use its property for any and all activities consistent with its purpose;
- h. sell, mortgage, lease, transfer, or otherwise dispose of its property by any lawful means;
- i. elect its Congregation Council, boards, and committees, and require them to carry out their duties in accordance with the constitution and bylaws; 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 Southwest California 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 Southwest California 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 this 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.
- ***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 Southwest California 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 another Lutheran church body, it shall consult with representatives of the Southwest California 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 provision 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 Christian 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 of this congregation.
- *C8.03.** All applications for confirmed membership shall be submitted to and shall require the approval of the Congregation Council.
- *C8.04.** 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.
- C8.05.** 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

- *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
 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 Southwest California 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, thirty 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 lay person.
- 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 the 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 before beginning service in a call to another congregation or employment in another ministry setting related to the Evangelical Lutheran Church in America.
- *C9.09.** When a pastor is called to serve 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.
- *C9.11.** 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.
- *C9.12.** 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.

- ***C9.13.** The pastor(s) shall submit a report of his or her ministry to the bishop of the synod at least ninety days prior to each regular meeting of the Synod Assembly.
- ***C9.14.** The parochial records of this congregation shall be maintained by the pastor and shall remain the property of the congregation. The secretary of this congregation shall attest in writing to the bishop of this synod that such records have been placed in his or her hands in good order by a departing pastor before the installation of that pastor in another field of labor or the granting by the synod of retired status to the pastor.

Chapter 10.

CONGREGATION MEETING

- C10.01.** The annual meeting of this congregation shall be held at a time specified in the bylaws.
- C10.02.** A special Congregation Meeting may be called by the pastor, the Congregation Council, or the president of this congregation, and shall be called by the president of the congregation upon the written request of ten percent of 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 given at the services of worship on the preceding two consecutive Sundays and by mail to all members at least ten days in advance of the date of the meeting. The posting of such notice in the regular mail, with the regular postage affixed or paid, sent to the last known address of such members shall be sufficient.
- C10.04.** Ten percent 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 except as otherwise provided in this constitution.
- C10.07.** Robert's Rules of Order, latest edition, shall govern parliamentary procedure of all meetings of this congregation.

Chapter 11.

OFFICERS

- C11.01.** The officers of this congregation shall be a president, vice-president, secretary, and treasurer.
 - a) Duties of the officers shall be specified in the bylaws.
 - b) The officers shall be voting members of the congregation.

- c) Officers of this congregation shall serve similar offices of the Congregation Council and shall be voting members of the Congregation Council.
- d) If the Congregation Council elects its officers, the president, vice-president, secretary, and treasurer shall be selected from the elected membership of the Congregation Council. If the treasurer is not selected from the elected membership of the Congregation Council, the treasurer shall have voice but not vote at the meetings of the Congregation Council.

C11.02. The congregation shall elect its officers and they shall be the officers of the congregation. The officers shall be elected by written ballot and shall serve for one term or until their successors are elected. Their terms shall begin January 1 of the year following their election.

C11.03. No officer shall hold more than one office at a time. No elected officer shall be eligible to serve more than two consecutive terms in the same office.

Chapter 12.

CONGREGATION COUNCIL

C12.01. The voting membership of the Congregation Council shall consist of the pastor(s) and not more than eight members of the congregation, including the officers of the congregation. Any voting member of the congregation may be elected, subject only to the limitation on the length of continuous service permitted in that office. 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. The members of the Congregation Council except the pastor(s) shall be elected by written ballot to serve for two years or until their successors are elected. Such members shall be eligible to serve no more than two full terms consecutively in any one council position. Their terms shall begin January 1 of the year following their election.

C12.03. Should a member's place on the Congregation Council be declared vacant, the Congregation Council shall elect, by majority vote, a successor until the next annual meeting. Individuals who have served less than one year shall be eligible for nomination and possible election to a full term of office

C12.04. The Congregation Council shall have 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 stating 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 the pastor.
- h. To emphasize partnership with the synod and churchwide organization 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 shall be responsible for the financial and property matters of this congregation.

- 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 shall have the powers and be subject to the obligations that pertain to such boards under the laws of the State of California, 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 may enter into contracts of up to \$2,500.00 for items not included in the budget.
- d. The Congregation Council shall prepare an annual budget for adoption by this congregation, shall supervise the expenditure of funds in accordance therewith following its adoption, and may incur obligations of more than \$2,500.00 in excess of the anticipated receipts only after approval by a Congregation Meeting. 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 churchwide 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 shall be 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 its bylaws 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 employment and supervision of the salaried lay workers of this congregation.
- C12.09.** The Congregation Council shall submit a comprehensive report to the congregation annually.
- C12.11.** The Congregation Council shall normally meet once a month. Special meetings may be called by the pastor or the president, and shall be called by the president at the request of at least three of its members. Notice of each special meeting shall be given to all who are entitled to be present.
- C12.12.** A quorum for the transaction of business shall consist of a majority of the members of the Congregation Council, including the pastor or interim pastor, except when the pastor or interim pastor requests or consents to be absent and has given prior approval to the agenda for a particular regular or special meeting, which shall be the only business considered at that meeting. Chronic or repeated absence of the pastor or interim pastor who has refused approval of the agenda of a subsequent regular or special meeting shall not preclude action by the Congregation Council, following consultation with the synodical bishop.

Chapter 13.

CONGREGATION COMMITTEES

- C13.01.** The officers of this congregation and the pastor shall constitute the **Executive Committee**.
- C13.02.** A **Nominating Committee** of six voting members of this congregation, two of whom, if possible, shall be outgoing members of the Congregation Council, shall be elected at the annual meeting for a term of one year. Members of the Nominating Committee are not eligible for consecutive re-election.

- C13.03.** An **Audit Committee** of three voting members shall be elected 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 re-election.
- C13.04.** A **Mutual Ministry Committee** shall be appointed jointly by the president and the pastor. Term of office shall be two years, with three members to be appointed each successive year.
- C13.05.** When a pastoral vacancy occurs, a **Call Committee** of six voting members shall be elected by the Congregation Council. Term of office will terminate upon installation of the newly called pastor.
- C13.06.** Other committees of this congregation may be formed as the need arises by decision of the Congregation Council.
- C13.07.** Duties of committees of this congregation shall be specified in the bylaws.
- C13.08.** The senior pastor of this congregation shall be ex officio a member of all committees and boards of the congregation. The president of this congregation shall be ex officio a member of all committees and boards of the congregation, except the Nominating Committee.

Chapter 14.

ORGANIZATIONS WITHIN THE CONGREGATION

- 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 meeting 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.

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 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*. If discipline against a member proceeds beyond counseling and admonition by the pastor, charges against the accused member(s) that are specific and in writing shall be prepared by member(s) of the congregation who shall sign the charges as the accuser(s). The written charges shall be filed with the pastor, who shall advise the Congregation Council of the need to issue a written citation to the accused and the accusers that specifies the time and place of the hearing before the Congregation Council. The written charges shall accompany the written citation to the accused. A member charged with the offense shall appear before the Congregation Council after having received a written citation, at least ten days prior to the meeting. 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 20.41.04. 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.
- *C15.10. **Adjudication**
- *C15.11. 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 sixty days before a regular or special Congregation Meeting called for that purpose and that the Congregation Council notify the congregation's members by mail of the proposal with the council's recommendations at least thirty 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. Those sections of this constitution that are not required, in accord with the *Model Constitution for Congregations of the Evangelical Lutheran Church in America*, may be amended in the following manner. Amendments may be proposed by at least ten voting members or by the Congregation Council. Proposals must be filed in writing with the Congregation Council sixty days

before formal consideration by this congregation at a regular or special Congregation Meeting called for that purpose. The Congregation Council shall notify the congregation's members by mail of the proposal together with the council's recommendations at least thirty days in advance of the meeting.

- *C17.02.** An amendment to this constitution, proposed under *C17.01., shall:
- a. be approved at a legally called Congregation 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 resolution and noted in the constitution.
- *C17.03.** Any amendments to this constitution that result from the processes provided in *C17.01. and *C17.02. shall be sent by the secretary of this congregation to the synod. The amendment shall become effective within one hundred and twenty days from the date of 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 Southwest California Synod of the Evangelical Lutheran Church in America.
- *C17.04.** Whenever the *Model Constitution for Congregations* is amended by the Churchwide Assembly, this constitution may be amended to incorporate any such amendment by a simple majority vote of those voting members present and voting 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, together with the council's recommendations at least thirty days prior to the meeting. Following the adoption of an amendment, the secretary of the congregation shall submit a copy thereof to the synod. Such provisions shall become effective immediately following a vote of approval.

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, 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.

BYLAWS

Part I

Communion Participation (cf. Chapter 2)

- P1.01.** Participation in Holy Communion requires sincere repentance, faith in Jesus Christ, and an earnest desire to amend one's sinful life, as well as acceptance of the teaching regarding the real presence of Christ with His Body and Blood in the Sacrament. Registration forms or oral announcements shall be devised as to make prospective participants aware of these requirements.
- P1.02.** Records of participation in Holy Communion shall be entered upon the books of this congregation. If a member of another congregation communes, notice shall be sent to his/her pastor.

Part 2

Membership (cf. Chapter 8)

- P2.01.** Admission to baptized membership:
- a. Children whose parent(s) or guardian(s) are members of this congregation, shall, upon receiving Christian baptism, be received as baptized members of this congregation.
 - b. Children whose parent(s) or guardian(s) are not members of this congregation, shall, upon Christian baptism be received as baptized members of this congregation unless they are to be enrolled as baptized members of another congregation. Notice of the baptism shall be sent to that congregation.
 - c. Children baptized in other congregations shall be received as baptized members of this congregation upon the admission to membership, or by consent, of a parent or guardian or by action of the Congregation Council.
 - d. Unbaptized adults who have received instruction and given evidence of an adequate understanding and acceptance of the Confession of Faith (cf. Chapter 2) shall, upon Christian baptism, be received as baptized members of this congregation.
- P2.02.** Admission to confirmed membership
- a. Baptized adults who have received instruction and given evidence of an adequate understanding and acceptance of the Confession of Faith (cf.

Chapter 2) shall be admitted to confirmed membership through the Affirmation of Faith.

- b. Adults received as baptized members according to the provisions of P2.01.d. shall be recognized as confirmed members.
- c. Children who are baptized members of the congregation shall be admitted to confirmed membership through participation in the Rite of Confirmation.
- d. Applicants for membership presenting Letters of Transfer showing them to be confirmed members in good standing in other Lutheran congregations shall be admitted to confirmed membership upon acceptance of their Letter of Transfer by the Congregation Council and the report of their names to the congregation.

P2.03. Admission to voting membership

- a. The Congregation Council shall be responsible for determining the voting membership in accordance with the qualifications specified in the constitution (cf. C8.02.) and the bylaws. Any negative decision by the Congregation Council may be appealed to the congregation for final resolution.

P2.04. Discontinuance of membership

- a. Members who move away shall be encouraged to transfer their membership. A confirmed member in good standing, upon request, shall receive a Letter of Transfer.
- b. A confirmed member who has not attended church services nor partaken of Holy Communion, nor contributed to the congregational treasury for a period of one year shall lose the right to vote, and not be counted in the membership statistics. However, the person's name and record will be kept in the inactive file for five years. Such a person shall be encouraged to take part in the congregational life, or to transfer elsewhere. Resumption of any activity within the five-year period will restore the person to active membership. Otherwise the person will be removed from the congregation and notified of this action.
- c. Children whose parents or guardians are not active members of the congregation will be dropped from the baptized membership roll if they fail to participate in any Christian education program of the congregation.

Part 3

The Pastoral Call (cf Chapter 9)

P3.01. After the congregation has approved the call committee's recommendation, a Letter of Call shall be sent to the pastor-elect. It shall be signed by the chairman, Congregation president and the secretary; and it shall be approved by the synodical bishop. Calls of clergy to positions to assist the pastor shall be issued after pastoral approval and in accordance with the provisions of this paragraph.

P3.02. The call shall be for an indefinite time.

P3.03. If the pastor of this congregation receives a call to another congregation, that pastor shall consult with this congregation or with the Congregation Council. If the pastor decides to accept the call, that pastor shall notify this congregation and the synodical bishop within three weeks. The pastor shall terminate the call with this congregation as quickly as possible, normally within one month.

Part 4

The Congregation Meeting (cf. Chapter 10)

P4.01. The annual meeting shall be held during the month of November each year. The purpose shall be elections and the approval of the budget for the subsequent year and other agenda items which are outlined in Bylaw P4.04. All committee reports shall be reviewed by the Congregation Council in January of the following year, with an annual report made available to the congregation within a month of their review.

P4.02. The current roster of voting, confirmed and baptized members shall be determined prior to each annual meeting.

P4.03. A quorum for a congregation meeting consists of ten percent of the voting members.

P4.04. The agenda for the annual meeting shall be:

- a. Opening devotional
- b. Reports of pastor, Congregation Council, treasurer, committees and others
- c. Elections
- d. Approval of the budget
- e. Unfinished business
- f. New business
- g. Closing prayer

P4.05. At congregation meetings a written ballot is required

- a. To elect the members of the Congregation Council.
- b. To adopt or amend the articles of incorporation, constitution, or bylaws of the congregation.
- c. To call a pastor or to request his resignation.
- d. To excommunicate a member from the congregation or to remove a member from office in the congregation.
- e. To sever membership in the Evangelical Lutheran Church in America.
- f. To dispose of, encumber or purchase real property.
- g. When requested by ten or more voting members present.

P4.06. Except as otherwise provided in the constitution and bylaws all matters shall be decided by a majority vote of those present and voting.

P4.07. The minutes of the previous congregational meeting shall be reviewed and approved by the Congregation Council in a timely manner.

Part 5
The Congregation Council (cf. Chapter 12)

P5.01. Membership and meeting of the Congregation Council

- a. The Congregation Council shall consist of not more than eight members, in addition to the pastor, elected each for a term of two years. Elected for terms beginning in even-numbered years are the president, vice-president, Minister of Worship, and Minister of Witness. Elected for terms beginning in odd-numbered years are the secretary, treasurer, Minister of Education, and Minister of Member Care.
- b. In addition to the requirements of congregational membership stated in Chapter 8 of the constitution, qualifications for membership on the Congregation Council shall include such practical ability as is needful in promoting the various interests of the congregation as outlined in the duties of the various ministries of the congregation.
- c. In addition to the officers, the Congregation Council shall include the Minister of Witness, the Minister of Worship, the Minister of Member Care, and the Minister of Education.
- d. A member of the Congregation Council and Standing Committee Chairs may be considered for a consecutive term in office, but may serve no more than two consecutive terms in any one position. A member shall not serve more than four consecutive terms. An un-expired term of less than one year shall not be considered a term of office.
- e. In the September meeting of the Congregation Council all members serving the second year of their term will state if they wish to be nominated for a consecutive term. These members will then state their preferences for positions for the upcoming term. The President shall give this information to the Nominating Committee.
- f. The slate for the Congregation Council and the Standing Committee Chairpersons shall be voted on at the annual congregation meeting.
- g. A vacancy on the Congregation Council shall be filled by action of the Congregation Council by appointing a member to serve the remainder of the term.
- h. The pastor shall be a member of the Congregation Council and ex-officio member of all committees.
- i. The Congregation Council shall not transact any business unless a majority of its members is present.
- j. Regular meetings of the Congregation Council shall be scheduled monthly, the time to be determined by the Council.
- k. A special meeting of the Congregation Council may be called by notice given at a public service or a written notice mailed to each member at least five days in advance of the meeting. A special meeting may be called by the pastor, the president of the Council, or by any three members of the Council.
- l. If a member of the Congregation Council is absent from three consecutive regular meetings without an excuse acceptable by the Council that person has forfeited membership on the Council. A member having two consecutive unexcused absences from regular meetings shall be notified by the secretary.

P5.02. Committees of the Congregation Council

- a. The Congregation Council shall elect from its own membership such committees as may from time to time be necessary or advisable.
- b. The Congregation Council shall have authority to appoint or elect additional congregation members who are not members of the Congregation Council as members of its regular committees.

P5.03. Duties of the Officers (cf Chapter 11) and Ministers

- a. The president shall preside over meetings of the Congregation Council and the congregation. The president serves as the advisor to the Audit Committee, Long Range Planning Committee, and Call Committee.
- b. The vice-president shall preside in the absence of the president. The vice-president shall be advisor to the Mutual Ministry Committee and Nominating Committee, as well as to issues of Property and Grounds and facility use.
- c. The secretary shall keep the minutes of the Council and of the congregation meetings, shall keep the archives, and shall assist in coordinating publicity.
- d. The treasurer shall be bonded and shall be custodian of all congregational funds and shall disburse funds in accordance with the decisions of the congregation or the Congregation Council. He/she shall present a year-end report for the prior year to the congregation in the annual report. The treasurer shall present a monthly report to the Congregation Council.
- e. The Minister of Witness shall direct and advise all ministries which deal specifically with outreach and evangelism. This minister shall report monthly to the Congregation Council the actions and intentions of the ministries for which he/she is responsible.
- f. The Minister of Worship shall direct and advise all ministries which deal specifically with worship and the arts. This minister shall report monthly to the Congregation Council the actions and intentions of the ministries for which he/she is responsible.
- g. The Minister of Member Care shall direct and advise all ministries which deal specifically with the assimilation and conservation of congregation members. This includes, but is not limited to, the following committees: Women of the Evangelical Lutheran Church of America (WELCA), and Stewardship. This minister shall report monthly to the Congregation Council the actions and intentions of the ministries for which he/she is responsible.
- h. The Minister of Education shall direct and advise all ministries which deal specifically with education. This includes, but is not limited to, the following committees: Parish Education, Youth Ministries, and Grace Lutheran Preschool. This minister shall report monthly to the Congregation Council the actions and intentions of the ministries for which he/she is responsible.

P5.04. Duties of the standing committees of the congregation

- a. The chairperson of each of the following committees shall give a written monthly report to the appropriate Congregation Council minister.
- b. The committee on evangelism shall have specific responsibility for the development of a sound program of evangelism and outreach. This

- program should include neighborhood outreach, prospective members, missions, publicity, and other means to reach the people Christ loves.
- c. The committee on worship and music shall have specific responsibility for the worship and music programs of the congregation. They have responsibility for choirs, acolytes, readers, communion assistants, lay assisting ministers, ushers, et cetera.
 - d. The committee on stewardship shall have specific responsibility for the congregation's stewardship development and the raising of funds in accordance with scriptural principles, including that of bequests and mission support. The stewardship committee shall include the ministries of the offering counters and the Financial Secretary.
 - e. The committee on Parish Education shall have specific responsibility for education programs for all ages.
 - f. The committee overseeing youth ministries shall have responsibility for programs and events for all youth, specifically focusing on youth in grades seven through twelve.
 - g. The committee overseeing the preschool shall have specific responsibility for budgeting, staffing and curriculum approval of the preschool.
 - h. The committee on property and grounds shall have specific responsibility for the care and maintenance of property, buildings and grounds.
 - i. The financial secretary shall keep a record of all congregational pledges, collections, individual contributions, and special offerings for church expenses, missions and other purposes. The financial secretary shall send three or four timely statements to all members showing a record of their contributions, as well as additional statements when so directed by the Congregation Council.
 - j. Women of the Evangelical Lutheran Church in America (WELCA) shall have specific responsibility to the women of Grace Lutheran Church, their Bible study circles and other programs.
 - k. The Long Range Planning Committee shall consist of the pastor(s) and six members of the congregation. No specific term of office is mandated. The Congregation Council will have responsibility to appoint members and fill vacancies on the committee as they occur. The purpose of the committee shall be to generate long range plans in the area of personnel, finance, and church plant – to build a stronger and more mission-oriented church. All plans shall be presented to the Congregation Council and/or the congregation for review before final decisions are made.
 - l. Member Conservation shall deal specifically with the needs of the current membership of Grace Lutheran Church. This includes parish visitation of members, fellowship activities, prayer ministry, et cetera.

P5.05 Other responsibilities/duties of the Congregation Council

- a. The Congregation Council shall secure such help as is needed to carry out the work of the congregation by employing organists, choir directors, parish workers, pastor's secretaries, office secretaries, interns, custodians, preschool directors and other paid staff.
- b. Salaries of the paid staff shall be the responsibility of the Congregation Council, subject to the congregation's approval of the budget.
- c. The auditing committee shall audit all financial records of the congregation in accordance with the Evangelical Lutheran Church in America audit report

and shall present its written report to the Congregation Council before the end of the first quarter.

P5.06 Use of the Property

- a. The property of the congregation shall be for the use of the congregation in its function as a Lutheran church.
- b. Buildings which are the property of the congregation shall not be lent or rented to any group or individual not affiliated with the congregation or with the Evangelical Lutheran Church in America unless approved by the Congregation Council.

Part 6

The Nominating Committee (cf Chapter 13)

P6.01 The members of the nominating committee shall serve for the year following their election. They shall nominate one or more candidates for all Congregation Council openings. They shall also nominate the appropriate number of candidates for the following:

- a. Standing committee chairpersons
- b. Ascension Scholarship Fund Committee
- c. Solheim Home Representative
- d. Annual synod convention delegates and alternates.

They shall secure the consent of each candidate to serve if elected.

P6.02. The candidates of the nominating committee shall be made known to the congregation in conjunction with the announcements of the special or annual meeting at which the election is to take place.

P6.03. In addition to the candidates submitted by the nominating committee, additional nominations may be made from the floor with prior consent of the nominee.

P6.04. A vacancy in the nominating committee shall be filled by the Congregation Council.

Part 7

Report of Organizations

P7.01. All committees and organizations handling funds within the congregation shall submit accounts to the treasurer of the church. The treasurer shall include such accounts in the annual report to the congregation.

Part 8

Parish Records

P8.01. The pastor shall be responsible for keeping accurate records of membership and of his/her ministerial acts on forms provided by the congregation and which shall remain the property of the congregation. The pastor shall report these statistics to

the congregation annually, and, when required, to the secretary of the Evangelical Lutheran Church in America. Upon leaving the congregation he/she shall complete the records of the pastoral ministry up to the time of his/her departure.

Part 9

Endowment Fund

P9.01. This congregation shall have an Endowment Fund (hereafter referred to as “Fund”). The Fund shall be called the Grace Lutheran Church, Covina, California, Endowment Fund. It shall not be a separately incorporated entity, but shall be a separate fund of this congregation.

P9.02. General Purpose

- a. This Fund’s purpose shall be to receive gifts and bequests to be used for the mission and outreach of Grace Lutheran Church, Covina, California, a congregation of the Evangelical Lutheran Church in America.
- b. Both the principal and income from undesignated gifts and bequests are to be used for the purposes, projects, and programs recommended by the Congregation Council and approved by a two-thirds majority of the quorum of eligible voting members of a congregational meeting called in accordance with this constitution and its bylaws.
- c. The Congregation Council shall, at least annually make recommendations for distribution of the income and/or principal of the Fund to the voters of a duly called congregational meeting. The distribution of the income and/or principal from undesignated gifts shall be determined by a two-thirds majority of the voters at a called congregational meeting.
- d. Designated (restricted) gifts which have special terms or conditions, or contain limitations or directions, may be accepted, provided such gifts are compatible with the vision for mission of Grace Lutheran Church, Covina, California. The acceptance of such gifts must be agreed upon by a two-thirds vote of the members of the Congregation Council.
- e. Designated or undesignated gifts to the congregation that impose special terms, limits of investment, conditions of sale and/or liquidation shall not be accepted. Gifts of tangible assets that are not immediately useful to the ministry of Grace Lutheran Church, Covina, California, are to be sold, liquidated, converted to cash, or returned to the donor or the donor’s estate. When this is done, careful procedures shall be followed to make such sale or liquidation in accordance with the law of the state.

P9.03. Duration

- a. The Fund shall continue in existence and shall be used as hereinafter provided, unless earlier revoked, so long as Grace Lutheran Church shall continue to exist. If Grace Lutheran Church should cease to exist, then the assets of the Fund shall become the property of a successor Lutheran Church. If there is no successor Lutheran Church, then the assets of the Fund shall become the property of the Southwest California Synod of the Evangelical Lutheran Church in America, or its successor body. Furthermore, should Grace Lutheran Church dissolve, it shall at time of dissolution, have the right to determine, in consultation with the

Southwest California Synod, a successor Lutheran Church that qualifies as an exempt organization under the Internal Revenue Code.

P9.04. Governing Board

- a. The Congregation Council, or an Endowment Committee appointed by the council, shall promote the Fund. The council shall receive and consider recommendations from the Endowment Committee for management of the funds and disbursements of earnings from the Fund. The treasurer of the congregation shall be responsible for all financial records of the Fund and make disbursements from the Fund when directed by the Congregation Council to do so. Written financial reports shall be submitted quarterly to the Congregation Council and the Endowment Committee, and shall be posted for observation by members of the congregation.
- b. Whenever possible, the Congregation Council will act upon the need or needs that arise concerning acceptance of gifts, investment of funds, and disbursement of funds at regular meetings as established by this constitution and bylaws. Should the need for action be deemed so necessary as to deviate from this practice, the Congregation Council may duly call a special meeting.
- c. Whenever the Congregation Council takes action concerning matters of the Fund, a quorum is required. A majority vote shall carry any motion or resolution concerning the Fund. Actions taken that do not comply with this provision will be deemed illegal and void.
- d. The Congregation Council shall establish written rules and regulations as may be necessary for the conduct of the business of the Fund. It shall adopt standards and goals for guidelines in dealing with expenditures of the income and/or principal from the Fund. These guidelines may be amended, added to, or deleted at any time by the Congregation Council provided it is consistent with the constitution and stated purpose of the Fund.
- e. The Congregation Council shall be responsible for maintaining the account and authorizing a financial institution to hold the Fund. All checks and other documents transferring or expending any funds or assets in the Fund shall be signed by the Treasurer of the congregation, along with any other officer of the congregation authorized to do so. Such records are to be held on file not less than fifteen years.
- f. Members of the Congregation Council with check-signing authority shall be covered by a corporate fidelity bond, at the expense of the Fund, in an amount to be determined from time to time by the council.
- g. The Congregation Council may ask other members of the congregation to serve as advisory members of the Endowment Committee and may employ, at the expense of the Fund, such professional counseling on investments and legal matters as it deems to be necessary in the best interest of the Fund.
- h. Members of the Congregation Council, the Endowment Committee and its advisors, shall refrain from any self-dealing transactions of the Fund, and/or conduct where personal interest, or that of a relative or friend, could be construed to be in conflict with the best interest or integrity of the Fund.

P9.05. Fiscal Year

- a. For tax accounting, distribution of Fund earnings, or other purposes, the fiscal year of the Fund shall be the same as that of Grace Lutheran Church.
- b. An itemized written statement accurately reflecting the Fund's income and assets for the previous fiscal year, along with the receipts and records of disbursements and changes since any previous accounting, shall be submitted to the Congregation Council for inclusion in the congregation's annual report.
- c. Gifts and contributions to the Fund may be received, acknowledged, and receipts issued at any time during the year, so long as they meet the criteria established as stated in the General Purpose section of this document.
- d. All funds and property of the Fund shall be accounted for and documented in separate, distinct, and independent accounts from those funds and property that otherwise belong to the church. The Congregation Council or Endowment Committee shall not be required to place or maintain funds in separate bank accounts; however, the Council shall set up and maintain separate accounting records for each fund within the Fund.

P9.06. Investment Management

The Congregation Council, Endowment Committee, or council-appointed manager of the Fund, shall have the following powers and authority.

- a. All property constituting the corpus of the Fund are to be managed in a manner intended to protect the corpus of the Fund. Investment, therefore, shall be made and/or reinvested in assets that would normally be expected to yield reasonable income. Investment that would be considered high risk or speculative, by a prudent and experienced investor, must be avoided. It is further understood that all or any part of the Fund may be invested with the Evangelical Lutheran Church of America Mission Investment Fund or endowment arrangements with the Evangelical Lutheran Church of America Foundation.
- b. Whenever the congregation is in need of borrowed funds in order to purchase tangible assets or repair of tangible assets, the Congregation Council may recommend that Fund income or principle be loaned to the congregation at the current market rate of interest being charged by the banking enterprise with whom the congregation does business on a regular basis. The congregation shall pay any outstanding loan balance before submitting an additional request to borrow from the Fund.
- c. The Congregation Council or Endowment Committee shall retain five percent (5%) in liquid form, even though the income from such retained funds would earn less than other prudent investment choices.
- d. It is not intended that the Fund purchase, acquire, or accept gifts of stock, bond, or property (real or tangible), to be held for potential income or anticipated increased value. Rather, all such gifts or holdings must be liquidated and invested as income to be used by the Fund in the spirit of

the Congregation Mission Statement, the Endowment Mission Statement, and the Constitution and Bylaws.

- e. In the event that a donation of real property, adjacent to or remote from, the existing property of Grace Lutheran Church could be seen as being immediately beneficial to the congregation in providing ministry activities, such property may be retained provided the voting members approve any such measure presented in compliance with constitutional provisions.

P9.07. Education and Promotion

- a. All new members of the Congregation Council shall receive a copy of the Fund Bylaws in order to become acquainted with the purpose and function of the Fund.
- b. The Congregation Council or Endowment Committee shall inform the congregation of the purpose of the Fund, see that members receive a copy of the Bylaws, and may periodically arrange for members of the congregation to meet with professional counselors in the areas of charitable giving, wills, trust, bequest, insurance, and other options that may serve the congregation's members and, whenever possible, the goals of the Fund.
- c. Means for the acknowledgment of gifts shall be established and facilitated by the Congregation Council or Endowment Committee. The receipt of each shall be recorded in the congregation's permanent records and published in an appropriate manner for distribution to its members.

Part 10

Ascension Scholarship Fund

P10.01. This congregation will serve as administrator for the Ascension Scholarship Fund. The Ascension Scholarship Fund shall not be a separately incorporated entity, but shall be a separate fund administered by Grace Lutheran Church. Grace Lutheran Church will in no way benefit financially from the fund. This fund was established through an initial gift of \$35,000.00 from Ascension Lutheran Church of the San Gabriel Valley at the time of its merger with Grace Lutheran Church of Covina.

P10.02. General Purpose

- a. The Ascension Scholarship Fund shall be for the purpose of awarding monetary grants to students and to youth with special assistance needs, at least yearly, from the earnings accrued from investment of the principle.
- b. Students seeking educational scholarships and youth with special assistance needs from Grace Lutheran, neighboring Lutheran churches, and the local community, will be encouraged to make application to the Fund Committee through a procedure to be established in the first year of the fund.

P10.03. Governing Board

- a. The Ascension Scholarship Fund Committee of Grace Lutheran Church shall consist of a Pastor and at least four lay members of Grace Lutheran

Church of Covina. Other churches wishing to contribute to the scholarship fund may have one member from their church participate on the scholarship committee. At no time shall Grace Lutheran Church of Covina have less than a 51% majority on the Fund Committee.

- b. The terms for all members, except the Pastor, will be for two years and shall be elected at the time of the Annual Meeting for Grace Lutheran, and in an appropriate manner by other cooperating churches. Half of Grace Lutheran Church's representation will be elected annually.
- c. Members shall serve without compensation and be members in good standing of Grace or their respective church.
- d. It will be the responsibility of the committee to set the criteria for the awards, to publicize their availability and to keep the Congregation Council and congregation aware of the fund.
- e. At its first meeting each year the Fund Committee shall elect a chairperson and secretary from its membership.

P10.04. Fiscal Matters

- a. It is the intention of the fund to make financial awards at least yearly using the earnings of the Fund and shall retain the corpus through wise investment. The investment of the fund shall be at the sole discretion of the committee.
- b. Additional contributions to the fund are encouraged from churches and from individuals and are tax deductible. All contributions are to be designated to the fund itself and not for an award to any individual.
- c. The Fund Committee will submit periodic reports:
 - i. at least quarterly, to the Congregation Council of Grace Lutheran Church, which has oversight responsibility, and
 - ii. yearly to the congregation in its annual report.

P10.05. Duration

Grace Lutheran Church will continue to administer this fund for the duration of its existence. If Grace Lutheran Church should cease to exist, a decision will be made by the congregation before it ceases to exist as to the appropriate administrator of the fund. The group which is the successor needs to function as a 501C.3. exempt organization under the Internal Revenue Code.

Part 11

Amendments to the Bylaws

P11.01. Amendments

Any amendments to these Bylaws which will change or alter the purpose for which it is herein established, requires approval by a two-thirds vote of those present at a duly called meeting of the congregation, the notice of which is in compliance with the Grace Lutheran Church Constitution and Bylaws.