

Pittsburgh Area Lutheran Ministries (PALM) By-Laws
Originally Adopted: 21 September 1997
Revised: 20 September 2020

ARTICLE 1 – DESCRIPTION AND PURPOSE

The name and purposes of the Corporation are set forth in the Articles of Incorporation.

ARTICLE 2 – PRINCIPLE OFFICE

The principal office of the Corporation shall be a street address designated by the Board of Directors.

ARTICLE 3 – OBJECTIVES.

PALM is an organization of member congregations that exists to accomplish objectives that require the cooperation of all or several of the members. The set of objectives to be pursued may vary in composition from time to time but may include, as examples, the following:

1. The initiation of new congregations and ministries.
2. The support of new ministries or of ministries that are inherently unable to support themselves.
3. The publication of periodicals and special information letters for reporting on the work and affairs of the organization or of its constituents.
4. The conducting of joint celebratory worship services and other meetings involving all or several of the members.
5. The management of local assets owned jointly by the members or by entities within the LCMS.
6. The preparation, maintenance, and publishing of calendars and/or schedules to minimize conflicts and interference among entities found within the Pittsburgh Area Community of member congregations.
7. The collection of contributions from member congregations, from individuals, from Trusts and Foundations and from any other appropriate source for the support of the organization's activities.
8. The allocation of available resources among prospective and existing ministries.
9. The application of criteria established by the appropriate District of the LCMS to allocation of funds given by that district.

ARTICLE 4 – MEMBERSHIP

SECTION 1. Membership shall be held in PALM by congregations as defined in the Articles of Incorporation.

SECTION 2. An eligible congregation shall become a member of PALM by notifying the President of PALM, by letter, of such intention. A congregation shall cease to be a member of PALM by notifying, by letter, the President of PALM of such intention, or by becoming ineligible in accordance with Article 3, Membership, of the Articles of Incorporation of PALM. The President of PALM shall present letters requesting either PALM membership or intention. A congregation shall cease to be a member of PALM by notifying, by letter, the release from membership to the Board of Directors of PALM at the earliest opportunity. In absence of any objection sustained by a majority of the Board of Directors, the request of such letters shall be granted. The Secretary of PALM shall maintain a file of these letters to form a permanent record of member congregations. In the event that a majority of the Board of Directors shall agree that a member congregation has become ineligible, the Board shall direct the President to inform that congregation, by letter, of its removal from membership. Such membership changes will be included in the President's report to the annual PALM delegate meeting.

SECTION 3. Each member congregation of PALM may be represented at regularly scheduled annual meetings of the organization, and at other meetings called for special purposes, by one of their called professional church workers, termed hereinafter as a minister delegate, and by two lay delegates, all of whom shall be encouraged to be present. The names of individuals elected or appointed by each member congregation to perform this representation shall be communicated to the Secretary of the organization, who shall maintain a record of these individuals on a current basis. The Secretary shall validate the representational status of those attending meetings of the organization in which decisions are reached by voting.

ARTICLE 5 – DIRECTORS.

SECTION 1. The business of PALM shall be managed by a Board of a minimum of six directors. At any given time at least one half of these Directors (less one in the case of an odd number) shall be ordained or commissioned church workers listed in good standing in the current edition of the *Lutheran Annual* of The Lutheran Church-Missouri Synod and members in good standing of congregations which hold membership in PALM. At the same time, at least one half (less one in the case of an odd number) shall be lay persons who are members in good standing of congregations which hold membership in PALM. No more than two Directors shall be affiliated with the same congregation.

SECTION 2. Election of candidates to the Board of Directors shall take place at the regularly scheduled annual meeting of the corporation and shall be by ballot. The Nominating Committee of the Board of Directors shall develop a slate of candidates.

SECTION 3. The Board of Directors shall be divided into three equivalent classes of Directors each, with the Directors in each class serving for a term of three years. No director shall hold office for more than two consecutive full terms but shall be eligible for election as a Director at the next annual meeting of Delegates that occurs after the expiration of his or her second term. Each Director shall hold office until the expiration of the term for which he or she was selected and until said director's successor has been selected and qualified or until said director's earlier death, resignation, or removal.

SECTION 4. If any Director chair shall become vacant, because of resignation, death, or any other reason, the President shall fill the vacancy with an eligible person. If the vacancy is of a representative chair, the President shall choose a replacement from within the constituency represented. The replacement Director shall serve until the end of the term of the occupant who vacated the chair.

SECTION 5. Any director may be removed from such office, with or without cause, by a two-thirds vote of the directors at any regular or special meeting of the Board called expressly for that purpose.

SECTION 6. The Board may take action without a meeting if written consent to the action is signed by all of the directors.

SECTION 7. Employees and family members of employees of the corporation shall not be eligible to serve on the Board of Directors.

ARTICLE 6 – QUALIFICATIONS OF DIRECTORS.

Directors may belong to one of two categories of persons, namely, professional church workers or lay people. Qualifications required of these categories are listed below:

1. Professional church workers shall be Ordained or Commissioned Ministers of the Gospel as defined in the most recent Handbook of The Lutheran Church – Missouri Synod who are members in good standing of PALM member congregations.

2. Lay Persons shall be members in good standing of PALM member congregations.

ARTICLE 7 – OFFICERS OF PALM

SECTION 1. The officers shall consist of President, Secretary, and Treasurer and such additional vice presidents or assistant secretaries or assistant treasurers as the Board may from time to time appoint. The officers shall be elected, from among the Directors at the first regular meeting of the Board of Directors following the annual meeting of Delegates. Any vacancy occurring in any office, for whatever reason, shall be filled by the Board and any Director so elected shall fulfill the term of his/her predecessor.

SECTION 2. The President shall give active direction and exercise oversight pertaining to all affairs of the corporation. He or she may sign contracts or other instruments, which the Board of Directors has authorized to be executed, and shall perform all duties incident to the office of Chair as may be prescribed by the Board of Directors.

SECTION 3. The Secretary shall keep the minutes of the meetings of the Board of Directors; see that all notices are duly given in accordance with the provisions of these Bylaws, ensure staff members keep corporate records; and in general perform all duties incident to the office of Secretary and such other duties as may be assigned by the Board of Directors.

SECTION 4. The Treasurer shall be responsible for and oversee all financial matters of the Corporation. The Treasurer shall ensure staff members properly receive and give receipts for moneys due and payable to the Corporation and deposit all such moneys in the name of the Corporation in appropriate financial institutions, and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Board of Directors.

SECTION 5. An officer may resign by submitting a written resignation to the President or Secretary or to the other Directors, if the resigning officer is the President.

SECTION 6. An officer may be removed from office, with or without cause, as determined by a majority vote of the Board present at any meeting at which there is a quorum.

ARTICLE 8 – MEETINGS.

SECTION 1. Standing Rules for All Meetings.

A. The Order of Business at all meetings of PALM shall be in accordance with an agenda prepared by the President.

B. Voting by proxy is not permitted.

SECTION 2. Plenary Meetings of the Members.

A. A regularly scheduled annual meeting of PALM shall be held on the third Sunday of September.

B. Special meetings of PALM shall be called by the President upon his decision or at the behest of a simple majority of the Board of Directors.

- C. Twenty-five percent (25%) of the number of currently eligible delegates shall constitute a quorum at any meeting of PALM, regularly scheduled or special, at which each delegate present has a single vote, except at a meeting in which revision of the Articles of Incorporation is acted upon, at which meeting a majority of the current member congregations must be represented to cast a single vote on behalf of each congregation. The voting on any question at any regularly scheduled or special meeting of the organization shall, upon demand of any delegate present, be by ballot.
- D. Notice of special meetings of PALM shall be prepared and mailed to each current church worker and lay delegate not less than two weeks before such meeting, and such notice shall state the purpose of the meeting cited in the notification. It shall be the responsibility of each church worker and lay delegate to make known to the represented congregation the fact of the meeting and its purpose and to seek instructions from the represented congregation with respect to its collective opinion on the issues in question.

SECTION 3. Meetings of the Board of Directors.

- A. The Board of Directors shall convene at least ten (10) meetings per year.
- B. A simple majority of current Directors shall constitute a quorum at meetings of the Board of Directors.
- C. Notice of Board meetings shall be in writing and delivered at least 10 days and no more than 30 days before the day of the meeting. Written notice of meetings may be delivered by electronic transmission. Failure of notice to any member shall not invalidate the meeting or any action taken at the meeting.
- D. Any one or more directors may participate in a meeting of the Board of Directors by means of a conference telephone or similar telecommunications device, which allows all persons participating in the meeting to hear each other. Participation by such means shall constitute in person presence of the Director at the meeting.
- E. At any meeting of the Board, where a quorum is present, the Board may, by a majority vote, decide to enter an executive session in which only voting Directors may be present. The decision to enter executive session shall be recorded in the minutes, and actions taken may be recorded in the minutes. Executive session minutes may be kept separately and confidentially, and need not include the discussion, only actions taken.
- F. At meetings of the Board, a quorum shall consist of a simple majority or fifty percent (50%) plus one (1) of the Directors then serving, present shall have one vote. Directors may vote only in person.
- G. Except as otherwise provided in these bylaws, decisions of the Board shall be by vote of a majority (fifty percent (50%) plus one (1)) of those present assuming a quorum, but not less than one-third (1/3) of the Directors then serving.

ARTICLE 9 – COMMITTEES

The Board may create such committees with such powers as it deems wise to have. However, the Board may not delegate to committees the following powers:

1. the power to amend the bylaws;
2. the power to hire or fire chief executives;
3. the power to amend articles of incorporation;

4. the power to approve dissolution, merger, or transfer of assets of the corporation;
5. and the power to take any action that requires approval of the Board by law.

Committee minutes must reflect any action taken by the committee on behalf of the Board, must be shared with the Board, and must become part of the corporate record. The President may appoint persons to chair and serve on those committees and may appoint persons who are not Directors of the Corporation to those committees. All such appointments must be approved by the Board either prior to the appointment or be ratified at the next Board meeting.

ARTICLE 10 – SPECIFIC AUTHORIZED ACTIVITIES

The Board of Directors (directly or through its Officers) may cause PALM directly or through its member congregations:

- A. to acquire, invest in, lease, hold, mortgage, pledge, manage, operate or otherwise deal in or with any real or personal property which may be necessary, convenient or incidental to the accomplishment of the purposes of PALM, whether directly or indirectly, and to sell, exchange, transfer or otherwise dispose of the such property;
- B. to construct, operate, develop, maintain, finance, refinance, reposition, improve, renovate, refurbish, own, sell, convey, assign, mortgage, lease or foreclose upon any real or personal property necessary, convenient or incidental to the accomplishment of the purposes of PALM;
- C. to borrow money and issue evidences of indebtedness, guarantees and environmental and other indemnities to finance or refinance real property and to secure any such evidences of indebtedness, guarantees and indemnities by mortgages, pledges or other liens, including, without limitation, warrants of attorney or confessions of judgment;
- D. to bring, sue, prosecute, defend, settle or compromise actions at law or in equity related to the purposes of PALM;
- E. to enter into, perform and carry out contracts of any kind necessary or incidental to the accomplishment of the purposes of PALM;
- F. to lease space in real property and collect all rents and other income and to pay therefrom expenses of PALM, including, without limitation, expenses relating to the ownership, management and operation of such property;
- G. to prepay in whole or in part, refinance, recast, assume, increase, reduce, modify, extend, foreclose or transfer any mortgages constituting or affecting real property, and in connection therewith to execute any extensions, renewals, assumptions or modifications of any mortgage or deed of trust constituting or affecting such property of PALM; and
- H. to hold all or part of the assets, property or funds of PALM in cash or cash equivalents, and make short-term investments in money market funds, bank accounts and other money market instruments.

ARTICLE 11 - CONFLICT OF INTEREST

The board shall adopt a conflict of interest policy that covers board members, staff members, and volunteers with significant decision-making authority with respect to the resources of the organization. The conflict of interest policy should identify the types of conduct or transactions that raise conflict of interest concerns, set forth procedures for disclosure of actual or potential conflicts, and should provide for review of individual transactions by the uninvolved Directors. Approval by the disinterested Directors shall be by vote of a majority of Directors in attendance at a meeting at which a quorum is present. An interested party shall not be counted for purposes of determining whether a quorum is

present, nor for purposes of determining what constitutes a majority vote of Directors in attendance. The policy should also require that the minutes of the meeting shall reflect that the conflict disclosure was made, the vote taken and, where applicable, the abstention from voting and participation by the interested party.

ARTICLE 12 - INDEMNIFICATION

The Corporation shall indemnify its directors and officers to the fullest extent permitted by the Commonwealth of Pennsylvania and federal law including the payment of related legal expenses.

ARTICLE 13 - EXONERATION

- A. To the fullest extent permitted by the Commonwealth of Pennsylvania or federal law, no director or officer of this Corporation shall be personally liable to the Corporation or its members for money damages. Board members shall not be automatically exonerated in the case of intentional misconduct. No amendment of the Articles of Incorporation or repeal of any of its provisions shall limit or eliminate the benefits provided to directors and officers under this provision with respect to any act or omission which occurred prior to such amendment or repeal.
- B. Recognition of The Lutheran Church – Missouri Synod
 - a. Is not an endorsement of the fiscal solvency of Pittsburgh Area Lutheran Ministries (PALM), nor of services or programs offered by PALM,
 - b. Does not express or imply endorsement of the fiscal solvency of PALM, or Synod responsibility for the debts or other financial obligations of PALM, and
 - c. Does not cause Synod or its Districts or Congregations to incur or be subject to the liabilities or debts of PALM or its subsidiaries and/or affiliates.

ARTICLE 14 - INSURANCE

The Board shall evaluate the organization's needs for insurance coverage as appropriate for its activities including but not limited to general liability insurance, and directors and officers liability insurance.

ARTICLE 15 - COMPENSATION

The Directors of the Corporation shall serve without compensation. Directors may be reimbursed for expenses reasonably incurred on behalf of the corporation. Nothing in this paragraph is intended to preclude a Director from receiving compensation for his/her service to the Corporation in some other capacity, provided the transaction is consistent with the organization's conflict of interest policy.

ARTICLE 16 - CORPORATE RECORDS

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board of Directors, and all committees, and shall keep at the principal office of the Corporation a record of the names and addresses of the Directors as well as its articles of incorporation, current bylaws, and board approved policies. The corporation shall make available to the public its application to the IRS for tax exempt status, its IRS determination letter, and its most recently filed IRS form 990. All books and records of the Corporation may be inspected by any Director within three (3) business days of written request.

ARTICLE 17 - SIGNATURE AUTHORITY

All checks, notes, acceptances, and orders for payment of money shall be signed by any individual(s) authorized by the Board as described in the organization's financial policies. All contracts, leases and

deeds of any kind shall be signed by the President or any other agent of the Corporation designated by the Board.

ARTICLE 18 - AMENDMENTS

These By-Laws may be amended or repealed by the majority of delegates eligible to vote thereon at any regularly scheduled or special meeting of the delegate body duly convened after notice to the member congregations of that purpose.