

FIRST UNITARIAN UNIVERSALIST CONGREGATION OF THE PALM BEACHES BY-LAWS

Revised April 19, 2015

ARTICLE 1 - NAME

The name of this religious organization is First Unitarian Universalist Congregation of the Palm Beaches.

ARTICLE 2 - VISION STATEMENT

Our Unitarian Universalist Congregation is a liberal religious community of diverse and freethinking individuals. We seek spiritual growth and social justice. As adults and children who learn, love, share and serve together, we welcome all into our family.

ARTICLE 3 - DEFINITIONS

3.1 "Congregation" means the First Unitarian Universalist Congregation of the Palm Beaches.

3.2 "Board" means the Board of Trustees of the Congregation.

3.3 "Voting Member" means a member of the Congregation qualified to vote.

3.4 "Vote of the members" means the vote of a majority of the Voting Members that are present at a legally convened meeting of the Congregation.

3.5 "Minister" means the Minister of the Congregation as called and/or under contract and employed by the Congregation under the provisions of Article 9 of these By-laws.

3.6 "Membership Roll" means the official listing of all members of the Congregation. The Membership Roll, as defined in 4.1 and 4.2, when certified by the Membership Chair in conjunction with the Treasurer, shall determine voting eligibility and shall be maintained on a current basis.

3.7 "Congregation Manual" means the manual which shall contain the compilation of policies, procedures and standing committee descriptions and responsibilities as established by the Board.

3.8 "Annual Meeting" means the regular congregational meeting held each year prior to May 1 (the start of the fiscal year) on a date designated by the Board at which the annual budget is adopted and leaders are elected.

ARTICLE 4 - MEMBERSHIP

4.1 Qualification - Any person eighteen years of age or older, and who is in sympathy with the stated vision of the Congregation, may become a member of the Congregation upon satisfaction of the following requirements:

4.1.1 Signing the Membership Book in the presence of and witnessed by either the Minister, the President or the Membership Chair.

4.1.2 Signing a pledge card and making a financial contribution to the Congregation.

4.1.3 The failure of a member to sign a pledge card and make a financial contribution to the Congregation for two successive years will result in automatic termination of membership.

4.2 Voting - Voting privileges shall commence with membership.

4.3 Youth Membership - Membership will be allowed at age 14 for youth who have attended the "Coming of Age" curriculum.

4.4 Resignation - Withdrawal from membership may be accomplished by submitting a resignation in writing to the Board. The effective date of such resignation, if not specified in the request, shall be upon acceptance by the Board.

4.5 Friends - Persons wishing to participate regularly in the Congregation's functions, but who do not wish to become members of the Congregation, may receive Congregation communications and be included in the

directory as Friends of the Congregation. They shall not be included in the count of members for the annual pledge to the Unitarian Universalist Association or to other denominational affiliations.

ARTICLE 5 - DENOMINATIONAL AFFILIATIONS

The Congregation shall be a member of the Unitarian Universalist Association of America, and may be a member of the Florida District of the Unitarian Universalist Association and the appropriate District Cluster.

ARTICLE 6 - CONGREGATIONAL MEETINGS

6.1 Meetings – The Congregation shall hold an annual meeting (“the Annual Meeting”) as defined in Article 3.8. Special meetings can be called by at least five (5) members of the Board or by the petition of at least fifteen percent (15%) of all Voting Members.

6.2 Quorum - A quorum of twenty-five percent (25%) of the Voting Members of the Congregation must be present to transact business at any meeting of the Congregation unless a higher percent is otherwise required elsewhere in these By-Laws.

6.3 Voting Method - At all meetings of the Congregation, the method of voting shall be by a show of hands unless otherwise provided by the By-Laws. In the case of elections where there is more than one candidate for any one office, the voting for that office shall be by secret ballot.

6.4 Voting Required - Except as provided elsewhere in these By-Laws or in the Articles of Incorporation, a simple majority of the votes cast shall be sufficient for the adoption of any matter, question or proposal which may properly come before the meeting.

6.5 Notice - Notice of all Annual Meetings shall be announced either electronically or by mail no less than twenty (20) days prior to the date of the meeting. The notice of the Annual Meeting shall include the names of nominees for the Nominating Committee, as described in Article 7.3, and for all offices to be filled by election. Special Meetings of the Congregation may be called with no less than ten (10) days advance notice. Notice of all meetings of the Congregation may be included in the Congregation newsletter (electronic or paper), or mailed, and announced from the pulpit on Sundays before any meeting.

ARTICLE 7 - ELECTIONS

7.1 Voting - At the Annual Meeting, members shall be elected to serve as President, Vice President, Clerk, Treasurer and Assistant Treasurer. Voters shall also elect one member of the Board of Trustees and one a member of the Endowment Committee and fill any unexpired terms on the Board or Endowment Committee. In addition, three (3) members will be elected to a Nominating Committee as provided in Article 7.3.

7.1.1 Only members in good standing as of March 1 shall be eligible to vote at the Annual Meeting, and only members in good standing as of the first day of any month in which a Special Meeting is called shall be eligible to vote at that meeting.

7.2 Terms - Officers, Trustees and Endowment Committee members elected at the Annual Meeting shall assume their offices on the first day of May. The President and Vice President may serve a maximum of three (3) consecutive terms; other officers and trustees may serve for no more than four (4) consecutive years, and Endowment Committee members no more than five (5) consecutive years. After the lapse of one year, officers, trustees and Endowment Committee members may be reelected to their former position.

7.3 Nominating Committee - At the Annual Meeting, the Congregation shall elect three members to serve on the Nominating Committee. Committee members shall serve staggered two-year terms of office as hereinafter described. Initially, two members shall be elected to serve for two years and one member shall be elected to serve for one year. In the alternate year, one member shall be elected to serve for two years. In all subsequent years members standing for election shall be elected to two-year terms. The three regular elected members shall designate one of their numbers to serve as chair of the committee. Should a vacancy occur on the Committee, it shall be filled for the unexpired portion of the term by a member appointed by the President and approved by the Board of Trustees.

7.3.1 No member may be elected or appointed to the Nominating Committee unless the member shall have been a Voting Member for three consecutive years immediately preceding the member's election or appointment. The names of candidates for election to the Committee, whether self nominated or nominated by another member or the Nominating Committee, must be submitted to the Clerk not later than twenty-five (25) days prior to the date set for the Annual Meeting. In addition to its responsibilities as set forth in Article 7.3.2, the Nominating Committee shall actively solicit the membership for the names of candidates willing to stand for election to the Committee at each Annual Meeting.

7.3.2 It is the responsibility of this committee to give consideration throughout the year to possible candidates to serve as officers and trustees of the Congregation. At least twenty (20) days prior to each Annual Meeting, the Nominating Committee shall give to the Clerk the names of, and background information about, one (1) candidate for each office, trusteeship and Endowment Committee membership to be filled. Any other person wishing to become a candidate for election at the Annual Meeting can do so by filing with the Clerk, not later than fifteen (15) days prior to the meeting date, a petition signed by at least ten (10) members of the Congregation.

7.4 Election Procedure - Voting shall be by written, secret ballot only in the event of more than one (1) candidate for each office and/or more nominees for trustee, Endowment Committee member, or Nominating Committee member than there are vacancies to be filled. In a contested election, the highest number of votes cast shall determine who is elected. Ties in voting shall be resolved by immediate run-off election. Cumulative voting and proxy voting are not to be allowed.

7.5 Vacancies - If vacancies occur among officers, trustees and Endowment Committee members during the course of the year, they shall be filled by the Board until the following Annual Meeting when the unexpired terms will be filled by procedure as set forth in 7.3 above.

ARTICLE 8 - BOARD OF TRUSTEES

8.1 The Board of Trustees derives its powers from the membership of the Congregation and on behalf of the Congregation shall have general charge of the property of the Congregation, the conduct of its business affairs, and its administration.

8.2 Composition - The Board of Trustees shall consist of four (4) Trustees and four (5) Officers: President, Vice President, Clerk, Treasurer and Assistant Treasurer. The officers shall serve one (1) year terms. The Trustees shall serve terms of four (4) years on a staggered basis with one (1) Trustee being elected each year at the Annual Meeting. Any Trustee whose term of office has not expired on the effective date of this amended ByLaw 8.2 shall continue to serve until the expiration of his/her term or earlier resignation whichever shall first occur. Only members qualified to vote shall be eligible for election to the Board of Trustees. The President shall act as the presiding officer at all meetings and shall have a vote only in case of a tie. The immediate past President may sit on the Board without a vote for a period of one (1) year. The minister shall be an ex-officio member. No spouses shall serve on the Board simultaneously, nor shall anyone be eligible to serve on the Board when his or her spouse is a paid employee of the Congregation.

8.3 Responsibilities and Duties - The Board shall be responsible for the management of the operations and affairs of the Congregation, overseeing and directing the safekeeping of all assets of the Congregation except those which are the responsibility of the Endowment Committee; establishing policies and procedures with regard to said operations and affairs; the maintenance and use of its assets; and providing leadership. Its duties shall include, but not be limited to, the following:

8.3.1 The administration of the Annual Operating Budget with the authority to spend up to \$3,500 in excess of the approved budget for unanticipated operating expenses.

8.3.2 The hiring of all employees and the determination of the level of compensation and benefits, if any.

8.3.3 Approval or modification of an Annual Operating Budget following the Annual Canvass and recommendation thereof to the members of the Congregation at the Annual Meeting.

8.3.4 The convening of Special Meetings of the Congregation as deemed necessary or as required elsewhere in these By-Laws.

8.3.5 The establishment of committees as deemed necessary or desirable and the appointment of voting members as Chairs.

8.3.6 Consideration of resignations of membership and applications for the formation and sponsorship of auxiliary organizations.

8.3.7. The recognition and approval of organizations within or to be sponsored by the Congregation upon the consideration of a request for such affiliation or sponsorship.

8.3.8 The appointment of an Audit Committee and designation of a Chair to review the financial records of the Congregation following the close of the fiscal year, and to charge the Committee to submit a report to the Board of Trustees and to the Congregation within ninety (90) days.

8.4 Regular Meetings - Regular meetings of the Board shall be scheduled no less than once per month, excepting July and August, with date, time and place determined by the Board. All meetings of the Board shall be open with the exception of executive sessions requested by the President or a majority of the Board. The President, consulting with others in his/her discretion, is responsible to prepare the agenda for each meeting, which shall be sent to Board members with notice of a Board meeting.

8.5 Special Meetings - Special Meetings of the Board may be held at such times as the Board may determine, or at the call of the President, or at the written request of at least three (3) Trustees made to the President.

8.6 Notice - Notice of all Regular and Special Meetings, if time allows, shall be announced either in an electronic or paper copy of the Congregation newsletter. Notice of Special Meetings may be given by telephone provided that such notice is given no less than twenty-four (24) hours prior to any such meeting. Special Meetings may be held without notice in case of an emergency provided that the emergency is documented in the Minutes of said meeting.

8.7 Quorum - At all meetings of the Board, the next whole number more than half of board members shall constitute a quorum.

8.8 Votes Required - The affirmative vote of a majority of the members present shall be necessary to take or authorize action.

8.9 Duties of Officers - The duties of each officer shall include, but not be limited to, the following:

8.9.1 President - The President shall 1) preside at all meetings of the Congregation and the Board, and represent the Congregation at all occasions where such representation is appropriate or necessary; 2) make such appointments as directed, authorized or required, including the appointment of Standing Committee Chairs, subject to approval of the Board; 3) execute all documents necessary to carry out the purposes and functions of the Congregation; 4) be responsible for carrying out the directives and requirements of applicable law, these By-Laws, and the Articles of Incorporation; and 5) serve as an ex-officio member, without a vote, on all committees except the Nominating Committee.

8.9.2 Vice-President - The Vice-President shall 1) be the Chair of the Congregation Council; 2) assist the President in the duties of that office; 3) execute the duties of the office of President in the absence of the President; 4) have the authority to receive all funds on behalf of the Congregation in the absence of the Treasurer; 5) maintain a manual of all the Committees with a description of their functions ("*Congregation Manual*"); and 6) ensure that further actions on Board decisions are taken if necessary.

8.9.3 Treasurer - The Treasurer shall be responsible for: 1) receiving all funds and assets, other than real property and other than contributions to the Permanent Endowment Fund, for the Congregation; 2) depositing all moneys, checks and drafts in the name of the Congregation at such banks or depositories as the Board may authorize; 3) disbursing funds of the Congregation for all appropriate expenditures authorized by the Board or by a Vote of the Members; 4) keeping a full and accurate record of all income and disbursements in

records kept for such purpose which shall be the property of the Congregation and available upon request at reasonable times to all Voting Members (This excludes individual pledge records, which shall be kept confidential and shall only be made available to persons requiring them for the performance of their duties.); 5) preparing written monthly and annual reports reflecting the current financial condition of the Congregation; 6) keeping a record of all financial contributions toward pledges; 7) preparing individual pledge status statements twice a year; 8) verifying that each person on the membership list furnished by the Membership Committee is or is not qualified to vote at each Congregational meeting; and 9) filing any tax and other financial or corporate reports as may be required by applicable law.

8.9.4 Assistant Treasurer- The Assistant Treasurer shall, 1) have all the duties and obligations as specified for the Treasurer; and 2) cooperate in all ways with the Treasurer in carrying out these duties.

8.9.5 Clerk - The Clerk shall be responsible for: 1) taking detailed and accurate notes of the proceedings of all meetings of the Congregation and the Board and prepare from such notes Minutes of each meeting which shall be kept in a binder and be the property of the Congregation; 2) preserving and overseeing the safekeeping of all records, reports and official documents of the Congregation in keeping with the laws of the State of Florida as laid out by the State Comptroller's Office; 3) preparing and filing reports and items other than those which are the responsibility of the Treasurer; 4) preparing and sending notices of all meetings of the Congregation and the Board or, in the event mailing of Board notices is not practical, to communicate such notice in the most expedient manner; 5) conducting all official correspondence in the name of the Congregation; and 6) being the custodian of the Corporate Seal of the Congregation and keeping available a current copy of Robert's *Rules of Order*, newly revised.

ARTICLE 9 - THE MINISTER

9.1 Categories of UUA Ministers: Settled, Interim, Developmental.

•Called/Settled Minister: an ordained, UUA fellowshipped minister, elected by the congregation for an indefinite tenure following an extensive candidating exercise.

•Interim Minister: an ordained, UUA fellowshipped minister particularly trained to aid a congregation through transition after the departure of a settled minister; s/he is hired by the Board of Trustees; both parties agree that the Interim will serve no more than two years and is not eligible to become the Settled Minister.

•Developmental Minister: an ordained, UUA fellowshipped minister particularly trained to assist the congregation through Transition, with the option after three years to be considered for becoming the Settled Minister; s/he is hired by the Board, with an annual review of the agreement; after the third year, the congregation and minister, mutually agreeing, may entertain transitioning to the Settled Minister role with indefinite tenure. The same procedures as noted in congregational bylaws for any Settled Minister will be followed.

•All ministers not candidating for a settled ministry are contract ministers, hired by the Board, as the Congregation's agent, for a diverse array of partial time or partial service or time-limited contracted ministries.

Called/Settled Minister:

9.2 Duties - The Minister shall have a free pulpit and, in addition to ministerial duties and functions, shall 1) cooperate in carrying out policies established by actions of the Board; 2) prepare and direct, with the assistance of the Sanctuary Services Committee, the regular and special services of the Congregation; 3) counsel the professional staff and committee chairpersons for the purpose of implementing and coordinating programs and activities intended for the entire Congregation; 4) bring to the attention of the Board any matter which is considered to be the general interest and concern of the Congregation, making any observations and/or recommendations thereon; 5) serve as an ex-officio member, without a vote, of the Board and all committees except the Search Committee; and 6) serve in an advisory capacity to the Nominating Committee.

9.3 Qualification - The Minister shall be fellowshipped by the Unitarian Universalist Association or be undertaking active participation in a preparatory program for such fellowship.

9.4.A. Search and Selection Process - Upon notification of an immediate or future vacancy of the ministerial office, the Board shall nominate a Search Committee to be elected by the Congregation for the purpose of conducting a search for qualified candidates for the office. The Committee shall consist of at least seven (7) Voting Members. The Committee shall elect from their number a Chair and Recording Secretary who shall keep the Congregation aware of the progress of the Committee. Upon the conclusion of the search process, the Committee shall interview viable candidates and thereafter select and present its recommendation to the Congregation.

9.5.A. Selection - The Settled Minister shall be chosen and the Contract approved, each of which shall be effected upon a seventy-five percent (75%) affirmative vote of the members present at which a quorum of forty percent (40%) of the Voting Members shall be required.

9.6.A. Contract - The Minister's Contract shall set forth the terms of employment and the initial salary and benefits. It shall be in effect for a full year. The Contract, in its particulars, shall not conflict with these By-Laws or with the Articles of Incorporation. The Contract shall be reviewed at least biennially by the Board and the Minister. Any unresolved issue as the result of this review shall be presented to the Members for their action at a Meeting of the Congregation. The Contract may be terminated by the Minister upon at least ninety (90) days written notice by the Minister to the Board; such period of notice may be altered by mutual consent.

9.7.A. Dismissal - To dismiss a Settled Minister and terminate his or her contract, fifty percent (50%) of eligible voters must cast votes with seventy-five percent (75%) in the affirmative at a legally convened meeting of the Congregation. The vote shall be taken by secret ballot. Notice of any such dismissal and effective date thereof shall be given in writing by the President to the Minister. The Minister's salary and benefits shall be continued for a period of three months following the effective date of dismissal.

Interim or Developmental Minister:

9.2 and 9.3 apply

9.4.B.- The Congregation may "Call" the Developmental Minister after his/her 3rd to 5th year of tenure with the Congregation, after which 9.5.A, and 9.6.A apply.

9.5.B. - The initial search for an "Interim" or "Developmental Minister" is conducted by a selection committee appointed by the Board, generally a 3-person subcommittee of the Board, and may include members of the congregation. The Selection Committee presents their recommendation to the Board and the Congregation.

9.6.B. The Selection Committee is authorized by the Board to negotiate a contractual agreement with a potential Interim, or Developmental Minister, contingent on final approval by the Board.

9.7.B. The employment agreement is one of hire; the minister is an employee, not an officer of the congregation, hence the congregation, through its Board, has the power to remove the contract minister without a congregational meeting by simply not renewing the contract at its anniversary each year.

ARTICLE 10 – FINANCE

10.1 The fiscal and administrative year of the Congregation shall be the 12-month period from May 1 through April 30.

10.2 The Board of Trustees shall remain responsible for the finances of the Congregation subject to power reserved by the Congregation and the restrictions contained in these By-Laws.

10.3 Once an operating budget is adopted by the Congregation, transferring budgets from one item to another within a main category requires a sixty (60) percent vote of the Board, while transferring budgets from one main category to another main category requires a unanimous vote of the Board. These transfers cannot result in an increase in the overall budget.

10.4 At a legally convened meeting with a forty percent (40%) quorum and a sixty percent (60%) affirmative vote, the Congregation shall have the authority to: 1) buy or sell real estate, except Endowment Fund property, 2) grant rights in or lease the entire Congregation property for more than a month, or encumber any real estate except as to repairs thereon.

10.5 There shall be an Annual Operating Budget whose funds shall be maintained in a bank insured by the Federal Deposit Insurance Corporation or a depositor's insurance policy which has been reviewed and determined to be equivalent to the FDIC coverage.

10.6 Two signatures are required on any check drawn on any Congregation account. The President, Vice President, Treasurer, and Clerk shall be authorized signatories on all monetary accounts of the Congregation as approved by the Board of Trustees and shall be authorized agents to sign evidences of indebtedness as approved to be issued by the Board or by Vote of the Members. Additional signatories may be authorized by the Board. Such signatories must be reviewed at least annually.

10.7 Finance Committee - The Finance Committee shall consist of five members appointed by the President with approval of the Board of Trustees and shall include 1) the Chair, 2) the Treasurer, 3) three members at large of the Congregation.

10.7.1 The Finance Committee shall be responsible for proposing the Annual Operating Budget and for all fundraising for the Annual Operating Budget, the Operating Reserve Fund, and the Capital Reserve Fund.

10.7.2 The Finance Committee shall prepare a proposed Annual Operating Budget for both income and expenses and present it to the Board after the annual Pledge Canvass. The Board shall consider the recommendations of the Finance Committee and present the budget to the Congregation at the Annual Meeting. The budget of each standing committee shall be a separate line item.

10.8 Emergency Repairs - Funds to cover emergency repairs to plant and equipment not covered by the operating budget may be withdrawn from the Capital Reserve Fund or the Operating Reserve Fund as provided in these By-Laws, and after being considered by the Finance Committee.

10.9 Insurance - The building and contents owned by the Congregation shall be adequately insured and the Congregation shall carry liability and other forms of insurance in amounts and with such carriers as determined by the Board. Funding for such coverage shall be considered as essential expenditure for inclusion in the Annual Operating Budget.

ARTICLE 11 - ENDOWMENT COMMITTEE

11.1 Duties - The Endowment Committee shall direct the investing of all components of the Overall Endowment Fund. The plans for this investing shall be approved by the Board of Trustees and ratified by the Congregation annually. The Endowment Committee shall be responsible for raising money for the Permanent Endowment Fund, but raising money for the Capital Reserve Fund and the Operating Reserve Fund shall be the responsibility of the Finance Committee. Unless otherwise specified, all donations to the Overall Endowment Fund and all bequests to the Congregation shall be deposited in the Permanent Endowment Fund.

11.2 Membership - The Committee shall consist of five (5) members, all of whom shall be voting members of the Congregation. Except as herein limited, the term of each member shall be five (5) years. In the event a vacancy on the Committee occurs between Annual Meetings, the Board shall appoint a member to fill temporarily the vacancy until the next Annual Meeting of the Congregation. At each Annual Meeting, the Congregation shall elect one (1) member for a term of five (5) years and other members necessary to fill unexpired terms of vacant positions which had been filled temporarily. No member shall serve more than six consecutive years. After a lapse of one (1) year, former Committee members may be reelected. The Minister and the President of the Board of Trustees shall be advisory members of the Committee.

11.3 Plan of Operation - The Committee shall operate under the following rules:

11.3.1 The Committee shall meet at least quarterly, or more frequently as it deems necessary. A quorum shall consist of three (3) members. A majority present and voting shall carry any motion or resolution.

11.3.2 The Committee shall elect from its membership a Chair, Financial Secretary and Recording Secretary. The Chair, or member designated by the Chair, shall preside at all Committee meetings.

11.3.3 The Recording Secretary shall maintain complete and accurate minutes of all meetings of the Committee and supply a copy thereof to each member of the Committee, to the President of the Board of Trustees, to the Treasurer, and to the chair of the Finance Committee.

11.3.4 The Financial Secretary shall assist the Congregation's Treasurer in maintaining complete and accurate books of accounts for the Overall Endowment Fund . The books shall be audited annually by a certified public accountant or other appropriate person who is not a member of the Committee, as approved by the Congregation Audit Committee.

11.3.5 The Committee shall report on a quarterly basis to the Board. At each Annual Meeting of the Congregation, the Committee shall render a full and complete account of the administration of the Overall Endowment Fund and its components during the preceding fiscal year.

11.3.6 The Committee may request other members of the Congregation to serve as advisory members and, at the expense of the Overall Endowment Fund, may provide for such professional counseling on investments or legal matters as it seems to be in the best interest of the Overall Endowment Fund with the approval of the Board of Trustees.

11.3.7 Members of the Committee shall not be liable for any losses which may be incurred upon the investments of the assets of the Overall Endowment Fund except to the extent such losses shall have been caused by bad faith or gross negligence. No member shall be personally liable as long as he/she acts in good faith and with ordinary prudence. No member shall engage in any self dealing or transactions with the Overall Endowment Fund in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which his/her personal interests would conflict with the interest of the Overall Endowment Fund.

11.3.8 All assets shall be held in the name of the First Unitarian Universalist Congregation of the Palm Beaches Endowment Fund, or an acceptable abbreviation thereof.

11.3.9 The Committee shall have the power to buy, hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest and, in all other respects, to manage and control the assets of the Overall Endowment Fund, including stocks, bonds, debentures, mortgages, notes, or other investments, as in their judgment and discretion they deem wise and prudent.

ARTICLE 12- COMPONENTS OF OVERALL ENDOWMENT FUND

12.1 Named Funds - The specific funds whose investments shall be managed by the Endowment Committee are:

- Capital Reserve Fund
- Operating Reserve Fund
- Permanent Endowment Fund

All endowment funds shall at all times be kept separate from operating funds. The individual endowment funds may be commingled for investment purposes but shall be separated from each other for reporting purposes.

12.2 Capital Reserve Fund - The Capital Reserve Fund shall be used 1) to reduce debt, or 2) to maintain or improve the physical plant of the Congregation including, but not limited to, maintenance of buildings, capital improvements or renovations. Gifts and bequests to the Capital Reserve Fund, transfers to it from the Permanent Endowment Fund and income earned by it shall be invested and reinvested so as to accumulate until expended for the purposes set forth in the preceding sentence. All Capital Reserve Fund expenditures shall be approved by a simple majority vote of the Board of Trustees.

12.3 Operating Reserve Fund - The Operating Reserve Fund may be used for various Congregation purposes. The principal, gifts and bequests to it and income earned by it shall be invested and

reinvested so as to accumulate until expended. The Operating Reserve Fund and accumulated earnings thereof shall only be drawn upon under the following conditions:

12.3.1 At a legally convened meeting with a forty percent (40%) quorum requirement, the Voting Members of the Congregation may authorize the use of such moneys for capital purposes approved by an affirmative vote of sixty percent (60%).

12.3.2 At its Annual Meeting, if an Annual Operating Budget deficit is anticipated, and with a quorum of forty percent (40%), the Voting Members of the Congregation may authorize the use of such moneys by an affirmative vote of sixty percent (60%).

12.3.3 The Board of Trustees may authorize the temporary use of such funds to meet operational liquidity needs that might arise during the year, when approved by a majority vote at a legally convened meeting subject to the provisions of Article 12.3.4.

12.3.4 Should, at the end of the Congregation operating year, an operating budget deficit exist which is greater than any operating deficit approved by the Congregation at the previous Annual Meeting, the Finance Committee shall recommend a plan of action to the Board of Trustees. This plan shall recommend one of the following three options:

12.3.4.1 Repayment to the Operating Reserve Fund from next year's operating budget.

12.3.4.2 Use of a portion of the \$3500 mentioned in Article 8.3.1 that has not already been used by the Board.

12.3.4.3 At the Annual Meeting with a forty percent (40%) quorum, the Voting Members can use the principal of the Operating Reserve Fund and earnings not referred to in 12.3.4.2 to be withdrawn with a sixty percent (60%) approval vote.

12.4 Permanent Endowment Fund – The Permanent Endowment Fund is designed to insure the long- term future of the Congregation. This fund may be spent only if all of the following three criteria are met:

12.4.1 The expenditure is approved by a favorable vote of 60% of the Board of Trustees at a legal meeting and with a quorum of thirty percent (30%) of the Congregational members and approved by a favorable vote of 51%.

12.4.2 The maximum amount that can be spent or committed in any fiscal year shall be equal to four percent of the amount in the account on December 31 of the preceding calendar year. For calculation purposes, the amount in the account on December 31 of the preceding year shall include bequests made to the Permanent Endowment Fund in the preceding calendar year even if the bequests have not yet been deposited in the account.

12.4.3 The value of the Fund at the beginning of a calendar year is greater than a threshold value indexed upward or downward by inflation as measured by the Consumer Price Index starting at a value of \$300,000 on January 1, 1998.

12.5 Additional Funds - The Endowment Committee, with the approval of the Board of Trustees, may from time to time establish additional endowment funds.

Proviso:

- The Board is authorized to borrow up to \$100,000 on a one-time basis only during the fiscal years 2007- 2009 from the Permanent Endowment principal to pay for replacement of the roof over the south building and other capital expenditures and/or operating expenses in excess of the four percent of the amount in the account on December 31 of the preceding calendar year, as required in 12.4.2. above.

•The terms upon which the funds are borrowed from the Permanent Endowment will be set by the Board. It is permissible to structure the loan so that no payments are required for up to two years with no interest accrued during that time.

ARTICLE 13 - OPERATING FUNDS

13.1 The Annual Operating Fund is comprised of: 1) pledge income, 2) fundraising proceeds as specified by a fundraising policy as enacted by the Board, and 3) all receipts not specified for another fund (e.g. Sunday collection) pursuant to these By-Laws.

13.2 Special Funds are intended for emergency repair, capital maintenance, or special projects. They are created by a Vote of the Members or the Board.

13.2.1 Money for the special fund may come from fundraising approved by the Board or Congregation, by designated gifts, or by approved allocations from the Annual Operating Budget. Special funds may accumulate money from year to year.

13.3 Holding Funds (off-budget funds) may be established for bookkeeping purposes by the Treasurer. These are limited purpose funds such as a flower fund, minister's discretionary fund, or music fund. They are funded mainly by special or designated contributions or money-raising activities.

13.4 Budget - The Congregation shall adopt a budget for each fiscal year.

13.4.1 Expenditures from the Annual Operating Budget must be made according to the budget approved by the Congregation.

13.4.2 However, once an operating budget is adopted by the Congregation, transferring budgets from one item to another within a main category requires a sixty (60) percent vote of the Board, while transferring budgets from one main category to another main category requires a unanimous vote of the Board. These transfers cannot result in an increase in the overall budget.

13.4.3 The Congregation may modify the budget at any legally convened meeting.a

ARTICLE 14 - COMMITTEES

14.1 Authority - The standing committees of the Congregation shall be established by the Board, and their functions and duties shall include, but not necessarily be limited to, those stated in the Congregation Manual. Other committees may be established by the Board as deemed necessary.

14.2 Chairs - All committee chairs shall be Voting Members and shall be appointed by the President and approved by the Board. They shall serve for a one-year term or until their successors are appointed. 14.3

Committee Members - Committee members shall be selected by the Chair to serve for a one-year term.

14.4 Council - The Council shall be comprised of each Chair of the standing committees and a representative of each of the Auxiliary organizations. The Vice-President shall preside at all meetings of the Council and shall report to the Board on all recommendations and requests of the Council and all matters and questions raised by the Council which are of impact and concern to the Congregation. The Council shall function as a coordinating body for the standing committees and shall meet monthly except for July and August. The President shall be an ex-officio member of the Council.

14.5 Committee on Ministry

14.5.1 Purpose - The purpose of the Committee on Ministry shall be to help the Congregation carry on and strengthen the quality of the shared ministry. It shall function as a committee of the Congregation, not as a committee of the Board.

14.5.2 Membership - The committee shall consist of three (3) members of the Congregation as appointed by the President from names suggested by the Board and the Minister. Members shall serve staggered three-year terms with a limit of two (2) successive terms.

14.5.3 Responsibilities - Responsibilities of the Committee on Ministry include, but are not limited to, the following:

14.5.3.1 Assess on a continuing basis the effectiveness of the shared ministry and the health of Congregational life; periodically advise the Board and the leadership regarding same; and propose measures or conduct or support activities designed to sustain or improve the quality of same, including conflict management.

14.5.3.2 Conduct periodic Congregation-wide assessments of the shared ministry and its components, in cooperation with the Board.

14.5.3.3 After consulting with the Minister, make annual recommendations to the Finance Committee regarding the Minister's compensation for salary, housing, benefits, professional expenses, and professional development including education, and sabbaticals; and support these recommendations to the Board and the Congregation.

14.5.3.4 Deliver a State of the Ministry message at the annual Congregational meeting.

ARTICLE 15 - AUXILIARY ORGANIZATIONS

Upon application to and approval by the Board, a group or organization which does not wish to function as a committee of the Congregation may become an Auxiliary Organization, sponsored but not funded by the Congregation. The application may be approved if, among other things, it shows that the purpose, principles and actions of the organization will not be in conflict with and will not hold a potential for conflict with the ByLaws or with the Articles of Incorporation of the Congregation.

ARTICLE 16 - GENERAL PROVISIONS

16.1 Removal of Elected Officer - Any Officer or Trustee shall automatically be removed from office if he or she fails to qualify as a Voting Member or upon the occasion of the third unexcused absence from a regular meeting of the Board. Excused absences are to be approved by the Board of Trustees.

16.2 Protection of Nonprofit and Tax Status - Neither the Congregation, the Board, nor any officer or employee of the Congregation shall take action or allow any activity or use of Congregation property which shall endanger the nonprofit corporate status or charitable tax-exempt status of the Congregation or its property. Nothing in these By-Laws shall be construed to allow a violation of this section.

ARTICLE 17 - DISPOSITION OF PROPERTY

17.1 If this Congregation permanently disbands, all of the property of the Congregation remaining after payment of just claims to the Congregation's creditors, whether real or personal property, shall be transferred to the Unitarian Universalist Association on the understanding that said property will be used by the Association for its general purposes; and this By-Law shall apply to all property donated to the Congregation whether by will or in some other manner, unless the donor expressly provided otherwise.

17.2 Prior to the disbanding of the Congregation, it shall be the duty of the officers of the Congregation and of the Board of Trustees to take all necessary action to carry out the purpose of this article.

ARTICLE 18 - AMENDMENTS

18.1 Procedure - Amendment to these By-Laws may be proposed by the Board or by petition to the Board of at least fifteen percent (15%) of the Voting Members. The proposed amendment(s) shall be included in the Order of Business of any Annual or Special Meeting of the Congregation as the petition may request, or, if not requested, by determination of the Board. Proposed amendments shall be mailed or transmitted electronically,

in full, to the home address of every member as it appears on the records of the Congregation, at least twenty (20) days prior to the voting. Copies of the affected portion of the current By-Laws shall be made available on request.

18.2 Vote Required – These By-laws may be amended at a legally convened meeting with a quorum requirement of forty percent (40%) and approval of sixty percent (60%).

ARTICLE 19 - PARLIAMENTARY AUTHORITY

19.1 Robert's *Rules of Order*, newly revised, shall be the applicable authority regarding the parliamentary procedure to be observed in meetings of the Congregation and of the Board except if and when they are inconsistent with these By-Laws.

19.2 The President shall appoint a Parliamentarian to advise on procedural matters.

Adopted by the Congregation of the First Unitarian Church of Palm Beach County (renamed *the First Unitarian Universalist Congregation of the Palm Beaches*) on May 5, 1996, and amended on March 23, 1997; April 25, 1999; April 1, 2001; April 28, 2002; April 27, 2003; April 18, 2004; December 4, 2005; April 23, 2006; September 16, 2007; December 9, 2007; January 31, 2010; March 20, 2011 April 13, 2014 and April 19, 2015.