

# **St. James Episcopal Church of Cheboygan**

## **Amended and Restated Bylaws**

Adopted on July 26, 2015  
and as amended through January 29, 2023

### **PREFATORY CLAUSE**

These Amended and Restated Bylaws fully supersede and replace the Bylaws of the Corporation that were last amended on January 17, 1999. Any previous bylaws or bylaw revisions are null and void and have no force or effect.

### **Article I - Purpose**

The mission of St James Church Episcopal Church, Cheboygan Michigan (hereinafter “Parish”) is to cultivate a Christian community in which individuals and families can worship, serve, and grow in the love of God through Jesus Christ.

### **Article II - Loyalty**

As a constituent part of the Diocese of Eastern Michigan (hereinafter “the Diocese”) and of the Protestant Episcopal Church in the United States of America, (hereinafter “the Episcopal Church”), St. James Episcopal Church accedes to, recognizes, and adopts the Constitutions and Canons of the General Convention, and of the Diocese of Eastern Michigan. If any part of these bylaws is found to conflict with those of the Constitution and Canons of the Episcopal Church or of the Diocese of Eastern Michigan, then such Constitutions and Canons prevail.

### **Article III – Of the Parish**

#### **Section A – Membership**

St. James Episcopal Church shall recognize the categories of membership set forth in the Canons of Episcopal Church. Namely, all persons who have received the Sacrament of Holy Baptism with water in the Name of the Father and of the Son, and of the Holy Spirit, whether in this Church or in another Christian Church and whose

Baptisms have been duly recorded in this Church are members hereof. Members sixteen years of age and older are considered adult members.<sup>1</sup>

### **Section B — Eligibility to Vote**

The right to vote at any annual or special meeting of the congregation shall be confined to baptized persons who are sixteen year of age or older<sup>2</sup> and who for six months prior to a meeting have been regular worshipers in the congregation and are present in person<sup>3</sup> at the meeting or in any manner permitted by Article XII, Section B.

### **Section C—Meetings of the Parish**

An annual parish meeting shall be held during the month of January each year at a date and time to be fixed by the Vestry.<sup>4</sup> The purpose of the annual meeting is to elect members of the parish to serve on the Vestry; to elect delegates and alternate delegates to the Diocesan Convention; and to deliberate and vote on any other business that may be brought before the meeting.

### **Section D—Special Meetings of the Parish**

Special meetings of the parish may be called by the Vestry, the Wardens, or the Rector.

### **Section E—Notice**

1. **Annual Meetings.** The Rector<sup>5</sup>, or in the Rector’s absence, the Senior Warden, shall publish notice of the meeting on each of the two Sundays immediately preceding the meeting. Under no circumstance may the notice be less than ten (10) days or more than sixty (60) days before the meeting.<sup>6</sup>
2. **Special Meetings.** The Rector, or in the Rector’s absence, either Warden, shall publish notice of the special meeting. Any special meeting requires seven (7) days’ notice to the Vestry and to the congregation at a regular Service of the Church and a posting in a conspicuous place in the Church building. In addition to such public posting, a notice of the special meeting shall be mailed to each registered parishioner seven (7) days in advance of the

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<sup>1</sup> ECC12 Title I, Canon 17, Section 1(a), (b). All references to canons of the National Church shall hereinafter be designated ECC12 followed by the citation to the applicable canon—12 designating the last year of revision by the General Convention.

<sup>2</sup> DEM Canon 21, Section 2. All references to the canons of the Diocese of Eastern Michigan shall hereinafter be designated DEM followed by the citation to the applicable canon.

<sup>3</sup> Article III, Section B was amended on January 29, 2023 to remove the words physically present and to specifically refer to Article XII, Section B which clarifies what constitutes “presence” at a meeting and the methods of that presence.

<sup>4</sup> DEM Canon 21, Sec. 3

<sup>5</sup> For the purposes of these Bylaws, all references to “Rector” shall also include “Priest-in-Charge” or any other member of the clergy by whatever title designated who is appointed by the Diocesan Bishop to serve the congregation. See DEM Canon 7

<sup>6</sup> Michigan Nonprofit Corporation Act. Public Act 162 of 1982, Sec 404(a).

meeting. In the case of a special meeting, the purpose of the meeting must be incorporated in the notice and shall also include the date, time, and place of the special meeting.<sup>7</sup>

### **Section F—Conduct of Meetings**

1. **Chair.** The Rector shall be the chair of all annual, regular<sup>8</sup>, and special meetings of the Parish. In the Rector’s absence, the Senior Warden, or in his or her absence any Vestry member who shall be selected by a majority vote of the Vestry members present, shall chair the meeting.
2. **Action by Majority Vote.** Decisions of a meeting shall be made by a majority of those qualified voters present and voting at an annual or special meeting.
3. **Quorum.** The quorum for the annual or special meetings of the parish shall be constituted by a majority of members present and entitled to cast a majority of votes at such a meeting. Matters requiring a vote shall be divided into two classes based on whether the action results in an amendment or revision of these Bylaws. All non-amendment or non-revision matters before the congregation shall be decided by a simple majority of the members present and voting. Bylaw amendment or revision related matters shall require a two-thirds (2/3rds) majority vote of those present for passage. The members present in person at such meeting may continue to do business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum. Whether or not a quorum is present, the meeting may be adjourned by a vote of the members present. <sup>9</sup>
4. **Secretary of the Meeting.** The Clerk of the Vestry shall act as secretary of each Parish meeting. In the Clerk’s absence, the Chair may appoint any other person to act as secretary. A full and complete record of the meeting shall be kept by the Clerk of the Vestry.
5. **Proxy or Absentee Ballots.** A member of the Parish may not vote by proxy or absentee ballot.

### **Article IV—Of the Convention Delegates**

At each annual meeting of the parish, those qualified to vote shall elect a maximum of four (4) delegates to the Diocesan Convention, and a corresponding number of alternate delegates. The lay delegate must be an adult communicant in good standing in the parish (as defined by Title 1, Canon 17, Sec. 2 and 3 (*Of Regulations Respecting the Laity*) of the Canons of the General Convention). Lay delegates and

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<sup>7</sup> DEM Canon 21, Sec. 4.

<sup>8</sup> The word “regular” was added by amendment on January 29, 2023.

<sup>9</sup> Michigan Nonprofit Corporation Act. Public Act 162 of 1982, Sec 415(1)

alternates are to be elected by a simple majority of the members present at the Annual Meeting of the Parish to serve from the time of the election. The Clerk of the Vestry shall send a Congregational Data Form containing the name and addresses of the newly elected delegates and alternates to the Secretary of the Convention at the Diocesan Center on or before March 1 of each year. If, at the time of the Annual or any Special Convention, the parish has fewer than four (4) duly elected Delegates and Alternates willing to serve, the Vestry may elect a sufficient number of qualified persons to so serve. The Clerk of the Vestry shall provide a list of such persons to the Secretary of the Convention before such persons will be recognized as Delegates or Alternates.

### **Article V—Of the Rector Section A—Eligibility**

To be eligible for the office of Rector, a person must be a qualified ordained minister of The Episcopal Church who has been certified by the Bishop to be in good standing.

### **Section B—Election**

An election shall not take place unless and until all the requirements proscribed by the Diocesan Canon Title III, Canon 4 have been taken.

### **Section C—Powers and Duties**

The Rector shall have jurisdiction over the spiritual affairs of the Parish and shall supervise and direct the parish staff. For the purposes of the office, its functions and duties, the Rector is entitled to the use and control of the Church and Parish buildings, equipment, and furniture, and to access all records and registers maintained by the parish.

### **Section D—Vacancy or Incapacity**

If the office of Rector becomes vacant or the Rector is incapacitated, the Vestry shall consult with the Bishop and appoint an interim. In the case of a vacancy, the interim shall serve until such time as a new Rector is elected according to the provisions of Title III, Canon 9, Section 3(a) of the Canons of the General Convention; in the case of an incapacity, the interim shall serve until the Rector can resume duty.

## **Article VI—Of the Vestry**

### **Section A—Membership**

The Vestry of St James Episcopal Church shall consist of no less than six (6) or more than fifteen (15) qualified voting members of the parish elected by ballot at the Annual Parish Meeting.<sup>10</sup> The Vestry shall set and may change the number of members

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<sup>10</sup> Canon 21, Sec. 3(a) of the Diocese of Eastern Michigan provides that a vestry may be constituted by not fewer than six (6) or more than fifteen (15) members. See also the Michigan statute in Public Act 40 of 1899—Protestant Episcopal Churches.

from time to time at its discretion. If the vestry elects to increase the number of qualified voting members between annual meetings, the new seat created shall not be deemed a vacancy that the Vestry may fill. If the Vestry elects to decrease the number of qualified voting members, all sitting qualified members shall complete the terms for which they were elected. The Vestry may include one (1) or more members who are 16 or 17 years of age as long as that number does not exceed one-half (1/2) the total number of vestry members.<sup>11</sup> No one who is a member of the paid staff of the parish shall be eligible to serve on the Vestry during the term of such employment<sup>12</sup>. No person who is the parent, spouse, domestic partner, child, or sibling in the same household<sup>13</sup> of a vestry member may serve on the vestry at the same time as the member to whom they are related.

### **Section B—Terms of Office and Filling Vacancies.**

1. **Term.** Each vestry member shall be elected to a three-year term. The vestry shall be divided into classes so that one-third of the Vestry may be chosen every year. No member shall serve more than two (2) consecutive three (3) year terms.<sup>14</sup> If Vestry members are elected for a three-year term, no Vestry members so elected shall be eligible for re-election until one year after his or her second consecutive three-year term expires.
2. **Vacancies.** If a vestry member resigns or otherwise vacates office before the expiration of his or her term, such vacancy in the Vestry may be filled by the remaining Vestry members at any meeting, and the person so elected shall hold office for the unexpired term of the predecessor. If a Senior or Junior Warden, or both, resigns or otherwise vacates office before the expiration of his or her term, such vacancy in the Vestry shall be filled by the remaining Vestry members at any meeting, and the person so elected shall hold office for the unexpired term of the predecessor.
3. **Prolonged Absences.** If any member of the Vestry is absent from the regularly scheduled meetings of the Vestry for a period of three consecutive months without excuse, the remaining members of the Vestry may, at their discretion and with the advice and consent of the Rector, declare the seat to be vacant and elect a qualified person to fill the unexpired term. In the absence of a Rector, the advice and consent of the Bishop shall be secured.<sup>15</sup>

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<sup>11</sup> Michigan Nonprofit Corporation Act. Public Act 162 of 1982, Sec 501(a).

<sup>12</sup> The word “employment” was changed from the word “service” by amendment on January 29, 2023

<sup>13</sup> The language “in the same household” was added by amendment on January 29, 2023. The intent was to not disqualify siblings living in separate households since it was thought that undue family control would not be an issue if siblings were independent enough to be living apart from each other.

<sup>14</sup> DEM Canon 21, Sec 3, (a)(1)(iv)

<sup>15</sup> DEM Canon 22. Sec 4 (e)

<sup>12</sup> DEM Canon 21, Sec 2 (a).

## Section C—Voting and Quorum

1. **Voting**—only those members present may cast a vote on any matter coming before the meeting. The Rector shall have no vote at any meeting of the Vestry except when presiding and then only in the event of a tie.<sup>12</sup>
2. **Quorum**—a majority<sup>16</sup> of the Vestry members shall constitute a quorum.

## Section D—Election of Vestry

**1. Nomination Committee.** No later than October 1, or as soon as practical thereafter, the Vestry shall appoint a Nominating Committee. It shall consist of the Rector, the Wardens and three (3) members of the parish appointed by the Vestry no more than two of which may be current Vestry Members. In the absence of a Rector, the Vestry may appoint an additional member from the parish to the nominating committee.

**2. Nominations.** The nomination committee shall endeavor to find nominees of varied ages, male and female, presenting different skills and interests as may be needed by the parish. The nomination committee shall nominate one individual for each vacancy on the Vestry and shall not be required to nominate more than one candidate for each office unless they deem it advisable. All nominees shall certify in writing their willingness to serve on the Vestry no later than thirty (30) days before the election. If there is more than one candidate for a vacancy, then the names and biographical sketches of the nominees shall be presented in writing to members of the parish at least fifteen (15) days before the Annual Parish Meeting.

**3. Election.** At any Annual or Special Meeting at which a Vestry member is to be elected, the Wardens if present shall act as election tellers. Wardens may in their discretion appoint other present Parish members to assist them as election tellers. If either or both of the Wardens are standing for office, they shall designate an alternate teller or tellers. The election tellers and their assistants, if any, are responsible for:

- i. insuring that only qualified parishioners vote,
- ii. for supervising any secret ballot,
- iii. for counting the ballots or any rising votes,
- iv. for declaring the results of the election, and
- v. for otherwise overseeing the election process and resolving any disputes that attend it.

A majority of all the ballots cast shall be necessary for any candidate to win election; provided, however, that if the number of qualified candidates is equal to or fewer than the number of open seats or offices, then the Wardens may entertain a motion from the floor by a Parish member to elect the nominated candidates by acclamation.

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<sup>16</sup> For the purposes of these bylaws, a majority equals 50% plus one rounded down to a whole number in the case of an odd number of qualified voters—thus 4.5 equals 4.

## **Section E—Organizational Meetings of the Vestry**

1. **Elections.** At the first vestry meeting following the annual meeting, the Vestry shall elect a Senior Warden and a Junior Warden from their number and one member to be Clerk of the Vestry.<sup>17</sup> For purposes of the Annual Michigan Corporation Update, the Clerk of the Vestry is deemed the Secretary of the Corporation unless a Secretary is appointed as in sub-section (2) below.
2. **Appointments.** The vestry shall appoint a Treasurer and may appoint a Secretary and such other agents as an Assistant Treasurer or an Assistant Secretary as may be deemed necessary at their discretion, none of whom need be members of the Vestry.<sup>18</sup> The Vestry shall also appoint a Pledge Clerk whose duties are delineated in Article VII, Section C.
3. **Schedule of Meetings.** At its first meeting after the Annual Parish Meeting, a schedule of regular meetings of the Vestry shall be established and it shall be posted in a conspicuous place. Regular meetings of the Vestry may be held without notice. Special Meetings of the Vestry may be held with three (3) days' notice in person or by telephone or by email. Email notification may, however, be used only if the Vestry member has given consent to such notification in writing.
4. **Wardens.**
  - a. The **Senior Warden** shall be the Chief Executive Officer of the Vestry and for purposes of the Michigan Annual Corporation Update is deemed the President of the Corporation.
  - b. The **Junior Warden** shall exercise the duties of the Senior Warden in the temporary absence of the Senior Warden. For purposes of the Michigan Annual Corporation Update, the Junior Warden is deemed to be the Vice President of the Corporation.

## **Article VII—Of the Vestry's Officers, Duties and Powers**

### **Section A—The Role of the Senior Warden**

The Senior Warden shall:

1. provide for the celebration of public worship and shall, at the discretion of the Rector preside over meetings of the Vestry;
2. call regular and special meetings of the Vestry; and may at the discretion of the Rector preside over the Annual Meeting of the Parish;

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<sup>17</sup> DEM Canon 22, Sec. 1(a)

<sup>18</sup> DEM Canon 22, Sec. 1(b)

3. act as a liaison between the Vestry and the Parish, to keep the Parish advised, insofar as appropriate and expedient, of the actions of the Vestry;
4. render an annual report to the parish at the annual meeting; and
5. in the absence of a Rector, perform those things necessary to the efficient running of the parish with the advice and consent of the Vestry.

### **Section B—The Role of the Junior Warden**

The Junior Warden shall:

1. in the absence of the Senior Warden, provide for the celebration of public worship;
2. in the absence of the Senior Warden and Rector, preside over meetings of the Vestry; and
3. serve as chair of the nominating committee.

### **Section C—The Role of the Clerk**

The clerk of the Vestry shall:

1. note and record, in a book provided for that purpose, the minutes of the proceedings of the Vestry meetings (which duty may be delegated to Secretary);
2. attest to the public acts of the Vestry;
3. preserve, or cause to be preserved, all records and papers belonging to the parish and not required to be kept by any other person or officer;
4. perform such other duties as may be assigned; and
5. faithfully deliver into the hands of his or her successor all books and documents belonging to the Parish that may be in his or her possession at the expiration of service on the Vestry.

### **Section D—The Role of the Treasurer**

The Treasurer shall all funds collected under the authority of the Vestry and shall disburse the same under the direction of the Vestry. In addition, the Treasurer shall:

1. prepare the financial section of the Parochial Report required by the National Church;
2. prepare any other financial report required the National Church, the Diocese or the Vestry;
3. prepare all federal and state employment tax returns;
4. work with the Finance Standing Committee in preparing the annual budget of the parish.

### **Section E—The Role of the Pledge Clerk**

The Pledge Clerk shall:



1. be responsible for all pledge records, including the entry of such records into the financial software used by the parish;
2. provide the congregation with pledge cards and weekly envelopes;
3. prepare and distribute annual pledge statements;
4. to work with the Stewardship and Finance Standing Committees as necessary.

### **Section F—Authority of the Vestry**

The Vestry shall constitute the managing and governing body of the temporal affairs of the Parish. It shall be responsible for the maintenance of the property of the parish, the calling and support of a Rector and the providing for such other clergy as may be required or desirable and provide for compensation of other Parish employees. The vestry shall provide for regular public worship.

1. The vestry shall have authority<sup>19</sup>
  - a. in the corporate name of the Parish, to lease or to purchase and hold such real estate as shall be reasonably necessary for the parish's purposes.
  - b. to erect, alter, enlarge, take down, or remove and rebuild any church or other building belonging to the parish provided such Vestry shall have first obtained the consent of the parish.
2. The vestry shall have the power to alienate or encumber any assets of the parish; except that it shall have no power or authority to alienate or encumber real estate without first being authorized to do so by:
  - a. a vote of the members of the parish at an annual meeting or special meeting called for that purpose, and
  - b. the prior consent of the Bishop acting with the advice and consent of the Diocesan Council of the Diocese. Should the Vestry encumber real property.
3. Should the Vestry encumber such property, it shall, within thirty (30) days thereafter, prepare and furnish to the Bishop and the Diocesan Council a statement showing the date and principal amount of such note and mortgage, the rate of interest thereon, the date and terms of payment of the principal and interest, the date of maturity thereof, and the names and addresses of the mortgagee(s). The Vestry shall make annual reports to the Bishop and the Diocesan Council as to the status of the said mortgage payments until said mortgage is fully paid.
4. Except for the refinancing of any existing indebtedness, no indebtedness shall be incurred by the parish without the approval of the Bishop and the Diocesan Council with these two exceptions:

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<sup>19</sup> DEM Canon 22, Sec 3.

- a. When the indebtedness is to be incurred for permanent improvements, replacements, or additions to real estate or equipment, and where the indebtedness, together with all the other indebtedness of the parish, shall not exceed fifty percent (50%) of the average annual receipts of such parish during the previous three (3) years.
  - b. When the indebtedness is to be incurred for current expenses, and where the amount of such indebtedness, together with all existing indebtedness shall not exceed twenty percent (20%) of the total current receipts of the parish during the preceding year, and the payment of all indebtedness for current expenses shall be provided for in the budget of the next two (2) years with reasonable expectation of its payment. The principal of endowments and bequests and receipts for purposes for other than current expenses shall be excluded from computing receipts under this provision. Whenever approval is required, the parish requesting such approval shall furnish a statement of the amount and terms of payment of said indebtedness, the reason for its necessity, and a plan for its retirement.
5. All documents requiring corporate signatures shall be signed, in the name of the Vestry, by one of the Wardens and by the Clerk, or by such other members of the Vestry as shall be authorized to do so by resolution.

## **Article VIII—Of the Standing Committees Section**

### **A—The Committees**

To advise the Rector on the various matters of parish life and work, the Vestry shall establish the following standing committee of the Vestry.

1. **Worship and Pastoral Care Committee.** The purpose of the Worship and Spiritual Life Committee<sup>20</sup> shall be to advise and assist the Rector in matters of public worship and the pastoral care of the congregation. The duties of the committee will vary with the Rector's length of service in the parish, the particular skills of the priest, musicians, and parish resources, and the particular needs of the worshipping community.
2. **Christian Service Committee.** The purpose of the Christian Service Committee shall be to advise and assist the Rector on matters of Christian Outreach by the parish into the local community. The duties of the committee will vary with local needs as identified by the committee and the resources of the parish to respond to those needs.

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<sup>20</sup> The name of this committee was previously the Worship and Pastoral Care Committee. The name was changed at the annual meeting held on January 28, 2018.

3. **Stewardship Committee.** The purpose of the Stewardship Committee is to help teach the importance of stewardship and to help raise the resources necessary to allow the parish to carry out its mission. This committee will also help coordinate and execute the annual pledge campaign.
4. **Finance Committee.** The purpose of the Finance Committee is to provide support, advice, and guidance to the Vestry in financial matters, internal control and best practice. The Finance Committee will coordinate the development of the annual budget with the Treasurer and Rector.
5. **Buildings & Grounds Committee.** The purpose of the buildings and grounds committee shall be to oversee the provision of routine maintenance as well as major improvements to the parish buildings and grounds.

### **Section B—Committee Chairpersons**

At the first meeting following the annual meeting, the Vestry shall appoint one of its own to one or more of the standing committees. While each of the standing committees must have a vestry member as a member of the committee, the vestry member need not chair the committee to which he or she is appointed.

### **Section C—Committee Charters**

As soon as is practical following the first vestry meeting after the adoption of these bylaws, the vestry shall write, or cause to be written, a charter for each standing committee stating the purpose, the structure, and the duties of each standing committee. The individual charters of the standing committees may be amended by a majority vote of the Vestry at any duly called meeting of the Vestry.

### **Section D—Special Committees**

Special or *ad hoc* committees may be authorized by the Vestry or appointed by the Senior Warden from time to time as occasion demands. Their activities shall be limited to the purposes for which they are authorized and shall have only such powers as are specifically conferred by action of the Vestry.

## **Article IX—Indemnification**

The parish shall, to the fullest extent legally permissible under the laws of the State of Michigan, indemnify each person who may serve or who has served at any time as a member of the Vestry, or one of its committees, as a Warden, Treasurer, Rector in his or her capacity as a member of the Vestry, or other officer of the Parish (collectively “Indemnified Officers”), against all expenses and liabilities, including, without limitation, counsel fees, judgments, fines, excise taxes, penalties and settlement

payments, reasonable incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a “proceeding”), in which he or she may become involved by reason of his or her serving or having served in such capacity (other than a proceeding voluntarily initiated by such person unless he or she is successful on the merits and the proceeding was authorized by a majority of the Vestry). However, no indemnification shall be provided for any such person with respect to any matter in which he or she is adjudicated not to have acted in good faith on behalf of the Parish; and further provided that any compromise or settlement payment shall be approved by the Vestry in the same manner as provide below for the authorization of indemnification.

Such indemnification may, to the extent authorized by the Vestry, include payment by the Parish of expenses incurred in defending a civil or criminal action or proceeding in advance of the final disposition of such action or proceeding, provided that the person indemnified agrees to repay such payment if he or she is not entitled to indemnification under this Article; the repayment agreement may be accepted without regard to the financial ability of such person to make payment.

The Corporation may purchase and maintain insurance on behalf of any such person against any liability asserted against and incurred by such person in any such capacity or arising out of his status as such, whether or not the Corporation would have power to indemnify such person against such liability under the preceding two sentences.

## **Article X—Conflicts of Interest**

### **Section A—Purpose.**

The purpose of the conflict-of-interest policy is to protect the interest of the tax-exempt organization, St. James Episcopal Church of Cheboygan, when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of St. James Episcopal Church of Cheboygan or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### **Section B—Definitions.**

1. **Interested Person.** Any director, principal officer or member of a committee with Vestry delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. **Financial Interest.** A person has financial interest if the person has, directly or indirectly, through business, investment or family:
  - a. an ownership or investment interest in any entity with which St. James Episcopal Church of Cheboygan has a transaction or investment,
  - b. a compensation arrangement with St. James Episcopal Church of Cheboygan or with any entity or individual with which St. James Episcopal Church of Cheboygan has a transaction or arrangement, or
  - c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which St. James Episcopal Church of Cheboygan is negotiating a transaction or arrangement.
  - d. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
  - e. A financial interest is not necessarily a conflict of interest. Under this section, a person that has a financial interest may have a conflict of interest only if the appropriate Vestry or committee decides that a conflict of interest exists.

### **Section C—Procedures.**

1. **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with Vestry delegated powers considering the proposed transaction or arrangement.
2. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Vestry or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
3. **Procedures for Addressing the Conflict of Interest.** An interested person may make a presentation at the Vestry or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the Vestry or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the Vestry or committee shall determine whether St. James Episcopal Church of Cheboygan can obtain with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Vestry or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in St. James Episcopal Church of Cheboygan's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

#### **Section D—Violations of the Conflicts of Interest Policy.**

If the Vestry or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation warranted by the circumstances, the Vestry or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **Section E—Records of Proceedings.**

The minutes of the Vestry and all committees with board delegated powers shall contain:

The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Vestry's or committee's decision as to whether a conflict of interest in fact existed.

The names of the persons who were present for discussions and votes in relation to the transaction or arrangement, the content of the discussion including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### **Section F—Compensation.**

A voting member of the Vestry who receives compensation, directly or indirectly, from St. James Episcopal Church of Cheboygan for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from St. James Episcopal Church of Cheboygan for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the Vestry or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from St. James Episcopal Church of Cheboygan, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

### **Section G—Compliance Statements.**

The Clerk shall obtain a signed statement from each Vestry member and member of a committee with Vestry delegated powers at the conclusion of each Annual Meeting of the Parish which affirms such person:

1. Has received a copy of the conflict-of-interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands that St. James Episcopal Church of Cheboygan is a charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

### **Section H—Periodic Reviews.**

To ensure St. James Episcopal Church of Cheboygan operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted by the Board of Directors with the assistance of the Treasurer. The periodic reviews shall be conducted, at a minimum, at the Meeting of the Vestry following each Annual Meeting of the Parish and shall include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to St. James Episcopal Church of Cheboygan's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable

purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

### **Section I—Use of Outside Experts.**

When conducting the periodic reviews as provided for in Article VII, Section H, St. James Episcopal Church of Cheboygan may, but need not, use outside advisors. If outside experts are used, their uses shall not relieve the Vestry of its responsibility for ensuring periodic reviews are conducted.

## **Article XI—Distribution of Assets on Dissolution**

In the event of dissolution of this Corporation, all assets shall become the property of the Episcopal Diocese of Eastern Michigan. Financial and non-financial assets, real and personal property, including restricted funds, memorial funds, and trusts will become the property of the Diocese to be managed, allocated and disposed of by the Diocesan Council of the Diocese of Eastern Michigan in accordance with the laws of the State of Michigan.

## **Article XII—General Provisions Section**

### **Section A—Resident Agent**

The Vestry shall appoint a Resident Agent as required by the laws of the State of Michigan. The resident agent must be an individual in this state whose business office may be identical to the corporation's registered office.

### **Section B—Telephonic Meetings and Email Polling**

1. **Telephonic Meetings.** The members of the Parish at an annual or special meeting or members of the Vestry or any committee designated by the Vestry may participate in a meeting by means of conference telephone, internet videoconference, or similar communications equipment by which all persons participating in the meeting may hear each other; if all the participants are advised of the communication equipment; and the names of the participants in the conference are divulged to all participants. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.<sup>21</sup>

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<sup>21</sup> This section B.1 was amended at the Annual Meeting held in 2021. The original section only provided that the members of the Vestry were permitted to participate telephonically. As a result of the COVID-19 pandemic and the possibility that the annual meeting may not be held in-person this change was recommended by the Episcopal Diocese of Eastern Michigan.



2. **Telephonic Polling.**<sup>22</sup> The Vestry may take any action requiring Vestry approval when a majority of the Vestry has given such approval by telephonic polling or email polling. To poll by telephone or other internet method, including polling by email, the following procedures must be followed:
  - a. The Rector<sup>23</sup>, the Senior Warden or, in his or her absence, the Junior Warden, or a person appointed by the Senior Warden shall be the only persons allowed under these bylaws to poll the members of the Vestry by means of a telephonic device or by email.
  - b. The motion upon which the Vestry is voting by telephone or email must be in writing. If polling is done by telephone, the motion must be read to each person eligible to vote.
  - c. The telephone number or email address used to reach the vestry member, the time and date of the call or of the email response, and the result of the vote, either for or against must be recorded in writing or captured by the polling method being used.
  - d. Approval of a motion shall be ratified at the next regular meeting of the Board.

### **Section C – Amendments**

These Bylaws may be amended or repealed, and new bylaws may be adopted by the affirmative vote of a two-thirds (2/3) majority of the members at any Annual Parish Meeting or special meetings of the parish, if notice has been given to all members pursuant to the provisions of Article III, Section E of these bylaws.

### **Section D – Gender**

Throughout these Bylaws, whenever the context requires or permits, the masculine gender shall be deemed to include the feminine, the neuter gender shall be deemed to include the masculine and feminine, and the singular shall be deemed to include the plural and vice versa.

### **Section E – Interpretation**

The Vestry shall have the power and authority to interpret the meaning of any section or provision of these bylaws. For the purposes of these bylaws the terms “parish” and “corporation” are synonymous.

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<sup>22</sup> This section was amended on January 29, 2023, to specifically provide for polling by email in all cases where polling was permitted. The previous version of these bylaws did not provide for email polling.

<sup>23</sup> The “Rector” was added to this list of those approved to conduct polls by an amendment on January 29, 2023.

**Section F – Captions**

The captions contained herein are for the convenience of the reader only, shall not be deemed to either limit or expand the meaning of these Bylaws, and shall not be deemed to have any legal effect.

**Section G – Parliamentary Authority**

The rules contained in the current edition of *Robert's Rules of Order: Newly Revised* shall govern all cases in which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order the corporation may adopt.

**Revision History:**

Adopted: July 26, 2015

Revised: January 23, 2022

Revised: January 29, 2023