

**Pilgrim Lutheran Church  
By-Laws  
June, 2009**

**I. Reason for Existence**

**A. Mission**

We the people of Pilgrim Lutheran Church are called to share the Good News of Jesus Christ, to live as God's servants and to reach out to all people.

**B. Purpose**

The purpose of Pilgrim Lutheran Church is to glorify God by fostering:

1. **WORSHIP** - to participate in public worship services together and to maintain personal daily devotion. (John 4:24)
2. **GROWTH AND TEACHING** - to proclaim God's saving Gospel of justification by grace for Christ's sake through faith alone . . . preserving and transmitting the Gospel faithfully to future generations. (Ephesians 2:8) (Matthew 28:20)
3. **OUTREACH** - to share the good news of Jesus Christ and to meet the physical, emotional, and spiritual needs of our community and the world. (Matthew 28:18-20)
4. **CONGREGATIONAL CARE** - to serve in response to God's love by meeting the physical, emotional, and spiritual needs of those in our Church. (1 Peter 4:8-11)
5. **SUPPORT** - essential to carrying out the core purposes of the Church.

**II. Church Year**

**A. Fiscal Year**

The calendar year shall be the fiscal year for the congregation.

**B. Program Year**

The program year shall be from July 1st to June 30th.

### **III. The Pastoral Call and Full-time Leadership Staff**

- A.** The term of appointment for Leadership Staff, defined in the current (6/8/99) Pilgrim Lutheran Church Personnel Policy Manual as ordained pastors and non-ordained personnel functioning in an area of special expertise and leadership, shall be for a specific contractual period and/or run concurrently with that of the Senior Pastor.
- B.** The term of call for an Associate Pastor or Assistant Pastor shall run concurrently with that of the Senior Pastor.
- C.** An Associate Pastor(s) or Assistant Pastor(s) and full-time leadership staff shall submit letters of resignation to the President of the Congregation at the same time as the submission of the Senior Pastor's resignation, which will be effective upon ratification by the Congregational Board.
- D.** Associate Pastors, Assistant Pastors, and full-time leadership staff may remain employed by the Congregation on a full-time basis for up to six months after a new Senior Pastor assumes office at the discretion of the Congregational Board.

### **IV. Congregational Meetings**

#### **A. Semi-annual Meetings**

There shall be semi-annual meetings of the congregation:

1. The December/January congregational meeting shall be concerned principally with adopting the church budget.
2. The May/June congregational meeting shall be concerned principally with the election of officers to the Board and reviewing of Pilgrim Lutheran Church's ministry programs. The Board shall present a slate of candidates for open Board positions. Nominations from the floor shall be accepted only with the verbal (if present) or written (if absent) concurrence of the nominee. At this meeting, the Board, in cooperation with staff, shall present an annual written report.
3. The current roster of voting members shall be determined prior to congregational meetings by the Congregational Board Secretary working with staff.
4. Discussion of business items not approved by the Board but desired by the congregation may be included in the agenda of a congregational meeting provided that a written petition specifically stating the matter to be discussed, signed by not less than ten percent (10%) of the voting members of the congregation, is presented to the Board at its regular meeting during the month preceding the scheduled congregational meeting.

5. **Special Meetings\***

A special meeting of the congregation may be called by the Senior Pastor, the Congregational Board, or the Board President, or a written request of ten percent (10%) of the voting members of the congregation. The call for each special meeting shall specify the purpose for which it is to be held and no other business shall be transacted.

(\*Presented for clarification purposes. Chapter 10.02, Pilgrim Constitution

**V. Congregational Board**

**A. Membership of the Congregational Board**

The Congregational Board shall consist of nine (9) voting members: Senior Pastor, President, Vice President (President Elect), Secretary and five (5) Board Members. The Treasurer shall serve as a non-voting member of the Board.

**B. Ethics of Congregational Board members**

Congregational Board members are expected to be examples, individually and corporately, of the style of life and ministry expected of all baptized persons, to promote a congregational climate of peace and good will, and to be actively involved in the spiritual life of the congregation.

**C. Responsibilities of the Congregational Board**

The Congregational Board is the Trustee for the Congregation.

1. **General Responsibilities of the Board**

The Congregational Board's general responsibilities are to establish policy, evaluate the success of the Church, to represent the members of the congregation, to support the senior pastor and staff, to establish and affirm mission and purpose, to set annual direction, to provide long-range planning, to provide financial integrity, and to insure accountability.

2. **Specific Responsibilities of Individual Board Members and of the Congregational Board**

a. **Individual Board Members**

In addition to the general responsibilities listed above, each member shall perform specific duties that are stated in position descriptions appended to these By-Laws.

b. **Congregational Board (collective)**

The Congregational Board is delegated by the Congregation the following specific responsibilities:

1. Lead the congregation in stating its mission and purpose.
2. Approving of annual goals (expected outcomes) for programs, ministries, and Board committees.
3. Evaluation of programs, ministries, and Board committees on an annual basis.
4. Establish a long-range plan; monitor progress and revise on an annual basis.
5. Establish Board committees as necessary to carry out the work of the Church.
6. Monitor the performance of the Senior Pastor in accordance with Board approved goals (outcomes), Senior Pastor's job description, and the Senior Pastor's letter of call.
7. Develop an annual budget for congregational approval.
8. Ensure an audit of church records is conducted on an annual basis, and report the results of the audit to the congregation at the next Congregational Meeting.
9. Arrange for pastoral service during the absence of the Senior Pastor.
10. Maintain and protect church property, facilities, and reputation.
11. Oversee the congregation's insurance, investment, and financial programs.
12. Approve the congregational meeting minutes at its next regular Council meeting.
13. Oversee the congregation's human resource (personnel) policies.
14. Exercise the powers and be subject to the obligations that pertain to Corporate Boards under the laws of the State of Washington.
15. Inform the congregation of proposed changes within the Evangelical Lutheran Church of America and the Southwestern Washington Synod of the ELCA.
16. Oversee the life and activities of the congregation in concert with scripture, confession, and the Constitution Statement of Faith.
17. Maintain a membership roster of the congregation. By the June/July Congregational meeting an updated membership

roster must be submitted using the criteria below for classifying a member as active, inactive, or for removing a member from the roster.

- (a.) Active membership – a member shall be considered active and eligible to vote when there has been church attendance and contribution of record during the past year.
- (b.) Inactive membership – a member shall be considered inactive when there has been no church attendance or contribution of record during the past year.
- (c.) Discontinuance of membership – a member shall be removed from the church roster when there has been no church attendance or contribution of record for two years and the member does not desire to participate in the life of the congregation.

**D. Congregational Board Limitations**

The Congregational Board is specifically limited in the following areas:

- 1. May not buy, sell, or encumber real property unless so authorized in a meeting of the congregation.
- 2. May not enter into contracts of over \$10,000.00 in the aggregate for items not included in the annual budget.
- 3. May not incur obligations more than \$5,000.00 in excess of the anticipated receipts for the year.
- 4. May not hire full time (benefited) staff unless authorized in a meeting of the congregation.

**E. Congregational Board Meetings**

The Board shall meet once a month. Special meetings may be called by the Senior Pastor, President, or at the request of fifty percent (50%) of Board members.

**F. Congregational Board Standing Order of Business**

The order of business for Board meetings:

- 1. Call to Order
  - c. Opening Prayer
  - d. Roll Call
  - e. Approval of Minutes
- 2. Financial Reports
- 3. Correspondence

4. Program/Ministry Reports
5. Committees of the Board Reports
6. Pastor's Report
7. Recommendations for Board Action
8. Other Business
9. Items for Future Agendas
10. Closing Prayer and Adjournment

#### **VI. Officers of the Congregation/Congregational Board**

- A.** There shall be four officers of the congregation/congregational board: President, Vice President, Secretary, and Treasurer (non-voting).
- B. Executive Committee:** The Officers of the Congregation/Congregational Board and the Senior Pastor shall form the Executive Committee of the Board. The Executive Committee shall serve as a planning body for the Board. The Executive Committee has no independent power.

#### **VII. Congregational Board Committees**

The Board shall be responsible for establishing the following standing committees: Audit, Benevolence Management (Global Ministry), Finance, Human Resources (Personnel), Leadership Development (Nominating), Long-Range Planning, and Stewardship.

The chairperson and members of all Board standing committees shall be appointed by the Board President, after consulting with committee chair and staff, and approved by the Congregational Board. Committee members shall serve for a predetermined number of years on a rotating basis. Chairperson and committee members for all congregational committees shall be announced at the May/June congregational meeting.

In addition to the Constitution and By-Laws of the Congregation, the Congregational Board shall have and maintain such manuals, organizational/program descriptions, organizational charts, job descriptions, and additional information as the Board deems necessary to clarify and carry out its responsibilities.

The Congregational Board may, in continuing resolutions, set forth additional and specific requirements with respect to the function or duties of any programs, organizations, committees, task forces, ministry teams, and other groups recognized by the Board.

**A. Audit Committee**

The Audit Committee's primary responsibility is to audit the financial records of the church on an annual basis.

The Audit Committee's membership shall be composed of three members recommended by the Finance Committee to the Congregational President and approved by the Congregational Board.

Members shall serve a three-year rotating term with a new member appointed on an annual basis.

The Audit Committee may not include members of the church staff, Congregational Board, or Finance Committee.

The specific duties of the Audit Committee are as follows:

1. To audit the financial records of Pilgrim Lutheran Church on an annual basis.
2. To report the findings of the audit to the Finance Committee, Congregational Board, and Congregation as requested.

**B. Benevolence Management (Global Ministry) Committee**

The Benevolence Management Committee's primary function is to allocate the Church's budgeted benevolence funds.

The Benevolence Management Committee membership shall be composed of at least three members recommended by the Finance Committee and approved by the Congregational Board.

Members shall serve a three-year rotating term with a new member appointed on an annual basis.

The specific duties of the Benevolence Management Committee are as follows:

1. To review all requests for financial support.
2. To determine a priority for requests.
3. To allocate the benevolence funds of Pilgrim Lutheran Church.

**C. Finance Committee**

The Finance Committee's primary function is to provide oversight on all financial affairs of the congregation, assuring sound financial practices in all matters.

The Finance Committee membership will be composed of three voting members including the chairperson. Ex-officio members of the committee shall be the Treasurer, Financial Secretary, Stewardship Chairperson, and the Senior Pastor or his/her designee.

The voting members shall serve a three-year rotating term with new member(s) appointed on an annual basis.

The specific duties of the Finance Committee are as follows:

1. Develop an annual budget in cooperation with Senior Pastor and staff.
2. Report to the Congregational Board as needed or requested.
3. Provide the Congregational Board an annual audit of church accounts.
4. Maintain a manual of financial policies and procedures.
5. Oversee the church insurance program.
6. Review on a periodic basis the financial obligations of the church and recommend changes when appropriate.
7. Develop and maintain a list of committee duties, time lines, and procedures that are updated on an annual basis and are passed on to the President of the Congregation and to new committee members.

**D. Human Resource (Personnel) Committee**

The Human Resource Committee's primary function is to promote supportive, legal, and fair labor practices with respect to pastors, program staff, and support staff employed by the Church.

The Human Resource Committee shall be composed of at least five voting members including the chairperson. The Senior Pastor or his/her designee shall be an ex-officio member.

The voting members shall serve a three-year rotating term with new member(s) appointed on an annual basis

The specific duties of the Human Resource (Personnel) Committee are as follows:

1. Maintain the Pilgrim Lutheran Church Personnel Policy Manual. The Manual shall be reviewed on an annual basis by committee members.
2. Prepare an annual salary recommendation for each employee of the congregation and forward the recommendation to the Finance Committee and Congregational Board.
3. Maintain a notebook containing descriptions of all compensated positions (full- and part-time) within the church.
4. Assist in developing position descriptions, participate in the selection of new staff employees, and review annual employee evaluations as stated in the Pilgrim Lutheran Church Personnel and Policy Manual.
5. Report to the Congregational Board at its monthly meetings as needed or requested.
6. Develop and maintain a list of committee duties, timelines, and procedures that are updated on an annual basis and are passed on to the President of the Congregation and to new committee members.

**E. The Leadership Development (Nominating) Committee**

The Leadership Development (Nominating) Committee shall assume the duties of the Nominating Committee as outlined in the Constitution. The committee's primary responsibilities shall be to identify and develop leadership within the church and to prepare a qualified slate of candidates for nomination for each congregational position to be filled.

The Leadership Development and Nominating Committee shall be composed of three members, including the Vice President (President-Elect) who shall be the chairperson. The Senior Pastor and the five immediate Past Presidents of the Congregation shall serve as non-voting members except if serving on the current Board.

The specific duties of the Leadership Development and Nominating Committee are as follows:

1. Develop a plan for training and involving members in leadership opportunities throughout the church.
2. Solicit from the congregation candidates for elective congregational positions.
3. Meet with and inform candidates regarding the positions to which they have been nominated.
4. Nominate to the Board a minimum of one qualified candidate for each Congregational Board position to be filled.
5. Assist in filling vacancies on congregational committees on an as-needed basis.
6. Develop and maintain a list of committee duties, timelines, and procedures that are updated on an annual basis and are passed on to the President of the Congregation and to new committee members.

**F. The Long-Range Planning Committee**

The Long-Range Planning Committee's primary function is to facilitate an on-going process of preparing, refining, and assisting in the implementation of a written plan setting forth the vision and objectives for the Church.

The Committee shall have five members, including the Board Member for Long-Range Planning who shall chair the committee. The other four members shall be appointed by the President and ratified by the Congregational Board. The Senior Pastor or his/her designee shall serve as an ex-officio member.

The specific duties of the Long-Range Planning Committee are as follows:

1. Develop and maintain a written long-range plan addressing facilities, staff, and ministries.

2. Continually assess the future needs of the church and include assessment findings in the long-range plan document.
3. Report to the Congregational Board on a semi-annual basis regarding committee planning endeavors.
4. Develop and maintain a list of committee duties, timelines, and procedures that are updated on an annual basis and are passed on to the **President of the Congregation and to new committee members.**

**G. Stewardship Committee**

The Stewardship Committee's primary function is to encourage and educate members of the Congregation on the biblical principles of spiritual giving, including but not limited to time, talent, and resources.

The Stewardship Committee's membership shall be composed of at least five voting members, including the chairperson. The Financial Secretary shall be an ex-officio member of the committee.

The members shall serve a three-year rotating term with new member(s) appointed on an annual basis.

The specific duties of the Stewardship Committee are as follows:

1. Oversee and facilitate with staff the annual process of encouraging pledges of tithes and offerings.
2. Oversee and facilitate with staff the annual process of encouraging pledges of time and talents.
3. Assist the Congregational Board from time to time with promoting funding for special congregational needs.
4. Report to the Congregational Board on an as-needed basis.
5. Develop and maintain a list of committee duties, timelines, and procedures that are updated on an annual basis and are passed on to the President of the Congregation and to new committee members.

**VIII. Programs and Ministries**

**A. Authority for Church Ministries and Programs**

The Senior Pastor shall have the authority to establish and maintain such programs and ministries as are necessary to carry out the mission and purpose of Pilgrim Lutheran Church within the financial resources allocated by the Congregational Board.

**B. Accountability for Church Ministries and Programs**

The Senior Pastor shall be directly responsible to the Congregational Board for programs and ministries.

In establishing and administering the Programs and Ministries of the Church, the Senior Pastor shall follow Board rules, regulations, and policies

**IX. Program Staff**

**A. Function**

The Program Staff's main function is to develop established ministries and programs in concert with members of the Congregation to meet the mission and goals of the church. The Program Staff, both paid and volunteer, shall be responsible for the supervision of all programs, committees, task forces, ministry teams, and other organizations recognized by the Congregational Board.

**B. Definition of Program Staff**

The Program Staff shall consist of the Senior Pastor and all paid and volunteer staff designated by the Senior Pastor as being Program Staff.

**C. General Duties of Program Staff**

The general duties of the Program Staff are as follows:

1. Develop, coordinate, maintain, and supervise established programs, ministries, and organizations within the church.
2. Train and equip members of the Congregation to meet the mission and goals of the church and specifically meet the goals of individual programs, committees, and organizations within the church.

**D. Supervision of Staff**

The Senior Pastor shall be the supervisor for all employees of the Church. The Senior Pastor may delegate in writing supervisory authority to designees.

### **3 Appendices**

1. Board Positions
2. Board Support Positions
3. Mission Endowment Fund

## **Appendix 1**

### **Congregational Board Position Descriptions**

- **President**
- **Vice President (President-Elect)**
- **Treasurer**
- **Secretary**
- **Board Member**

---

**Financial Secretary – see Appendix 2**

## **Pilgrim Lutheran Church Congregational Board Position Description**

---

**Official Title:** Congregational President

**Person Filling Position:**

---

**General Description:**

The Congregational President is primarily charged with maintaining the integrity of the Board's processes as outlined in Article V of the By-Laws. Specifically, the Congregational President will do the following:

1. Preside at all meetings of the congregation.
2. Preside at Congregational Board meetings.
3. Preside at Executive Board meetings.
4. Coordinate with the Senior Pastor on church matters.
5. Enforce the Constitution and By-Laws of the congregation
6. Ensure the proper functioning of Board committees.
7. Ensure balance between programs of the church and available resources.
8. Prepare a Board Retreat each July/August: (1) to train/orient new Board members and (2) to set annual goals/desired outcomes for the church.
9. Perform all the appropriate functions of the office in the best interests of the congregation as may be required by the congregation and/or the Congregational Board.

## **Pilgrim Lutheran Church Congregational Board Position Description**

---

**Official Title:**           **Congregational Vice President (President–Elect)**

**Person Filling Position:**

---

**General Description:**

The Congregational Vice President (President-Elect) is primarily charged with developing the knowledge and skills to assume the position of Congregational President. Specifically, the Congregational Vice President will do the following:

1.    Preside at all meetings of the congregation in the absence of the Congregational President.
2.    Preside at all meetings of the Congregational Board in the absence of the Congregational President.
3.    Serve on the Executive Committee of the Congregational Board.
4.    Chair the Leadership Development Committee.
5.    Assist the President in carrying out the functions of the office of Congregational President.

**Pilgrim Lutheran Church  
Congregational Board  
Position Description**

---

**Official Title:** Congregational Treasurer

**Person Filling Position:**

---

**General Description:**

The Congregational Treasurer is primarily charged with maintaining the integrity of the Church's financial management system. Specifically, the Congregational Treasurer will do the following:

1. Assure all monies of the congregation are safeguarded and disbursed in accordance with policies and procedures established by the Congregational Board.
2. Report to the Board on a monthly basis on the financial condition of the Church.
3. Serve on the Executive Committee of the Congregational Board.
4. Serve on the Finance Committee.

## **Pilgrim Lutheran Church Congregational Board Position Description**

---

**Official Title:** Congregational Secretary

**Person Filling Position:**

---

**General Description:**

The Congregational Secretary is primarily charged with maintaining the records of Congregational and Board meetings. Specifically, the Congregational Secretary will do the following:

1. Take and maintain accurate records of Congregational Meetings.
2. Take and maintain accurate records of all Congregational Board Meetings.
3. Post the minutes of all Congregational and Congregational Board meetings in a timely manner on the Congregational Board bulletin board.
4. Coordinate with staff to assure a current roster of voting members is prepared prior to congregational meetings.
5. Perform other duties as assigned by the Congregational President that foster and support the Congregational Board.

**Pilgrim Lutheran Church  
Congregational Board  
Position Description**

---

**Official Title:** Board Member

**Person Filling Position:**

---

**General Description:**

A Board Member shares a part of the collective responsibility of the Congregational Board to establish policy, to provide oversight of all aspects of the church and to evaluate the success of Pilgrim Lutheran Church operations. To administer the Church, the Congregational Board shall provide for the Congregation to call a Senior Pastor and hold him/her responsible for the interpretation of Board policy into administrative action and for the administration of the Church in general.

A Board Member has the responsibility for carrying out the duties of the Board as outlined in Article V Section C of the By-Laws.

**Terms of Office:**

Board members shall serve three-year terms of office.

## **Appendix 2**

### **Board Support Positions**

---

- **Financial Secretary**

## **Pilgrim Lutheran Church Congregational Board Position Description**

---

**Official Title:** **Financial Secretary**

**Person Filling Position:**

---

### **General Description:**

The Financial Secretary is a special officer of the congregation serving as a member of the Finance Committee and as an ex-officio member of the Congregational Board and Executive Committee. The Financial Secretary is nominated by the Congregational President and approved by the Board for a two-year term of office. The Financial Secretary may serve consecutive terms of office with Congregational Board approval. Specifically, the Financial Secretary will do the following:

1. Keep a confidential record of each member is giving.
2. Tally pledges each year and provide the total to the Finance Committee for budget planning.
3. Make a quarterly report to the Finance Committee showing how much has been received on pledges.
4. Reconcile member total giving for the quarter against their total pledge for the quarter.
5. Distribute individual quarterly statements of giving to members of the congregation.
6. Schedule tellers to count offerings after services and make bank deposits.
7. Ensure tellers are trustworthy.
8. Ensure tellers are voting members of the congregation.

## Appendix 3

### Mission Endowment Fund

- I. There shall be a separate fund on the records of the congregation to be known as The Mission Endowment Fund (hereafter called the "FUND") of Pilgrim Lutheran Church, Puyallup, WA. There shall also be a Mission Endowment Fund Committee (hereafter called the "COMMITTEE") to administer the FUND.**
  - A.** The purpose of the FUND shall be to receive extraordinary gifts to generate income to expand the mission outreach of Pilgrim Lutheran Church apart from the general operation of the congregation.
  - B.** The FUND shall be administered by the Mission Endowment Committee, which is charged with making recommendations to the Administrative Council pertaining to: the acceptance of gifts to the FUND, management of the assets in the FUND, and distribution of FUND income. Further, the COMMITTEE shall seek to promote awareness and understanding of the FUND and the opportunity for stewardship it provides.
- II. Committee Membership**
  - A.** The COMMITTEE shall consist of five members, all of whom shall be voting members of Pilgrim Lutheran Church Except as herein limited, the term of each member shall be three (3) years. Upon adoption of this resolution by the congregation, it shall elect five (5) members to the COMMITTEE: two (2) for a term of three (3) years; two (2) for a term of two (2) years; and one (1) for a term of one (1) year. Thereafter, at each annual election meeting, the congregation shall elect the necessary number for a term of three (3) years. No member shall serve more than two consecutive three (3) year terms. After a lapse of one (1) year, former COMMITTEE members may be re-elected. The senior pastor and the president (or the vice president, at the discretion of the president) of the Administrative Council shall be advisory members of the COMMITTEE. The administrative Council shall nominate for the COMMITTEE, fill vacancies on the COMMITTEE, and report at the annual congregational meeting in the same manner as for other offices and committees.
  - B.** The COMMITTEE shall meet at least quarterly, or more frequently as deemed by it to be in the best interest of the FUND.
  - C.** A quorum shall consist of three (3) members. When only three (3) members are present, a unanimous vote shall be required to carry any motion or resolution.
  - D.** The COMMITTEE shall elect from its membership a chairperson, a recording secretary and a financial secretary. The chairperson, or member designated by the chairperson, shall preside at all COMMITTEE meetings.

- E.** The recording secretary of the COMMITTEE shall maintain complete and accurate minutes of all meetings and supply a copy thereof to each member of the COMMITTEE. Each member shall keep a complete copy of minutes to be delivered to his or her successor. The recording secretary shall also supply a copy of the minutes to the Congregational Council.
- F.** The financial secretary of the COMMITTEE shall work with the congregation's treasurer in maintaining and coordinating complete and accurate accounts for the FUND and shall sign checks and all other necessary documents on behalf of the congregation in furtherance of the purposes of the FUND. The books shall be audited annually by the Audit Committee, provided that no member or former member of the COMMITTEE may serve on the Audit Committee for examination of the FUND for any period during which they were a member of the COMMITTEE.
- G.** The COMMITTEE shall report on a quarterly basis to the Administrative Council. The COMMITTEE shall render a full and complete account of the administration of the FUND during the preceding year at each annual congregational reports meeting and at any special meeting of the congregation duly called for the purpose of review of the administration of the FUND.
- H.** The COMMITTEE may request other members of the congregation to serve as advisory members and, at the expense of FUND income, may provide such professional counseling on investments or legal matters as it deems to be in the best interest of the FUND.
- I.** Members of the COMMITTEE shall not be liable for any losses, which may be incurred upon the investments of the assets of the FUND except to the extent such losses shall have been caused by bad faith or gross negligence. Each member shall be liable only for his or her own willful misconduct or omissions, and shall not be liable for the acts or omissions of any other member. No member shall engage in any self dealing or transactions with the FUND in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which his or her personal interests would conflict with the interest of the FUND.
- J.** All assets are to be held in the name of Pilgrim Lutheran Church of Puyallup, WA and shown on the records of the congregation as assets of the Pilgrim Lutheran Church Mission Endowment Fund.
- K.** Recommendations to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to manage and control the assets of the FUND, including stocks, bonds, debentures, mortgages, notes, or other securities, as in their judgment and discretion they deem wise and prudent, are to be made by the COMMITTEE for approval by the Congregational Council, with subsequent execution by the delegated member of the COMMITTEE.

### **III. Distribution of Income**

- A.** The COMMITTEE shall determine what is principal and income according to generally accepted accounting principles. Realized capital gains shall be considered to be principal. Gifts and bequests to the FUND shall accumulate until the principal amount of \$50,000 is achieved, after which the future income generated from the investment of the principal may be expended. Prior to achieving the \$50,000 threshold, all interest, dividends, and other gains realized shall be declared additional principal.
- B.** No income from the FUND shall be used for the operating expenses of the congregation.
- C.** Income from the FUND shall be distributed annually and at such other times as deemed necessary and/or feasible to accomplish the following purposes:
- D.** Minimum of 20% for outreach into the community and/or synod; this may include but need not be limited to: social service agencies, institutions and agencies to which this congregation relates, special programs designed for those person in our community who are in spiritual and/or economic need, grants to ELCA seminaries, colleges, or students attending such schools.
- E.** Minimum of 20% for outreach outside of our community; this may include, but need not be limited to: missions of the Evangelical Lutheran Church in America in this continent and worldwide, including, but not limited to, grants to the Evangelical Lutheran Church in America for new congregational development in North America, professional leadership, educational ministries, global mission, ecumenism, evangelism, social ministries, and capital financing.
- F.** Minimum of 20% for capital improvements, debt reduction, or a building program of Pilgrim Lutheran Church.
- G.** The balance (0% - 40%) for any one or all of the above designated areas in any proportion as determined by the COMMITTEE, or for causes and programs which at the discretion of the COMMITTEE are consistent with the FUND purpose of enhancing the mission outreach of Pilgrim Lutheran Church.
- H.** Programs for support shall be recommended by the COMMITTEE and approved by the Administrative Council. Disbursements of income shall be made only upon written authorization of the Administrative Council.
- I.** Disbursement of income from the FUND need not occur annually in the event causes and programs have not been approved by the COMMITTEE sufficient to utilize total income available, or in the judgment of the COMMITTEE total annual disbursement of income is not recommended.

**IV. Distribution of Principal**

- A.** No portion of the principal of the FUND shall be transferred to other accounts of the congregation or "borrowed" by the congregation for other purposes except as explicitly provided herein.
- B.** When in the judgment of the Administrative Council, the financial circumstances of the congregation are so dire and of such an emergency nature that the future of the congregation is at stake, and that the only recourse seems to be the use of the FUND principal, the Administrative Council may, upon a two-thirds majority vote, recommend to the congregation the authorization of such action. Such congregational authorization shall only occur at a duly called special meeting of the congregation and then only subsequent to such a Council recommendation.

**V. Disposition or Transfer of the FUND**

- A.** In the event the existence of Pilgrim Lutheran Church is to cease, either through merger or dissolution, disposition or transfer of the FUND shall be at the discretion of the Administrative Council in conformity with the approved congregational constitution and in consultation with the bishop of the synod to which this congregation belongs at such time. Consultation with the Evangelical Lutheran Church in America may be desirable for continuation of Mission Endowment Fund obligations.