



EPISCOPAL
CHURCH OF NH

MODEL BYLAWS
for Congregations

Revised June 2020

EPISCOPAL DIOCESE OF NEW HAMPSHIRE MODEL BYLAWS

Let all things be done decently and in order.

1 Corinthians 14:40

INTRODUCTION

The importance to congregations of bylaws and regular bylaw review

Bylaws serve as the rules of operation for the congregation. In effect, they are a road map of the organization's structure and its decision-making processes. Bylaws perform two essential functions: they establish the structure of the organization and they define and protect the rights of participants.

Even if the congregation has existing bylaws, a periodic review of the bylaws assures that they reflect changes in governing laws of the church and of the state as well as the wishes of the people of the congregation regarding its operation.

Congregations often have a life span that spreads over hundreds of years. During that time people come and go. Unless there is an agreed upon set of rules, set out in writing and readily available to members of the congregation, the system of governance becomes personal to those serving in official capacities and disappears when the experienced members of the congregation leave.

Decisions in the congregation can sometimes be contentious. Without a set of rules established in advance, it can be difficult to establish rules for resolving issues once differences have arisen.

Depending on the legal structure of the congregation, bylaws may be required by state law. The failure to meet the state's legal requirements could possibly lead to legal penalties and loss of tax exempt status.

Bylaws can serve as an educational device to inform members of the congregation about church governance and prepare members to serve as officers in the church.

A process for adopting or revising bylaws

Begin with bylaws presently in effect, if any. Check the records at the congregation and at the diocesan office to determine whether the congregation has adopted by-laws at some point in the past. If bylaws presently exist, carefully review the provisions, if any, for amendment of the bylaws.

Next, form a relatively small working group to examine existing bylaws, if any, and the model bylaws provided by the diocese or another model. If a model other than the one provided by the diocese is used, care should be taken to conform to the requirements of the Constitutions and Canons of The Episcopal Church and of the Diocese of New Hampshire. The working group should include persons directly involved in the conduct of congregation business and some interested members of the congregation who do not serve on the vestry.

In tailoring these model bylaws to local circumstances, please note that:

- The term “congregation” is equally applicable to a parish or a mission.
- Unless a Note instructs to the contrary, “parish” may be replaced by “mission,” “rector” may be replaced by “vicar,” and “vestry” may be replaced by “bishop’s committee.”
- Bracketed text is optional and may be included or excluded at the vestry’s discretion. Within brackets, a virgule [.../....] separates viable options, only one of which should be selected.
- References to canons are included in the body of sections as follows:

Canons of The Episcopal Church (2018 Edition) are cited as, for example:
TEC I. 17.6(a) – meaning The Episcopal Church, Title I, Canon 17, Section 6, subsection (a).

Canons of the Diocese of New Hampshire (2020 Edition) are cited as:
NH 4.3(a) – meaning New Hampshire, Canon 4, Section 3, subsection (a)

Finally, the working group should submit its recommendations to the vestry. The vestry should review the recommendations and prepare a presentation to the annual meeting or special meeting of the congregation for purpose of adopting bylaws or amending existing bylaws. Amendment of existing bylaws must follow the amendment procedure set forth in those bylaws.

These model bylaws

These New Hampshire model bylaws are intended not to prescribe uniformity, but to provide guidelines for language and information about areas generally covered in bylaws. The Committee on Constitution and Canons has attempted to minimize obscure or legalistic language and to minimize capitalization and punctuation not necessary for clarity. The model bylaws are interleaved with the committee’s boxed notes, which are intended to assist in the preparation of congregational bylaws by defining terms, clarifying issues, and calling attention to choices and consequences.

Members of the Committee on Constitution and Canons welcome your questions, comments, and suggestions. We are available to assist you as needed as you review and update your bylaws. Further,

we ask that you send a copy of your most recently adopted or amended bylaws to the diocesan office for placement in the Diocesan archives.

Authored by the Committee on Constitution and Canons in 2012

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Revised by the 2020 Committee on Constitution and Canons, June 2020

**EPISCOPAL DIOCESE OF NEW HAMPSHIRE
Model Bylaws for Congregations**

PREAMBLE

(For parishes or missions that do not incorporate)

Pursuant to their founding document (attached), the people of _____ Church, _____, New Hampshire, referred to in these bylaws as the “congregation,” having associated themselves for the purpose of maintaining the worship of Almighty God according to the faith and usages of The Episcopal Church, have adopted the following as the Bylaws of _____ Church, _____, New Hampshire.

(For parishes or missions that incorporate)

_____ Parish, _____, New Hampshire, referred to in these bylaws as the “congregation”, having incorporated for the purpose of maintaining the worship of Almighty God according to the faith and usages of The Episcopal Church, has adopted the following as bylaws.

NOTE: In terms of their status under secular law, Episcopal congregations in New Hampshire fall into two broad categories: incorporated and unincorporated. An incorporated congregation is one constituted as a legal entity separate and apart from its membership, having secured a corporate charter from the State of New Hampshire, either by specific act of the General Court, in the case of the diocese’s older parishes; or pursuant to a general corporation statute, the current version of which is Revised Statutes Annotated (RSA) Chapter 292, governing so-called “voluntary” (i.e., non-profit) corporations, religious and otherwise.

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The founding document of an incorporated congregation (apart from the charter, or certificate of incorporation), is its articles of association, which typically set forth the name, purposes, and location of the corporation and other fundamental provisions governing its formation, perpetuation, and dissolution.

Congregations may also exist as unincorporated associations of their members. They may act as a collective body for certain purposes but lack status as legal entities fully distinct from their membership, as incorporated congregations do. The founding document of an unincorporated congregation is typically its articles of association, constitution or similar document containing provisions similar to those found in the articles of agreement of a voluntary corporation plus, in some cases, more detailed provisions governing the operation of the congregation which are typically found in the bylaws of an incorporated congregation.

In a special category are parishes (such as St. John's, Portsmouth) chartered by the British Crown or by provincial authority prior to the formation of the United States of America and the State of New Hampshire. While such congregations may technically lack corporate status in the sense discussed above, pursuant to the decision of the U.S. Supreme Court in the celebrated Dartmouth College case and under established principles of constitutional law, such colonial-era charters and the rights and privileges granted under them remain in force to the present day.

ARTICLE 1: Authority acknowledged

The congregation accedes to the doctrine, discipline, and worship of the Constitution and Canons of The Episcopal Church and to the Constitution and Canons of the Protestant Episcopal Church in the Diocese of New Hampshire, otherwise known as the Diocese of New Hampshire (referred to herein as "the diocese") and acknowledges their authority.

NOTE : This statement is an essential predicate to union with Convention of the Episcopal Diocese of New Hampshire. It is required of any congregation seeking status as a mission or parish in The Episcopal Church. *NH 3.2.2(a)(3)*

ARTICLE 2: Voting membership

2.1 Membership in the congregation. Every baptized person whose name and baptism are recorded in the Parish Register is a member of the congregation. A member 16 years of age or older is an adult member of the congregation. *TEC I.17.1(a) and (b)*

2.2 Voting membership. Every adult communicant member of the congregation shall have the right to vote. The clerk shall keep a list of qualified voters, and only those members listed shall be allowed to vote. Before voting proceeds, any question concerning a person's eligibility for voting shall be decided by _____ and such decision shall be final for the purposes of that meeting [and any adjournment thereof]. *NH 4.2.7*

NOTE : See also *The Episcopal Church Canons, 1.17.1(a)(2), (3) and (5)*, which specify 16 as the age of majority for all church governance purposes, whereas the civil laws of New Hampshire and most other states specify 18 years as the age of majority. While these model bylaws follow the TEC canon, caution should be exercised in permitting persons below the age of 18 to exercise voting power or to act as legal representative of the congregation in matters touching upon the civil law (e.g., approving or signing contracts on behalf of the congregation, whether as officers, vestry members, paid staff, or volunteers.)

The New Hampshire canon cited above provides that to be eligible to vote the name of the "adult (i.e., age 16 or older, per TEC Canons as noted above) baptized member" must be "carried on the membership list of the congregation," which is synonymous with the parish register that must be maintained by each congregation pursuant to *TEC Canons, III.9.6(c)(3)*.

It is strongly recommended that the bylaws specify a means for the conclusive resolution of any question concerning eligibility for voting membership, so that a definitive procedure is in place in advance of its need. For example, the bylaws could provide that such issues will be resolved by the rector or by the entire vestry. In this regard, it should be kept in mind that these issues will normally arise in the context of an annual or special meeting, requiring a prompt resolution so that the meeting can proceed in a timely and orderly fashion. One way to address this concern would be to provide that the membership list be posted or published for inspection by the congregation in advance of each meeting, so that eligibility issues may be identified and appropriately addressed prior to that time.

ARTICLE 3: Meetings of the congregation

3.1 Annual meeting. The annual meeting of the congregation shall be convened in January at a date and time and place appointed by the vestry, except in circumstances provided in *NH 4.2.1*. The purpose of the meeting shall be to elect officers and other vestry members to new and any

unexpired terms, elect lay delegates and alternate lay delegates to diocesan convention, receive the budget and reports, and conduct such other business as may properly come before the meeting.

NOTE : The essential powers of governance repose in the vestry, which is authorized to call and employ a rector, purchase and sell property, enter contracts, and approve the church budget. The purpose of the annual meeting is the election of the officers and vestry members who will exercise those powers and to receive and hear their reports. The parish budget is approved by the vestry, not by the annual meeting. While diocesan canon (*NH 4.2.1*) calls for annual meetings to be held in January, there is also a provision for exception for urgent reason.

3.2 Special meeting. A special meeting of the congregation may be called at any time by the rector or the wardens or the vestry. At any special meeting the congregation may transact only such business as has been provided for in the notice of the meeting.

NOTE : The nature of a special meeting is such that there should be some breadth in the parties empowered to call such a meeting. Members of the congregation may ask their elected representatives to call a special meeting. A mission served by a single warden should refer to “warden ” in the singular.

3.3 Notice. Written notice of a meeting shall be given to the congregation no later than _____ days before the meeting. Notice shall include the purpose of the meeting and, in the case of the annual meeting, the slate of candidates proposed by the nominating committee.

NOTE : It is essential that timely, written notice be given of any meeting of the congregation, so that every member has a reasonable opportunity to attend. The time period may reflect local circumstances and ease of communication, but in no case should notice be fewer than three days. This section may also specify the means of notification, such as by announcement at regular worship services, posting of a warrant, publication in the parish newsletter or service bulletin. The notice period may vary; for example, notice for the annual meeting may be longer than for a special meeting.

3.4 Quorum. _____ shall constitute a quorum.

NOTE: The blank may be filled with “As many voting members as are present” or “[*Number*] percent of the voting members of the congregation” or “[*Number*] voting members” or “[*Number equal to a multiple of the number of Vestry members*] voting members.” Bear in mind that a large quorum risks a rescheduled annual meeting ; a very small quorum may empower a similarly small minority.

3.5 Vote. Except as these bylaws and parliamentary authority may otherwise provide, elections and resolutions shall be carried by the affirmative votes of a majority of those present and voting. Voting by proxy shall not be permitted. [An absentee ballot may be cast by a member who is for good cause unable to attend the meeting, by application in writing to the clerk. An absentee ballot must be submitted no later than _____ days before the meeting.]

NOTE : A simple majority should carry any motion except for those for which a larger majority is expressly required. An absent member's vote should not be decided or cast by a stand-in (or proxy) member. Bylaws may, however, allow for the direct, early vote of a member who cannot attend the meeting. The bracketed sentences offer the possibility for absentee balloting.

3.6 Presiding officer. The rector or, in the rector's absence, a warden shall preside at all meetings of the congregation. The rector, if present, may appoint a moderator to conduct the meeting.

3.7 Rules of procedure. Church meetings shall be conducted in accordance in an open and collegial manner to the end that the deliberations shall be cordial and the actions and decisions taken shall represent the will of the congregation and further the best interests of the church. To the extent the application of Robert's Rules of Order is consistent with the foregoing principles, it shall be used as a procedural guide for the conduct of church meetings.

NOTE : Bylaws should appoint a parliamentary authority to govern circumstances not provided for in canon or elsewhere in the bylaws. Vestries may choose among several authorities.

ARTICLE 4: Rector

4.1 General. The rector/vicar/priest-in-charge of a congregation shall be called in accordance with the canons of the Episcopal Church (*TEC III.9.3*)

NOTE : Bylaws must be clear in stating that the vestry elects a rector and that the vestry may specify the majority needed to elect. The process should be communicated to the parish. Once an election is made the ecclesiastical authority must concur before a call is issued. The ecclesiastical authority is the bishop of the diocese, or, in the bishop's absence, the standing committee. A summary of other clergy serving congregations follows, as examples:

(a) A priest-in-charge of a parish (who may serve in longer interim situations) is appointed by the vestry with the approval of the bishop, for a specific time and with a letter of agreement.

(b) An interim priest is appointed by the vestry, with approval of the bishop, until a rector is elected.

(c) A vicar of a mission congregation is appointed by the bishop, customarily with the involvement of the bishop's committee.

4.2 Authority for worship and spiritual matters. The rector has authority for spiritual matters of the parish, including specific responsibility for worship. The rector may seek consultation and advice concerning these matters. *TEC III.9.6(a)(1)*

4.3 Authority for assisting clergy. The rector has authority to select and direct any assistant clergy, who serve at the rector's discretion. *TEC III.3.9.3(d)*

4.4 Authority for employees. The rector has authority to select, supervise, direct, discipline, and terminate all employees of the congregation.

NOTE: Bylaws should clarify the locus of authority for personnel management of all employees of the congregation other than assisting clergy. Although in practice, especially in large parishes, the hiring and supervision of some employees might be delegated to other officers or committees, final authority resides with the rector.

4.5 Authority for property and furnishings. The rector has authority for the use and control of the property and furnishings of the congregation. *TEC III.3.9.6(a)(2)*

NOTE: A rector might consult widely and frequently on these sensitive matters and may delegate authority for decision-making, especially concerning questions of decorating taste or practical utility. This provision of the canons deals with ultimate, final authority in cases of emergency, exigency, deadlock, conscience, and ministry. The rector must accept responsibility for these decisions, both in terms of how the decision was made and its consequences.

4.6 Implementation of policy. The rector has general responsibility for administrative implementation of decisions and policies legislated or mandated by The Episcopal Church, the diocese, and the congregation.

NOTE : *TEC III.9.6(b)(7) and (8)* deal with pastoral letters and position papers. This provision suggests that bylaws should also recognize the decisions and policies of other prevailing authorities that a rector is expected to execute or implement. All church officials and members, including rectors and members of the clergy in charge, live and work in a context of shared decision-making and shared responsibilities. Clergy and congregations are independently joined in a communion of common worship and work.

ARTICLE 5: Officers

5.1 Officers. The officers of the vestry shall be the warden[s], treasurer, and clerk. Officers shall be elected by ballot at the annual meeting. [Wardens shall be designated as senior warden or junior warden.] *NH 4.2.2*

NOTE : Diocesan canon implies, but does not expressly require, more than one warden. It is customary, but not required, that a congregation be served by two wardens, often designated “senior warden” and “junior warden.” Canon does not dictate the designation of wardens as “senior” and “junior” or the less frequently encountered “rector’s” and “people’s.” These designations are entirely by local option.

5.2. Qualifications and Terms.

(a) Wardens shall be confirmed communicants of the congregation, 18 years of age or older, and shall be elected to a term of _____ years. [The election of wardens shall be staggered so that only one warden is elected in a single year.] A warden may be elected to no more than _____ consecutive terms and shall be ineligible for reelection to that office for one year after having served six consecutive years in the same.

(b) The treasurer shall be a communicant of the congregation, 18 years of age or older, and shall be elected to a term of _____ years. The treasurer may be elected to no more than _____ consecutive terms and shall be ineligible for reelection to that office for one year after having served _____ consecutive years in the same.

(c) The clerk shall be a communicant of the congregation, 18 years of age or older, and shall be elected to a term of _____ years. The clerk may be elected to no more than _____ consecutive terms and shall be ineligible for reelection to that office for one year after having served _____ consecutive years in the same.

NOTE: Because their duties may include signing legal documents, the warden, treasurer, and clerk must be an adult under New Hampshire law, that is, at least 18 years of age. See Note accompanying Article 2 .2.

It is recommended that a warden's term not exceed three years, in which case the warden may be elected to no more than two consecutive terms, by operation of diocesan canon. A warden whose term is two years may be elected to no more than three consecutive terms.

It is recommended that the terms of the treasurer and the clerk not exceed five years. It is also recommended, although not required by canon, that the bylaws limit the total length of service of the treasurer and the clerk. Term limitations are recommended; a turnover in vestry leadership encourages the participation of diverse members of the congregation and discourages the concentration of responsibility in a few members.

5.3 Duties

a) Except as may be otherwise provided by the laws of New Hampshire, the warden[s], in conjunction with the vestry, shall be agents and legal representatives of the congregation in all matters concerning its property and the relations of the congregation to its clergy. The wardens, in concert with the vestry, shall:

- (1) elect a rector subject to the bishop's call;
- (2) assist the clergy in developing and maintaining a mutual ministry and trust to promote the spiritual well-being of the congregation;
- (3) be responsible stewards of the property and physical assets of the congregation;
- (4) ensure regular worship services for the congregation by securing, in accordance with the canons of The Episcopal Church and of this diocese, the services of clergy or qualified lay worship leaders or lay readers;
- (5) transact the temporal business pertaining to the congregation;
- (6) assist the preparation of and approve an annual parochial report;
- (7) collect and pay to the diocese the moneys committed for the support of the budget of the diocese; and
- (8) in general, assist the clergy in promoting the general interest of the congregation. NH 4.5.1

[The senior warden shall _____ and the junior warden shall _____.]

NOTE : Bylaws may specify particular duties, in addition to the canonical duties listed, to the senior and junior wardens. Just as nothing in canon prescribes two wardens so designated, nothing dictates that the junior warden be in charge of parish property or chair the property committee. That determination is entirely by local option.

(b) The treasurer shall ensure that funds of the congregation are properly received and disbursed in accordance with vestry policy; verify and pay bills presented for payment; prepare monthly financial reports for presentation to the vestry, a report to the annual meeting, and the annual financial report to the diocese; present and recommend to the vestry a budget prior to the annual meeting; and annually submit the financial records of the congregation to audit or review as required by diocesan canon *NH 4.6.1(d)*. The treasurer shall be adequately bonded.

(c) The clerk shall take and record minutes of all vestry, annual, and special meetings; give notice of all such meetings; report the names of delegates to diocesan convention to the secretary of the convention; furnish to the office of the bishop the text of duly adopted parish bylaws including any amendment thereto; and keep a current list of all voting members of the congregation. *NH 4.5.3*

NOTE : See Note accompanying Article 2.2, Voting Membership and option offered in Article 11.

ARTICLE 6: Vestry

6.1 Composition. The vestry shall consist of the rector, warden[s], clerk, treasurer, and _____ other vestry members.

NOTE : This Article should specify “warden” or “wardens.” See note accompanying Article 5.1. The number of vestry members specified should take into account the size of the congregation and requirements for effective, efficient operation of the vestry. An odd number cannot prevent but may decrease the likelihood of a tie vote. A bishop’s committee may comprise no more than seven members, including the warden(s). *NH 3.3.1(a)3*

6.2 Qualifications. Vestry members shall be adult communicants of the congregation. *TEC I.17.2(b), NH 4.2.4.*

6.3 Terms. Vestry members other than the rector and officers shall serve a term of _____ years and until their successors are selected and have qualified. [One third of the vestry other than the rector and officers shall be elected annually. *] *TEC I.14.1, NH 4.2.6*

NOTE: In all congregations having more than one hundred adult active baptized members and a vestry of five or more members, at least one of every five vestry members shall be ineligible for re-election at any annual meeting until the expiration of one year. *NH 4.2.6*

6.4 Duties. The vestry shall be agents and legal representative of the congregation in all matters in accordance with Article 5.3 hereof.

6.5 Standing Committees. The [rector/vestry] shall appoint members of the congregation to [the following] standing committees, designate the chair of each, and require such reports as will assist the vestry in its work.

- [(a) The finance committee shall assist the treasurer and the vestry in the fiscal management of the church, maintain oversight of expenditures, develop an annual budget, recommend financial policy to the vestry, and perform such other duties as the vestry may prescribe.
- (b) The nominating committee shall prepare a slate for election at the annual meeting.
- (c) The personnel committee shall recommend to the vestry policies affecting staff members, recommend salaries and wages to the finance committee, and assist the rector in hiring and evaluation of staff.
- (d) The property committee shall supervise the maintenance, repair, and improvement of the congregation's real properties.
- (e) The stewardship committee shall encourage the congregation in stewardship.]

NOTE: The authority to appoint persons to standing committees may reside with the rector or with the vestry; the bylaw should articulate this choice. The number and nature of standing committees is a matter of local option; moreover, bylaws may or may not include a list of the standing committees and the duties of each. Each vestry is encouraged to respond to local circumstances and implement appropriate models. For example, nominating committee members may be elected by the congregation at the annual meeting rather than appointed by the rector or vestry.

6.6 Ad hoc Committees. The vestry may from time to time create and charge committees to undertake specific tasks in the governance of the congregation. Committee members shall be appointed by the [vestry/rector]. Each such committee shall be dissolved upon the completion of its work.

6.7 Meetings. The vestry shall meet regularly with a minimum of _____ meetings annually. Vestry meetings shall be open to all members of the congregation except when the vestry adjourns to executive session. Meetings may be held and votes may be taken telephonically, by video conference, or by email or other electronic means. Such meetings or votes should be used only in

situations where urgent action is required and/or physical meeting is not possible or practical. In such situations, required notice of the meeting or vote must be given. The clerk shall keep notes of any such meeting or vote.

(a) A majority of the vestry shall constitute a quorum, provided the member of the clergy in charge or [one of] the warden[s] is present. *NH 4.3(b)*

(b) The rector or a member of the vestry designated by the rector shall preside. In the absence of the rector and such designation, a warden shall preside. [The rector shall have voice and vote in all matters/shall have voice in all matters but may vote only to break [or create] a tie vote.] *TECI.14.3, NH 4.2.5*

NOTE: Canon establishes the rector's right to preside at vestry meetings at which he or she is present. That right may be delegated at the rector's discretion. Bylaws may specify the degree to which the rector may participate in vestry deliberations and determinations. It is recommended that the rector have the privilege of expression; local option may restrict the rector's vote to those occasions when the vestry is closely divided and the rector's vote will resolve a tied vote or defeat a motion by creating a tie vote.

(c) No meeting of the vestry shall be held unless the rector or member of the clergy in charge requests it or upon the call of three members of the vestry. The clerk shall provide all clergy and vestry members with notice of a meeting at least three days in advance of the meeting. *NH 4.3(a)*

(d) Except as may be otherwise required by law, canon, or these bylaws, any action of the vestry shall require the affirmative votes of a simple majority of those present and voting.

(e) Vestry meetings shall be conducted in accordance in an open and collegial manner to the end that the deliberations shall be cordial and the actions and decisions taken shall represent the will of the Vestry and further the best interests of the church. To the extent the application of Robert's Rules of Order is consistent with the foregoing principles, it shall be used as a procedural guide for the conduct of the Vestry's meetings.

NOTE : Bylaws should appoint a parliamentary authority to govern circumstances not provided for in canon or elsewhere in the bylaws. Vestries may choose among several authorities.

6.8 Vacancy. If a vacancy occurs on the vestry or in another elected position between annual meetings of the congregation, the remaining members of the vestry shall choose another person to fill that position for the unexpired term. A vacancy occurring among delegates to Convention shall be filled by an elected alternate delegate. *NH 4.2.3*

6.9 Resignation. A member of the vestry, other than the rector, may resign at any time by tendering his or her resignation in writing to the rector or to a warden, effective as provided therein. Such resignation need not be accepted by the vestry in order to become effective.

6.10 Removal. A member of the vestry, other than the rector, may be removed at any time for due cause by the votes of a two-thirds majority of the entire vestry, [provided notice of the proposed removal and the reasons for the same shall have been given to the said vestry member at least _____ days in advance of the meeting.] [Grounds for removal shall include, without limitation, conduct in violation of the Constitutions or Canons of the Episcopal Church or of the Diocese of New Hampshire or otherwise detrimental to the mission and best interests of the congregation; failure to disclose and, if appropriate, abstain from vestry deliberations and determinations by reason of conflict of interest; absence without excuse or good cause shown from _____ consecutive duly convened vestry meetings or from _____ such meetings within one calendar year; breach of confidentiality with respect to matters discussed or acted upon by the vestry in a duly convened executive session; ineligibility for office; failure to support the congregation by regular pledging or failure to honor the pledge once made, in either case without excuse or good cause shown; disability; failure to attend with reasonable diligence to his or her duties as a vestry member; failure to attend worship services with reasonable frequency and otherwise participate in the corporate life of the congregation, in either case without excuse or good cause shown.]

NOTE : Bylaws should provide for the removal of a vestry member whose continuance on the vestry is inimical to the congregation's interest or whose participation in the vestry and in the life of the congregation has so diminished as to have created a vacancy by default. This bylaw may offer that vestry member an opportunity to explain his or her apparent breach or absence. It may also include a list of the grounds that would support the vestry's action, thereby placing vestry members on notice of congregational standards and expectations for vestry members.

ARTICLE 7: Accounting and Financial Matters

7.1 Funds. The handling of any or all of the cash, funds and investments of the congregation, including the purchase, custody, sale and transfer of the same, may be delegated by the vestry to the wardens, the treasurer, [and/or to the trustees or investment committee of the congregation, if the same be appointed,] either generally or as to specific instances, but subject to the ultimate direction and control of the vestry. *TEC I.14.2, NH 4.5.1(a)*

7.2 Fiscal Year. The fiscal year of the congregation shall coincide with the calendar year. *TEC I.7.1(j)*

7.3. Indebtedness. The congregation shall have the authority to borrow money, provided that no indebtedness shall be incurred, renewed or extended by or on behalf of the congregation without the express approval of the vestry; nor without the written assent of the bishop and standing committee of the Diocese of New Hampshire except as provided in the diocesan canons. *NH 4,6,4*

7.4 Books of Account. Proper books of account for the congregation shall be kept by the treasurer so as to provide the basis for satisfactory accounting, reporting, and auditing. *TEC I.7.1 (e)*

7.5 Audits. All accounts of the congregation shall be reviewed annually by an independent certified public accountant, a licensed public accountant, or in such other manner as the diocesan CFO may from time to time prescribe. The financial review report shall be filed as prescribed in the diocesan canons. *TEC I.7.1(f), NH 4.6.1(d)*

7.6 Annual Reports. An annual report of all business and financial matters of the congregation, including complete financial statements, shall be prepared by or under the direction of the treasurer, approved by the vestry, and distributed to the congregation at least seven days prior to each annual meeting of the congregation.

NOTE: To be of maximum utility to the members of the congregation, any financial statements and other information distributed in advance of each annual meeting should be reasonably current. Since the canons and Article 7.2 of these model bylaws require congregations to operate on a calendar fiscal year, this poses no particular problem for those congregations with annual meetings in January, as the New Hampshire canons generally require. However, by canon some New Hampshire congregations may and do hold annual meetings at other times of the year; e.g., in the autumn months. In such cases the congregation should be furnished with financial statements for the most recent full fiscal year plus interim financial information in such form as may reasonably be available.

7.7 Bonding. The treasurer, [trustees] and any other custodian of the funds of the congregation, other than banking institutions, shall be adequately bonded. *TEC I.7.1(d)*.

7.8 Gifts and Memorials. No object intended as a permanent addition to the property of the congregation or to be used therein for public worship shall be accepted as a gift or memorial without the approval of the rector and the vestry, subject to such conditions as they may prescribe. All objects so accepted may be altered, removed, or disposed of when deemed necessary or appropriate by the vestry. The names of the donors of and of the persons memorialized by such gifts and memorials, any terms and conditions thereof, and the dates of acceptance of the same shall be preserved in the permanent records of the congregation.

7.9 Property Held in Trust. All real and personal property of the congregation is held in trust for The Episcopal Church and the Diocese of New Hampshire, provided that such trust shall in no way limit the power and authority of the congregation, otherwise existing over such property, so long as it remains a part of and subject to said church and its Constitution and Canons. *TEC I.7.4. II.6.4; NH 4.6.5*

NOTE : This section merely restates the canonical requirement. Its practical effect is to give The Episcopal Church and the Diocese of New Hampshire the legal authority to reclaim the property of a congregation should the congregation dissolve or elect to leave The Episcopal Church. It is not intended to affect operations of the congregation or the management and use of its funds and property on a day to day basis.

7.10 Real Property. All buildings of the congregation and their contents shall be kept adequately insured. The vestry may not encumber or alienate any real property of the congregation without the written consent of the bishop and standing committee of the Diocese of New Hampshire. *TEC I.7.1, I.7.3, and I.7.4; NH 4.6.3, 4.6.4*

NOTE : This section restates the canonical requirements that congregational buildings and their contents be kept adequately insured , and that diocesan consent be obtained before any land or building is mortgaged or is sold or otherwise disposed of.

ARTICLE 8: Indemnification

If and to the extent permitted by applicable law, unless proscribed or otherwise limited by the Constitutions or Canons of The Episcopal Church or of the Diocese of New Hampshire, the congregation shall purchase or otherwise arrange for, and keep in effect, a directors, officers, and entity liability insurance policy (“Policy”), through which Policy the congregation intends to indemnify, defend, and hold harmless past and present officers and vestry and committee members (including the rector and other members of the clergy in their capacities as such) and their respective heirs and legal representatives from and against any and all liabilities, costs, and expenses (including attorneys’ fees and other defense costs) from time to time incurred by or imposed upon them respectively in connection with any threatened, pending, or completed civil, criminal, or administrative proceeding in which any of them may become involved by reason of their service to the congregation in such capacities, except with respect to matters as to which they may finally be adjudged in such proceeding to be liable for willful, wanton, or grossly negligent misconduct. Indemnification under this Article shall be limited to and governed by the terms and conditions of the Policy. The right of indemnification under this Article is not exclusive, and shall be in addition to and not in derogation of any such right under applicable law or by contract. If this Article shall be amended or repealed such action shall have prospective effect only, and shall not affect the indemnification rights of any individual with respect to proceedings in respect of which indemnification has been properly sought by application to the vestry in writing by the individual(s) in question prior to the effective date of such action.

ARTICLE 9: Action by the Vestry; Agents

Consistent with these bylaws and with the Constitutions and Canons of The Episcopal Church and of the Diocese of New Hampshire, the vestry may from time to time delegate to the warden[s], the treasurer and/or the rector, generally or as to specific instances, or to any employee or agent of the congregation as to specific instances, due authority to execute and deliver, on behalf of the congregation, such contracts, deeds, mortgages, notes, bonds, checks, drafts, and other instruments and documents as the vestry may deem necessary or proper. In the absence of such a general or specific delegation of authority residual authority in this regard shall lie with the warden[s] or the treasurer, or any of them. The vestry may appoint such employees, agents and representatives of the congregation (including legal counsel) and delegate to them due authority to perform such acts and duties on behalf and in the name of the congregation as the vestry may from time to time see fit,

consistent with these bylaws and with the Constitutions and Canons of The Episcopal Church and of the Diocese of New Hampshire. Except as provided herein or as specifically authorized by the vestry, no vestry member, officer, or employee of the congregation or any other person shall have the power or authority to bind the congregation by any contract or transaction or to render it legally or financially liable for any purpose or in any amount.

NOTE : See *NH 4.6.4*

ARTICLE 10: Conflict of Interest

10.1 Policy Governing Conflict of Interest. Any possible conflict of interest on the part of any officer, clergy member, or member of the Vestry (Bishop's Committee) shall be disclosed in writing to the Vestry (Bishop's Committee) and made a matter of record through the Vestry minutes, and reported to the Bishop.

10.2 Disclosure of Possible Conflict of Interest and Voting Requirements. Per section 1 above, any officer, clergy member, or member of the vestry shall disclose any conflict of interest when a specific issue or transaction comes before the Vestry (Bishop's Committee). Where the transaction involving a Vestry (Bishop's Committee) member or officer or clergy member (and/or any member of his or her immediate family or his or her employer) exceeds five hundred dollars (\$500) but is less than five thousand dollars (\$5,000) in a fiscal year, a two-thirds vote approving the transaction is required. Where the transaction involved exceeds five thousand dollars (\$5,000) in a fiscal year, a two-thirds vote approving the transaction and publication of a legal notice in the required newspaper is mandatory, together with written notice to the NH Charitable Trusts Unit. The minutes of the meeting shall reflect that a disclosure was made and that the interested officer or member (along with any other officer or member with a pecuniary transaction with the congregation) were absent during both the discussion and the voting on the transaction. Every new member of the Vestry (Bishop's Committee) will be advised of this policy upon entering the duties of his or her office and shall sign a statement acknowledging understanding of and agreement to this policy.

NOTE: See New Hampshire RSA 7:19-a and RSA 292: 6-a for underlying statutory requirements related to this article.

ARTICLE 11: Convocation and Diocesan Convention Delegates

11.1 Election and term. Delegates and alternate delegates to the Convocation and Diocesan Convention shall be nominated by the nominating committee (with provision for nomination from the floor) and shall be elected at the annual meeting. Delegates and alternates shall be adult [confirmed] voting members and shall each serve a term of _____ year(s). A delegate may be elected to no more than _____ consecutive terms and shall be ineligible for reelection to the office of delegate for one year after having served in the office _____ consecutive years. *NH 1.2*

NOTE : The number of delegates for each congregation is printed in the annual diocesan *Journal and Directory*.

11.2 Duties. Delegates shall attend all Convocation and Diocesan Convention functions unless for good cause prevented. Delegates and alternates shall discuss anticipated convention business with the vestry prior to Diocesan Convention, and shall report convention proceedings to the vestry within one month after each Diocesan Convention.

ARTICLE 12: Amendments to Bylaws

Bylaws may be amended at any annual meeting or at special meetings called for that purpose by the affirmative vote of two-thirds of those present and voting. Amendments may be proposed by the vestry or pursuant to a written petition executed by at least _____ voting members of the congregation delivered to the clerk in a timely fashion. Notice of any meeting at which a proposed amendment is to be taken up shall be given as required by these bylaws (Article 3.3) and shall include the full text of any proposed amendment. [The clerk shall promptly furnish to the Office of the Bishop the full text of the bylaws, including all amendments adopted.]