

Guide to Writing Church Bylaws



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Introduction

Bylaws (from Old Norse *bi-lagu* "town law") govern the operation of the church so that everything is done decently and in order as the Apostle Paul instructs in 1 Corinthians 14:40.

The culture of The Christian and Missionary Alliance in Canada (C&MA) places a high value on the balance between the authority of the leadership (Lead Pastor and Board of Elders) and the authority of the members. In practical terms of church government, we are between the Presbyterian (elder-led) and the Congregational (democratic, member-led) models of governance. The third model is Episcopal (hierarchical, bishop-led).

The *Local Church Constitution* (LCC) and the local church bylaws are designed to maintain the balance of governance authority between the members and the elders.

This Guide has been prepared to assist District churches in preparing, updating, or amending their bylaws. It is based on the legal requirements of the LCC of the C&MA and the Bylaws of the Canadian Pacific District (CPD). Bylaws from CPD churches have been consulted for non-legislated requirements to use as best practices, the CPD's lawyer has been consulted, and the Canadian Council of Christian Charities has been helpful in crafting bylaws. The *Model Church Bylaws* (**Annex D**, p. 42) conform to provincial and federal requirements.

The LCC and the *Policy on District Organization* were adopted and are amended from time to time by the General Assembly of the C&MA – the denomination's highest governing body. They can only be amended by the General Assembly.

The CPD is registered with the BC Registrar of Societies and not the individual churches (with the exception of a few). The *Canada Not-for-profit Corporations Act* and the *Societies Act* of BC provide many best practices for church bylaws. Hence, the District Executive Committee (DEXCOM) encourages District churches to act, wherever appropriate, as if they are a society and follow the provisions of the *Societies Act* of BC.

Your church's bylaws must be consistent with the C&MA *General Operating Bylaw No.2*, the *Policy on District Organization*, the LCC, and the Bylaws of the CPD. You can view these documents on myCPD (see **References**, p. 23). Churches are permitted to adopt bylaws that are not in conflict with these documents.

Bylaws may include whatever rules the members want. However, as one cannot make a rule for every eventuality, the challenge is to create “just enough” rules versus having so many that they are unworkable. All church bylaws and amendments are required to be approved by DEXCOM before they become effective.

The process for writing and approving bylaws can be found in **Annex A** on p. 25.

One final note of caution: bylaws are a legal document and may be challenged in a court of law. This provides another source of motivation for preparing them well and wisely.

The Annexes at the end of this Guide are stand-alone documents:

Annex A – The Process of Writing and Approving Bylaws

Annex B – Bylaws Worksheet

Annex C – *Local Church Constitution* of the C&MA in Canada

Annex D – Model Church Bylaws

Abbreviations

C&MA	The Christian and Missionary Alliance in Canada
CPD	Canadian Pacific District
DEXCOM	District Executive Committee
LCC	Local Church Constitution

Notes

1. The titles Lead Pastor and Senior Pastor are used synonymously in this document.
2. All biblical references in this document are NIV unless otherwise stated.
3. The name “Board” means the Board of Elders of the local church.

Bylaw Provisions

There are only a few categories of topics to be included in the church bylaws. The bylaws need to contain provisions for:

Members

- Qualification
- Classes and Rights
- Procedure for becoming a member
- Procedure for ceasing to be a member
- Discipline

Government

- Meetings of members
- Procedure for calling meetings
- Quorum
- Proceedings
- Voting

Board of Elders

- Responsibilities
- Eligibility
- Procedure for election and removal
- Meetings
- Committees

Officers

- Duties

Finances

- Borrowing
- Property Matters
- Fiscal Year
- Financial Reporting

Records

- Minutes
- Finances

Elections

- Elders
- Nominating Committee
- Additional nominations

General (Miscellaneous)

- Preamble
- Precedence documents
- Interpretation
- Amending the bylaws

Each of these categories is discussed in the following sections. Questions for consideration are noted by 'Q'. These questions should be considered along with the questions in the Bylaws Worksheet (see **Annex B – Bylaws Worksheet**, p. 27).

Membership

Membership in a local church is a privilege and gives recognition that a person belongs to the local body of Christ. It implies a commitment that surpasses that of an adherent. It comes with certain rights and legal obligations. Members voluntarily place themselves under the oversight (accountability and discipline) of the church.

The church takes care of its members. If a member comes under church discipline it is the goal of the church to restore him or her to full fellowship and participation in the ministry of the church. During this period of discipline and restoration, the person is a 'member not in good standing'.

Eligibility and Qualification

A person who is eligible meets the basic criteria for the position. A person who is qualified meets the basic criteria and also has additional experience, skills, and wisdom.

In church terms, every person is eligible to be a member of the one, holy, universal, and apostolic Church, but only those who have accepted Jesus Christ as Saviour and Lord are qualified.

Qualification

The basic qualification for membership is stipulated in the LCC in Article 6 – Membership, Section 6.1. Reference to it should be included or it may be copied in its entirety.

The qualifications for membership include a credible testimony of faith in the Lord Jesus Christ before members of the Board; believer's baptism; a commitment to the principles of the Preamble; a commitment to the Purpose (Article 2), and statement of faith (Article 3) of this church; submission to the discipline procedures of The Christian and Missionary Alliance in Canada; and such further qualifications as may be specified in the bylaws.

While affirming the above as normative, the Board of Elders of the local church may discern on a case-by-case basis whether to extend membership to individuals who were baptized as infants and who now present a credible testimony of faith in the Lord Jesus Christ before members of the Board; a commitment to the principles of the Preamble; a commitment to the Purpose (Article 2), and statement of faith (Article 3) of this church; submission to the discipline procedures of The Christian and Missionary Alliance in Canada; and such further qualifications as may be specified in the bylaws.

Q. Do you want any additional qualifications for membership?

Classes of Membership and their Rights

There may be different classes of members and the rights and obligations of each need to be stipulated. For example:

Active Member – one who regularly attends the services and participates in the life of the church and they may vote and participate in leadership

Note: Please also refer to the information on p. 6 under **Eligibility and Qualification** regarding allowing women to serve as elders.

Associate Member – one who, for legitimate reasons, cannot attend regularly but wants to be identified with the church (e.g., International Workers, members of the armed forces, members away due to temporary employment assignment/location); they maintain their identity with the church but do not vote or participate in church leadership

Member not in Good Standing – one who comes under the discipline of the church and they are not eligible to vote and participate in leadership. They may be restored to Active or Associate membership following the period of discipline and restoration.

Procedure for becoming a Member

The implication of the LCC is that the Board must approve the application for membership and the applicant must sign a covenant of commitment.

Q. Should the applicant attend a membership class led by an elder or pastor?

Discipline

The *Discipline and Restoration Policy for Members of Local Churches* of the C&MA (part of the Manual of the C&MA, see **References**, p. 23) provides the reasons for requiring discipline and the process of restoration. The bylaws need to reference the policy but do not necessarily need to quote it.

The following is from the Uniform Regulations in the policy:

1. It shall be a condition of membership in a local church of The Christian and Missionary Alliance in Canada that each member accept and comply with the authority of the local church to discipline members in accordance with these Uniform Regulations.
2. If a member(s) of a local church of The Christian and Missionary Alliance in Canada is alleged to be in violation of Scriptural moral standards, doctrinal truth or proper Christian behaviour, he or she may be subject to the following inquiry and discipline procedure.

The term “violation of scriptural moral standards” as used by The Christian and Missionary Alliance in Canada shall include, but not be limited to, sexual activity outside of a monogamous heterosexual marriage, sexual harassment or assault, homosexuality, misappropriation of funds, dishonesty or fraud in business and legal transactions, and guilt in a criminal offence.

Government

Meetings

The highest authority of the local church is exercised during a meeting of the members. There are two types of business meetings: Annual General Meetings with a prescribed agenda and special meetings for other business. A third category of meetings is the informational meeting, where church leadership provides information on programs and ministries and consults with members and adherents, but no business may be conducted.

Calling Meetings

The Board calls the meetings. The bylaws stipulate when to give notice, the amount of time required between when the notice is given and the meeting is held, and the methods of giving notice. This protects the members in exercising their authority.

- Q.** What threshold is appropriate for members to call a meeting?
- Q.** What will your procedure be for planning meetings called by members?

Proceedings

The LCC stipulates the required items to be included on the agenda of the Annual General Meeting. Other items, of course, may be considered. It is recommended that an authority on parliamentary procedure, such as Roberts Rules of Order, be stipulated to ensure an orderly process.

Voting

The bylaws need to stipulate the quorum (the number of Active Members present) required to conduct business and what happens if a quorum is not present.

- Q.** Since not all the Active Members will be interested in the business of the church, what is a reasonable number needed?
- Q.** Since the Annual General Meeting is legislated by the LCC, what is a practical method of ensuring quorum?

The bylaws need to stipulate when a larger majority is required. For example, this may be to ensure the members support undertaking an extraordinary project. Unless specified in legislation (e.g., in the bylaws or in the LCC), the Board determines when a special resolution is required. However, if the bylaws allow, when any resolution is presented to the members for consideration, opportunity is available to amend the requirement for adoption (special or ordinary resolution). The Societies Act requires that a special resolution be adopted by a 2/3 majority vote of the eligible members present.

Elections

The LCC stipulates that the members of the Board be elected at the Annual General Meeting. It is probably the most important decision made by the members in exercising their authority and should not be taken lightly. There may be other leadership positions requiring election.

Board of Elders

Responsibility and Duties

The Board is responsible on behalf of the members and along with the Lead Pastor for the operation of the church between annual general meetings. A vital responsibility is to support and encourage the pastors in their ministry.

Board Composition

There are at least two major positions regarding Board leadership in our churches:

- 1) The **egalitarian** position views men and women as equal before God in value and in their roles in the church. They view both men and women as eligible to participate in leadership in the church as elders.
- 2) The **complementarian** position views men and women as equal in value before God but performing different or complementary roles in the church. They view only men as eligible to participate in leadership in the church as elders.

For more information on egalitarian and complementarian positions in our churches, please review the documents in the Manual of the Christian and Missionary Alliance in Canada titled Statement on the Roles of Men and Women in Ministry and The Roles of Men and Women in Ministry. These can be found on myCPD.

In 2000, the General Assembly passed an amendment to the LCC that states, "The church may, by a two-thirds majority of the members present at a duly called meeting of the membership, choose to have women serve on the Board." (8.1) This means that unless your church has successfully passed a motion to change to the egalitarian position, women are not able to serve as elders. Newly established churches will also need to determine their starting position regarding the election of elders.

You need to understand your church's position when you write your bylaws. This may affect two sections in this Guide:

- a) Membership – Classes of Membership and their Rights
- b) Board of Elders – Eligibility and Qualifications

The *Model Church Bylaws* (**Annex D**, p. 42) are neutral towards the position taken in the church. However, for clarity for complementarian churches, it is suggested that you consider including information on the restriction to only having male active members be eligible to serve as elders by including clause 4.1.2 in your bylaws with appropriate wording.

If you have a complementarian church, you should avoid phrases that indicate that all members are eligible to be elected to the Board. This will be considered to conflict with the LCC and likely limit the probability of your church bylaws being approved by DEXCOM.

Eligibility and Qualifications

The essential qualifications of an elder are clearly stated in 1 Timothy 3:1-13 and Titus 1:6-9, however, the church may have additional eligibility requirements.

- Q.** Does the church permit women to serve on the Board? General Assembly ruled that it is the local church that determines eligibility for the Board. Note that the LCC (8.1) stipulates that this decision requires a two-thirds (2/3) majority vote of the members eligible to vote in a duly called meeting of members.
- Q.** Are there other rules that would exclude any Active Member from serving on the Board? For example, is membership on the Board limited to members who have attained the age of majority?

In addition to the biblical qualifications for elders, there is also a legal eligibility requirement. The *Income Tax Act* of Canada (which allows you to issue donation receipts for income tax purposes) stipulates who is ineligible to be an elder and the penalty for a church having ineligible elders:

The Income Tax Act 149.1

ineligible individual, at any time, means an individual who has been

- (a) convicted of a relevant criminal offence unless it is a conviction for which
 - (i) a pardon has been granted and the pardon has not been revoked or ceased to have effect, or
 - (ii) a record suspension has been ordered under the Criminal Records Act and the record suspension has not been revoked or ceased to have effect,
- (b) convicted of a relevant offence in the five-year period preceding that time

The penalty for an elder being ineligible for the office is described as follows:

149.1 (4.1) The Minister may, in the manner described in section 168, revoke the registration

- (e) of a registered charity, if an ineligible individual is a director, trustee, officer or like official of the charity, or controls or manages the charity, directly or indirectly, in any manner whatever

The Canadian Council of Christian Charities (CCCC) recommends that each elder annually sign a declaration of not being ineligible.

Number of Members and Term of Office

The LCC (8.1) stipulates that the Board have, as a minimum, four (4) members including the Lead Pastor (ex-officio), and a maximum set by the bylaws. There should be enough members to adequately represent the membership but not too many as to inhibit discussion.

The Board may appoint committees to do some of its work. Committees need to be chaired by a Board member and other committee members may be members of the church with a particular interest or expertise.

Q. How many members are needed to serve on the Board?

Time is required to develop new Board members and the first year is usually a learning period. On the other hand, it is not good to have the same members serving for open-ended periods of time as this:

- a) prevents new members with new energy and contributions from being elected
- b) can also lead to a perception or reality of too much influence in the same hands

A set maximum term allows for healthy turnover and a graceful retirement of a member.

For example, a term may be two years with the option of serving three consecutive terms (for a total of six years), or a term may be three years with the option of serving two consecutive terms. After a break of one year the member may again be eligible for election. Terms should be arranged so that there is a continuity of experience.

Removal from Office

The bylaws stipulate the reasons and process for removing a Board member from office. Generally, the Board follows the same C&MA discipline policy as for members but there may be other reasons why a Board member should be removed, and they need to be stated. A vote to remove an elder requires a special resolution, which requires a 2/3 majority vote.

Meetings of the Board

The LCC (8.1) stipulates that the Board meets regularly.

- Q.** Should the bylaws stipulate when and how often the Board should meet? What about during summer months?

Board Committees

The Board may delegate some, but not all, of its responsibilities to smaller committees composed of Board members. Committees assist the Board in doing its work. There may be committees for finance, membership, missions, etc. Some committees may be appointed for a specific time period or task (e.g., a building committee). These are known as ad hoc committees. Legislated committees (Nominating Committee and the Financial Statement Review Committee) have their mandate stipulated in the bylaws.

A recommended committee is the Financial Statement Review Committee. This committee assists the Board in discharging its fiduciary responsibilities (see **Financial Statement Review Committee**, p. 19)

- Q.** Does the church want to have other legislated committees?

Officers

The LCC (8.2) stipulates the officers of the church and their duties. They are the Chair, Vice-Chair, Secretary, and Treasurer of the Board. The LCC also stipulates that the Lead Pastor is the Chair of the Board, however, the Lead Pastor may appoint a member to be the Chair or may ask the Board to nominate a Chair from its members for the Lead Pastor's consideration. The nominated Chairperson then has the option to accept the nomination. In this case, the Lead Pastor retains the position as an officer of the church. There may be others, stipulated in the bylaws, which are appointed by the Board.

- Q.** Does the church want other officers?

Finances

The stewardship of financial and other resources entrusted to the church is an extremely important earthly responsibility of the Board, so much so that the *Income Tax Act* of Canada provides the law for charities in regard to the proper handling of donations and disbursements and of assets.

Borrowing

In order for the church to be able to incur debt, the bylaws need to make provision to allow for this. Churches are also reminded that in accordance with the CPD Bylaws (Part 10 10.3), DEXCOM's approval is required before any debt is incurred.

- Q.** Understanding that membership approval is already required in cases where real property will be encumbered, does the church also want members to approve any borrowing of funds when real property is not going to be encumbered (e.g., an unsecured line of credit or loan)?

Property

The LCC contains specific provisions regarding church use of assets, including real property. Church bylaws need to be congruent with these provisions. Real property includes land and any buildings and other improvements attached to the land. It also encompasses the rights of use and enjoyment of the land, as well as any of its improvements.

It is important to note that the LCC includes improvements to real property in 12.1.

Under the *Accounting Standards for Not-For-Profit Organizations* (ASNPO), an improvement is a cost that is incurred to enhance the service potential of the real property. Expenditures that extend the useful life of real property or improve it beyond its original condition are usually improvements. If an improvement will be capitalized for financial reporting purposes, then it is also an improvement for the purposes outlined in Article 12.1 of the LCC.

For Unincorporated Churches

The LCC contains the following provision in 12.1:

Real property may be acquired, disposed of, improved or encumbered by order of the Board, subject to the approval of the membership and the District Executive Committee. Except as otherwise provided herein, all real property shall be registered in the name of the district in which the property is situated and the district shall be deemed to be the legal and beneficial owner of all real property, appurtenances and effects. The district shall be entitled and authorized to mortgage, hypothecate, pledge, or otherwise create a security interest in, or charge on, all or any part of such property to secure payment of debt or performance of any other obligation of either the church or the district.

The foregoing means that the Board must obtain the approval from both the church's membership and DEXCOM before the church acquires, disposes of, improves, or encumbers any real property.

For Incorporated Churches

The LCC contains the following regarding the above provision:

The above requirements may be waived by an incorporated church by a two-thirds majority of the members present at a duly called meeting of the membership and with the approval of the District Executive Committee. In such cases, the church shall have a clause in its bylaws which states that, should the church cease to exist as a corporate body, or cease to be subject to the Manual, which includes the statement of faith of The Christian and Missionary Alliance in Canada, all of its real property, appurtenances, and effects then owned or held by it shall inure to the benefit of, and become the property of, the district corporation of The Christian and Missionary Alliance in Canada, within which jurisdiction this church is located or with which it is affiliated by law. Further, the church will assume full responsibility for all encumbrances with respect to the subject property and will obtain a full release for the district of any security interest provided by the district for the benefit of the local church.

The foregoing means that so long as an appropriately worded special resolution regarding real property is approved by the members and with DEXCOM approval, that real property can be registered in the name of the incorporated church.

Further, it means that the incorporated church can then acquire, dispose of, improve, or encumber real property registered in its name.

An incorporated church that seeks to have the special resolution regarding real property approved by its membership and DEXCOM, or that has already had that special resolution approved by its members and DEXCOM, must include the following clause in its bylaws:

Should the church cease to exist as a corporate body, or cease to be subject to the Manual, which includes the statement of faith of The Christian and Missionary Alliance in Canada, all of its real property, appurtenances, and effects then owned or held by it shall inure to the benefit of, and become the property of, the district corporation of The Christian and Missionary Alliance in Canada, within which jurisdiction this church is located or with which it is affiliated by law. Further, the church will assume full responsibility for all encumbrances with respect to the subject property and will obtain a full release for the district of any security interest provided by the district for the benefit of the local church.

- Q.** While membership approval via a special resolution is not required before a church can acquire, dispose of, improve, or encumber any real property, given the likelihood that such an action may be viewed by the church members to be a major decision, does the church want its members to approve such an action through an ordinary resolution or through the higher approval threshold of a special resolution?

Church Financial Reporting

The bylaws specify the requirements for handling church finances and must be congruent with Article 12.2 of the LCC. The Board is accountable to the members and this includes presenting the annual financial statements to the Annual General Meeting.

The bylaws stipulate the dates of the fiscal year.

The bylaws also stipulate that there must be a formal annual accounting of the church's finances. Annual financial statements are the formal record of the financial activities of the church.

In accordance with the LCC, Article 12.2, a church's annual financial statements must always be prepared in accordance with the Canadian general-purpose financial reporting framework, ASNPO. On account of this ASNPO requirement, by law in British Columbia (BC), only a duly licensed Chartered Professional Accountant (CPA) can report on the church's financial statements (Part 47 of the *Chartered Professional Accountants Act* (BC)).

Also, in accordance with the LCC, the church's financial statements are to be reviewed or audited annually when annual revenue is higher than \$250,000. Churches with annual revenue under \$250,000 may use a compilation according to the requirements in the LCC, Article 12.2:

Only churches with an annual revenue not exceeding \$250,000, if permitted by federal, provincial, or territorial regulations, may by special resolution of the membership, choose a compilation annually on an accounting basis that is acceptable to their district that may be other than the Accounting Standards for Not-For-Profit Organizations. To remain in effect until such time as annual revenue exceeds \$250,000 or is revoked by a special resolution of the membership.

DEXCOM has required that churches using a compilation engagement must also have their annual financial statements prepared in accordance with ASNPO. See also the corresponding requirement for a CPA at the top of this page.

It is important to note that in the case of reviewed or audited financial statements, the CPA reporting on the financial statements evaluates and assesses the financial information provided by the church and provides an assurance report about the resulting financial statements and notes to the financial statements.

In the case of compiled financial statements, the CPA compiling the financial statements is not required to perform any procedures to verify the accuracy or completeness of the financial information provided by the church or to evaluate the financial statements. On account of this, the CPA cannot provide any form of assurance about the financial statements.

To assist you with better understanding the primary differences between compilations, reviews, and audits, the following is a comparison chart sourced from the very helpful CPA Canada publication, [Understanding Reports on Financial Statements](#).

Comparing Compilations, Reviews, and Audits

	Compilation (see Note 1)	Review	Audit
Nature of CPA's involvement	Application of other Canadian standards for compilations	Application of Canadian generally accepted standards for reviews	Application of Canadian generally accepted auditing standards
Objective (of the CPA)	To compile financial information in accordance with the described basis of accounting applied (CSRS 4200)	To form a conclusion on whether anything has come to the CPA's attention to cause the CPA to believe the financial statements were not prepared, in all material respects, in accordance with ASNPO	To form an opinion on whether the financial statements were prepared, in all material respects, in accordance with ASNPO
Communication Provided	A compilation engagement report	A conclusion about the financial statements	An opinion about the financial statements
Level of Assurance (Note 2)	None	Limited	Reasonable
Benefits	<ul style="list-style-type: none"> • CPA can assist management with the preparation and presentation of financial information 	<ul style="list-style-type: none"> • enhances confidence the financial statements have been prepared in accordance with ASNPO • can identify material misstatements or non-compliance with ASNPO 	<ul style="list-style-type: none"> • strongest indicator of the credibility of the financial statements • can help detect deficiencies in internal controls, which may highlight areas susceptible to fraud, and/or identify potential process improvements • can identify material misstatements or non-compliance with ASNPO
Types of procedures performed by the CPA	<ul style="list-style-type: none"> • obtain knowledge related to the church's business and operations, accounting system and records and the basis of accounting used • discuss with management significant judgments for which assistance has been provided by the CPA 	<ul style="list-style-type: none"> • primarily inquiry and analytical procedures to obtain sufficient appropriate evidence as the basis for a conclusion on the financial statements as a whole 	<ul style="list-style-type: none"> • risk assessment and audit procedures that respond to the risks identified • obtain sufficient appropriate audit evidence as the basis for the opinion • procedures are more extensive, will include substantive procedures and may include tests of controls
Cost comparison	<ul style="list-style-type: none"> • low 	<ul style="list-style-type: none"> • medium 	<ul style="list-style-type: none"> • high

Note 1: The new compilation standard (CSRS 4200, CPA Handbook – Assurance) was published in late February 2020 and is effective for compiled financial information for periods ending on or after December 14, 2021. Early adoption of CSRS 4200 is permitted. Under CSRS 4200, the LCC’s ASNPO financial statements reporting requirement can be met. Should your church choose a compilation engagement, you will need to ensure that the compiled financial statements are prepared under this new standard (CSRS 4200) and that the compiled financial statements and notes to the financial statements are in complete compliance with ASNPO.

Note 2: Assurance is what the CPA aims to obtain in order to express a conclusion designed to enhance the degree of confidence of the intended users that the financial statements are free from material misstatement due to fraud or error. It is not possible to obtain absolute assurance because the inherent limitations to an audit or a review make most of the evidence on which the CPA’s conclusion is based persuasive rather than conclusive. The CPA should in theory be able to vary infinitely the level of assurance obtained in an engagement. However, in order to help users understand the level of assurance obtained, the standards limit assurance to two distinct levels: reasonable assurance (which is a high level of assurance) and limited assurance. The level of assurance also determines the appropriateness of audit evidence/supporting documentation (e.g., quality, relevance and reliability) and the extent of procedures required to be performed by the CPA.

- Q.** For churches with annual revenue exceeding \$250,000, does the church want to specify in its bylaws that there be an audit each year or instead, does the church want to specify in its bylaws that there be a review each year? Alternately, if the church wants its members to decide between an audit or review every year, the church’s bylaws effectively provide for this when the language in the bylaws is left as “audit or review” or “audit/review” in relation to the annual financial statements.
- Q.** For churches with annual revenue historically not exceeding \$250,000 or that may not exceed \$250,000 in future, does the church want to allow the compilation of its annual financial statements in its bylaws? If the church is considering including this provision in their bylaws, please refer to the District’s guide, the *Use of Compilation Engagements in Church Bylaws* as it contains important information in this regard.

An independent CPA to compile, review, or audit the financial statements is appointed at the Annual General Meeting, usually on the recommendation of the Board. It must be stipulated in the bylaws.

Financial Statement Review Committee

The bylaws suggest as a best practice that there is to be a Financial Statement Review Committee. A Financial Statement Review Committee is a committee to which the Board delegates responsibility for oversight of the financial reporting process. Typically, the role of the Financial Statement Review Committee is to review the annual financial statements that the church’s external independent CPA has reported on.

Some finance committees have broader roles, including the review of larger projects or purchases, review of significant financial policies, and review of the adequacy of insurance.

The Financial Statement Review Committee provides an important communication link between the Board and the external independent CPA. The process of a more detailed, in-depth Board review allows more time to evaluate the financial statements of the church. This increases the level of credibility and objectivity of financial reports. Having a Financial Statement Review Committee does not indicate a lack of trust between staff and the Board. The committee merely allows the Board to better fulfill its fiduciary duty.

Either the Board as a whole may function as the Financial Statement Review Committee, or the Board may designate a separate committee for this function, like an existing finance committee. The committee should consist of at least three Board members, as is recommended as a best practice in the Model Church Bylaws in Part 5, 5.9 b). (See **Annex B – Bylaws Worksheet**, p. 27.)

It is important to have a Terms of Reference for the Financial Statement Review Committee that guides its work and functioning. The Terms of Reference must be congruent with any Financial Statement Review Committee requirements in the bylaws and with the type of financial reporting your church has. (See the Church Financial Statement Review Committee Terms of Reference templates and the Church Financial Statement Review Committee Worksheets for Compilations or Reviews and Audits in the **References** on p. 23.)

Q Does the church want the members to approve the annual budget or allow the Board to approve the budget and present it to the members?

Records

The minutes of the meetings of the members, the Board and committees, and the financial records serve two purposes. They provide a historical record of the ministry and, more importantly, they are legal documents that can be subpoenaed by the courts.

The LCC (12.2) stipulates the requirements for keeping and storing records.

Q. Does the church want to keep electronic as well as paper records?

It is strongly encouraged that churches ensure that their records are complete, comprehensive, and secure (backups are essential!).

Elections

The LCC (Article 13) stipulates the process of selecting candidates and putting them into office. There is a Nominating Committee to ensure that a suitable candidate for each position is presented.

The Nominating Committee is not a committee of the Board, rather it is accountable to the Annual General Meeting of the members.

The LCC stipulates the minimum number and composition of the Nominating Committee. The Lead Pastor or their designate serves as the Chair of the Committee with equal representation from the Board and the Active Members (who are elected by the members). A good practice is that the membership representatives be elected at the Annual General Meeting to serve for one year. This precludes the necessity to have a duly called meeting later in the year to elect representatives of the membership. The bylaws stipulate the mandate and reporting requirement of the Nominating Committee.

A word about process: Paul wrote, "Here is a trustworthy saying: 'Whoever *aspires* to be an overseer desires a noble task.'" (1 Timothy 3:1, emphasis added) It may be useful for the Nominating Committee to ask the church if there are those who would like to, or feel called to, serve on the Board. This may encourage a cross-generational Board and the training of younger members.

The Nominating Committee does not preclude the members from nominating other candidates. It has no more authority than any individual Active Member. It cannot prevent an eligible member from being nominated. It is up to the members to decide the best qualified members through the use of the ballot. The bylaws stipulate the process for members to nominate candidates.

It is recommended that a form be used. A nomination form ensures due diligence in making a nomination. The form includes:

- the name and contact information of the nominee
- the names and contact information of at least 3 eligible nominators (Active Members)
- the signature of the nominee certifying consent
- the signatures of the nominators

With the form, a short biography of the nominee should also be submitted in order to assist those in the membership who may not be personally acquainted with all nominees.

It is useful to have a 'Nominators Kit' easily available to members in the church office or on the church's website. In addition to a nomination form, the kit would have the biblical qualifications of an elder and an elder's job description.

Note that the Lead Pastor does not have the right to forbid a nomination except for the nominee being ineligible. The qualifications of the nominees are judged by the members through the ballot. The Lead Pastor may, of course, counsel the nominators.

General or Miscellaneous Articles

Finally, there are miscellaneous topics that need to be considered.

Preamble

The preamble sets out the church's relationship to the C&MA and stipulates the governing documents and their precedence.

Interpretation

This section provides a definition of terms as used in the bylaws. Some examples are Board, church, Constitution, ordinary resolution, special resolution, etc.

Amending the Bylaws

The bylaws provide the governing rules of the church as decided by the members. Circumstances in the life of the church change and on occasion they need to be amended. Usually, a request for an amendment resulting from a practical issue will come from the Board. However, bylaws should not be easily changed without careful consideration. The LCC (Article 15) stipulates the requirements to amend the bylaws.

For an example of how amendments are listed in bylaws, please see page 18 of the CPD Bylaws.

Conclusion

This guide will assist you in preparing or updating your church's bylaws. The *Model Church Bylaws* (see **Annex D**, p. 42) provide suggestions for most situations. However, each church has unique circumstances, and the bylaws must be workable. Start with the sample and modify it to make it your church's bylaws.

The District Office has expertise and access to consultants. Please do not hesitate to ask for assistance.

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Use of Compilation Engagements in Church Bylaws

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The Process of Writing and Approving Bylaws

1. The Board appoints an ad-hoc Bylaws Committee of approximately three (3) Active Members who are interested in this kind of work – perhaps a pastor, and Board member, and an Active Member. The Bylaws Committee selects its Chair and Secretary.
2. The Bylaws Committee advises the Assistant District Superintendent of Executive Administration and Governance (ADS-EAG) that the process of drafting new bylaws or amending existing bylaws is beginning and identifies the contact person for the church’s Bylaws Committee.
3. The ADS-EAG provides the *Model Church Bylaws* and the *Guide to Writing Church Bylaws* to the Bylaws Committee.
4. The Bylaws Committee drafts the new bylaws or proposes amendments to the existing bylaws using the *Model Church Bylaws* in conjunction with the *Local Church Constitution* of The Christian and Missionary Alliance in Canada (C&MA) and the *Guide to Writing Church Bylaws*. Much discussion and debate may take place during this step, and the ADS-EAG may be consulted.
5. The draft bylaws go to the Board of Elders for approval and further refinement may be needed.
6. The Board-approved draft bylaws are sent to the ADS-EAG to facilitate a review by the District Bylaws Committee. If revisions are required or recommended, the draft bylaws return to the church Bylaws Committee for further work (the process reverts to step 4).
7. Once the review process is complete and any additional edits are made by the church, the draft bylaws go to the District Executive Committee (DEXCOM) for approval with a recommendation that they be approved. The Board is informed that the bylaws will come before DEXCOM at the next opportunity.
8. DEXCOM considers the recommendation of the Bylaws Committee and either approves the draft bylaws or requests specific changes be made. **Note:** A minimum of four (4) weeks is required for DEXCOM approval of bylaws.
 - 8.1 If DEXCOM requests changes to the draft bylaws, the ADS-EAG advises the church with an explanation and the process may revert to step 4.
 - 8.2 If DEXCOM approves the draft bylaws, the ADS-EAG advises the church of the approval.

Guide to Writing Church Bylaws
Annex A – The Process of Writing & Approving Bylaws

9. The proposed bylaws are presented for consideration with a Board recommendation that they be adopted to the members of the church at a duly called meeting.
 - 9.1 If the members do not adopt the proposed bylaws or propose amendments, the process reverts to step 4.
 - 9.2 If the bylaws are adopted, the Board Secretary forwards a copy of the dated adopted bylaws along with a copy of the minutes to the ADS-EAG. At this point, the bylaws come into effect and the process is complete.

Note: To adopt the bylaws initially (a new church's first bylaws), a simple majority vote of the members eligible to vote is required. To amend bylaws on any subsequent occasion, a special resolution (which requires a 2/3 majority of members eligible to vote or higher according to the bylaws), is required.

Guide to Writing Church Bylaws
Annex B – Bylaws Worksheet

6. Since not all the Active Members will be interested in the business of the church, what is a reasonable number needed for quorum? What is a practical method of ensuring quorum?

Board of Elders (Article 8)

1. The LCC (8.1) stipulates a Board of a minimum of four members, including the Lead Pastor, with the maximum established in the bylaws. This provides flexibility for the Board to adjust the number of elders to meet changing requirements of the church without changing the bylaws. How many members do you want on the Board?

2. Do you allow women to serve on the Board? DEXCOM has ruled that it must be declared in the bylaws. If yes, the statement, "All Active Members are eligible to serve on the Board" will suffice. It does not mean that all members are qualified. If no, the bylaws should remain silent.

3. Are there other rules that would exclude any Active Member from serving on the Board? For example, is membership on the Board limited to members who have attained the age of majority?

Guide to Writing Church Bylaws
Annex B – Bylaws Worksheet

4. What additional officers, other than those stipulated in the LCC (8.2), are needed?

5. Should the bylaws stipulate when and how often the Board should meet? What about during summer months?

6. Does the church want to have other legislated committees?

Finances, Property, and Records (Article 12)

1. Understanding that membership approval is already required in cases where real property will be encumbered, does the church also want members to approve any borrowing of funds when real property is not going to be encumbered (e.g., an unsecured line of credit or loan)?

Guide to Writing Church Bylaws
Annex B – Bylaws Worksheet

5. Does the church want the members to approve the annual budget or allow the Board to approve the budget and present it to the members?

6. Does the church want to keep electronic as well as paper records?

Elections and the Nominating Committee (Article 13)

1. Are more members needed on the Nominating Committee other than that stipulated in the LCC?

Local Church Constitution

A Policy of The Christian and Missionary Alliance in Canada

Preamble

The Local Church Constitution has been framed and adopted by the General Assembly of The Christian and Missionary Alliance in Canada (the "C&MA"), the denomination's highest legislative body.

Because each Christian and Missionary Alliance church is an integral part of the national and worldwide fellowship, it is united in governance, fellowship, and service in order to promote unity of faith in the fullness of Jesus Christ as Saviour, Sanctifier, Healer, and Coming King, thereby facilitating the spread of the Gospel at home and abroad under the guidance of the Holy Spirit. Each local church shall be governed by the following constitution.

This constitution has two objectives:

- 1) to state the purpose of this local church and to define the nature of the relationships of this local church to the C&MA and the district of which it is an integral part; and
- 2) to stipulate the enabling instruments, legal procedures, and the empowering conditions under which this local church is to carry out its local and worldwide work.

The local church is the fundamental unit of Christian fellowship as exemplified in the Scripture. Faithfulness in multiplying churches around the world that are nourished in the Bible and full of the Holy Spirit is the Scriptural pattern for carrying out the redemptive purposes of God and the Great Commission of our Lord and Saviour. The statement of our founder, A.B. Simpson, is as relevant today as when he gave it in his address to General Council in 1912:

We need to be perfectly adjusted in our loyalty to Christ and at the same time in our responsibility to the special trust which he has committed to our hands. God does not want us to be afraid of losing our consecration by being true to The Christian and Missionary Alliance, by knowing how to keep rank and by marching loyally under our own standard.

Further, we must have the right adjustment of our home and foreign work, and the interdependence each upon the other, the homework as the constituency of the foreign, and the foreign as the outlet and complement of the other.

Our foreign work is not only the fulfillment of the supreme duty of the Church of Christ, but the loftiest inspiration and uplift of our whole Christian life at home.

God grant that this work may never lose its old simplicity, self-sacrifice and separation, not only from the secular but from the religious world in its spirit and practice. But at the same time, we must keep abreast of the progress of our age and be men and women of today in our message and ministry to our generation.

Article 1 – Name

The name of this church shall be _____
of The Christian and Missionary Alliance in Canada.

The church shall receive approval of the District Executive Committee of the district of the C&MA of which it is a part prior to the legal registration or use of the name.

Article 2 – Purpose and Objective

- 1.1. The purpose of this church is to:
 - 1.1.1. Advance religion by preaching and practicing the teachings, religious tenets, doctrines, and observances associated with the Christian faith.
 - 1.1.2. Support and maintain missions and missionaries in order to propagate the Christian faith.
 - 1.1.3. Undertake activities that are ancillary and incidental to the attainment of the above charitable purposes.
- 1.2. The objective of this church is to glorify God by proclaiming the Good News of Jesus Christ and persuading men and women to become His disciples and dependable members of His Church. To achieve this objective, the church:
 - 1.2.1. Fosters spiritual maturation through participation of its members in worship and nurturing activities according to their maturity, gifts, and abilities in ministering to the needs of the body in her task of evangelization at home and abroad.
 - 1.2.2. Observes the ordinances of believer's baptism and the Lord's Supper and complies with the biblical qualifications for selection of church leadership. She considers the basic methods of communicating the Gospel to be through worship, preaching, teaching, witnessing, and example. She takes discipline and restoration of the offender seriously. She holds that the fullness of the Holy Spirit is essential for holiness of life and effective witness. She affirms the necessity for fervent prayer, faithful service and sacrificial giving as modeled by Christ Himself. She regards social service and good citizenship as outgrowths of the Gospel.
 - 1.2.3. Being the visible, organized expression of the Body of Christ, conducts her affairs decently and in order. She organizes herself so that all members can contribute according to their gifts and abilities to the total working of the body. She operates on the assumption that the congregation finds broader meaning and outreach by fulfilling her biblical responsibilities within and beyond the life and witness of the denomination.
 - 1.2.4. Cultivates fellowship and not sectarianism. Her local and extended family seeks for common spiritual ground on which fellowship with other groups may be enriched and strengthened through an open and transparent relationship.

Article 3 – Statement of Faith

This church subscribes to the following statement of faith which is the Statement of Faith of the C&MA as amended from time to time.

1. There is one God,¹ who is infinitely perfect,² existing eternally in three persons: Father, Son and Holy Spirit.³
2. Jesus Christ is true God and true man.⁴ He was conceived by the Holy Spirit and born of the Virgin Mary.⁵ He died upon the cross, the just for the unjust, as a substitutionary sacrifice, and all who believe in Him are justified

¹ Isaiah 44:6; 45:5-6

² Matthew 5:48; Deuteronomy 32:4

³ Matthew 3:16-17; 28:19

⁴ Philippians 2:6-11; Hebrews 2:14-18; Colossians 2:9

⁵ Matthew 1:18; Luke 1:35

on the ground of His shed blood. He arose from the dead according to the Scriptures.⁶ He is now at the right hand of the Majesty on high as our great High Priest.⁷ He will come again to establish His Kingdom of righteousness and peace.⁸

3. The Holy Spirit is a divine Person, sent to indwell,⁹ guide, teach and empower the believer, and to convince the world of sin, of righteousness and of judgment.¹⁰
4. The Old and New Testaments, inerrant as originally given, were verbally inspired by God and are a complete revelation of His will for the salvation of people. They constitute the divine and only rule of Christian faith and practice.¹¹
5. Humankind, originally created in the image and likeness of God,¹² fell through disobedience, incurring thereby both physical and spiritual death. All people are born with a sinful nature, are separated from the life of God, and can be saved only through the atoning work of the Lord Jesus Christ.¹³ The destiny of the impenitent and unbelieving is existence forever in conscious torment, but that of the believer is everlasting joy and bliss.¹⁴
6. Salvation has been provided only through Jesus Christ. Those who repent and believe in Him are united with Christ through the Holy Spirit and are thereby regenerated (born again), justified, sanctified and granted the gift of eternal life as adopted children of God.¹⁵
7. It is the will of God that in union with Christ each believer should be sanctified thoroughly¹⁶ thereby being separated from sin and the world and fully dedicated to God, receiving power for holy living and sacrificial and effective service toward the completion of Christ's commission.¹⁷

This is accomplished through being filled with the Holy Spirit which is both a distinct event and progressive experience in the life of the believer.¹⁸

8. Provision is made in the redemptive work of the Lord Jesus Christ for the healing of the mortal body. Prayer for the sick and anointing with oil as taught in the Scriptures are privileges for the Church in this present age.¹⁹
9. The universal Church, of which Christ is the Head, consists of all those who believe on the Lord Jesus Christ, are redeemed through His blood, regenerated by the Holy Spirit, and commissioned by Christ to go into all the world as a witness, preaching the Gospel to all nations.²⁰

The local church, the visible expression of the universal Church, is a body of believers in Christ who are joined together to worship God, to observe the ordinances of baptism and the Lord's Supper, to pray, to be edified through the Word of God, to fellowship, and to testify in word and deed to the Good News of salvation both

⁶ 1 Corinthians 15:3-5; 1 John 2:2; Acts 13:39

⁷ Hebrews 4:14-15; 9:24-28

⁸ Matthew 25:31-34; Acts 1:11

⁹ John 14:16-17

¹⁰ John 16:7-11; 1 Corinthians 2:10-12

¹¹ 2 Timothy 3:16; 2 Peter 1:20-21

¹² Genesis 1:27

¹³ Romans 8:8; 1 John 2:2

¹⁴ Matthew 25:41-46; 2 Thessalonians 1:7-10

¹⁵ Titus 3:5-7; Acts 2:38; John 1:12; 1 Corinthians 6:11

¹⁶ 1 Thessalonians 5:23

¹⁷ Acts 1:8

¹⁸ Romans 12:1-2; Galatians 5:16-25

¹⁹ Matthew 8:16-17; James 5:13-16

²⁰ Ephesians 3:6-12; 1:22-23

locally and globally. The local church enters into relationships with other like-minded churches for accountability, encouragement and mission.²¹

10. There shall be a bodily resurrection of the just and of the unjust; for the former, a resurrection unto life;²² for the latter, a resurrection unto judgment.²³
11. The second coming of the Lord Jesus Christ is imminent and will be personal and visible.²⁴ As the believer's blessed hope, this vital truth is an incentive for holy living and sacrificial service toward the completion of Christ's commission.²⁵

Article 4—Relationship

This church is a constituent member of the district and national organizations of the C&MA as such organizations are defined in the Manual. The policies and regulations of this church shall be consistent with, and the church shall operate in accordance with, the Manual of The Christian and Missionary Alliance in Canada as amended from time to time.

Article 5—Ordinances

Believer's baptism and the Lord's Supper are recognized as the two ordinances of the Church as commanded by the Lord Jesus Christ. Baptism is an act of obedience for all believers. While other modes of believer's baptism are recognized, baptism by immersion is taught and practiced as the Scriptural mode. The Lord's Supper is administered regularly and offered to all believers.

Article 6 – Membership

6.1. Privileges and Qualifications

There shall be a voting membership and such additional types of association as may be defined in the bylaws.

The privileges of membership include eligibility to vote, to be considered for election to serve on the Board subject to Article 8, and such further privileges as may be specified in the bylaws.

The qualifications for membership include a credible testimony of faith in the Lord Jesus Christ before members of the Board; believer's baptism; a commitment to the principles of the Preamble; a commitment to the Purpose and Objective (Article 2), and statement of faith (Article 3) of this church; submission to the Policy on Discipline and Restoration for Members of Local Churches of The Christian and Missionary Alliance in Canada and the Policy and Procedures on Sexual Misconduct for Official Workers and Churches; and such further qualifications as may be specified in the bylaws.

While affirming the above as normative, the Board of Elders of the local church may discern on a case by case basis whether to extend membership to individuals who were baptized as infants and who now present a credible testimony of faith in the Lord Jesus Christ before members of the Board; a commitment to the principles of the Preamble; a commitment to the Purpose and Objective (Article 2), and statement of faith (Article 3) of this church; submission to the Policy on Discipline and Restoration for Members of Local Churches

²¹ Acts 2:41-47; Hebrews 10:25; Matthew 28:19- 20; Acts 1:8, 11:19-30; 15

²² 1 Corinthians 15:20-23

²³ 2 Thessalonians 1:7-10

²⁴ 1 Thessalonians 4:13-17

²⁵ 1 Corinthians 1:7; Titus 2:11-14; Matthew 24:14; 28:18-20

of The Christian and Missionary Alliance in Canada and the Policy and Procedures on Sexual Misconduct for Official Workers and Churches; and such further qualifications as may be specified in the bylaws.

6.2. Discipline

Discipline is an exercise of that spiritual authority that the Lord Jesus has given to His Church. The purposes of discipline are to maintain the honour of the Redeemer, the purity of the Church, the spiritual benefit of the members, and the restoration of the offender. The discipline of a member shall be the responsibility of the Board or its designates and shall be in accordance with the Policy on Discipline and Restoration for Members of Local Churches of The Christian and Missionary Alliance in Canada. It shall be a condition of membership that persons accept and comply with the Policy on Discipline and Restoration for Members of Local Churches of The Christian and Missionary Alliance in Canada.

Article 7 – Government

There shall be an annual meeting of the membership to be held as specified in the bylaws. It shall receive reports from the senior pastor and the Board, receive financial statements, and shall conduct such other business as may be presented in keeping with the bylaws.

Unless another process for election is stipulated in the bylaws, at the annual meeting the members shall elect a Board from among the voting membership to be responsible for the affairs of the church between annual meetings. The Board is amenable both to the membership and to the district superintendent as constitutionally defined.

Meetings of the membership may be called by the Board by proper notice to the membership as specified in the bylaws. The senior pastor or appointee shall act as the chair of meetings of the membership.

Article 8 – Board

8.1. Composition and Responsibilities

The highest functioning authority of the local church shall be the Board of Elders which may be called by another name and is herein referred to as the “Board”. Board members shall be elected, and along with the senior pastor, will provide oversight of the ministry and operation of the local church. Criteria for membership on the Board are the biblical qualifications of elders.

The church may, by a two-thirds majority of the members present at a duly called meeting of the membership, choose to have women serve on the Board.

The Board shall have a minimum number of four members, including the senior pastor, with the maximum number to be established by the bylaws.

With the exception of the senior pastor, who is a member ex-officio, the members of the Board shall be elected at the annual meeting unless another process for election is stipulated in the bylaws.

The senior pastor or a member of the Board appointed by the senior pastor shall be the chair. The senior pastor shall have primary responsibility for oversight of the Board and the church and shall function within the job description approved by the Board.

The Board shall serve with the senior pastor in the oversight of the church. It shall have authority to fill vacancies between annual meetings. It shall hold regular meetings for prayer and business and shall report as the church membership may decide. Special meetings of the Board may be called by the chair or upon written request by

a majority of its members. All other officers and organizations, except the Nominating Committee, are amenable to the Board.

Persons shall not vote on any matter that may directly or indirectly result in financial benefit to them, whether such benefit be in the nature of salary or other payment.

8.2. Officers

The officers of the church shall include, but not be limited to, the chair, vice chair, secretary, and treasurer. Additional officers of the church may be designated by the bylaws of the church or laws of the province or territory in which this church is located. They shall be appointed from among the Board members, except in the case of the chair, when that post is filled by the senior pastor.

8.3. Duties

The officers shall carry out the following duties and such additional duties as directed from time to time by the Board:

8.3.1. Chair

The chair shall preside at regular and special meetings of the Board.

8.3.2. Vice chair

The vice chair acts in the absence or at the request of the chair.

8.3.3. Secretary

The secretary shall keep the minutes of meetings of the Board and the membership. The secretary shall have the care of the corporate seal, if any, and ensure the safekeeping of the official records. The secretary shall conduct the official correspondence of the church as directed by the Board.

8.3.4. Treasurer

The treasurer shall ensure that all funds of the church are received and disbursed as directed by the Board, shall ensure that proper records are maintained, and shall report as required.

8.4. Trustees

Where required, trustees shall be selected in conformity with the laws of the province or territory. They shall be under the direction of the membership and the Board.

Article 9 – Pastor and Official Workers

9.1. Senior Pastor

The district superintendent shall suggest to the Board the names of such workers who in the superintendent's judgment have proper qualifications for senior pastor of this church (who may be given another title). The Board shall give consideration only to candidates approved by the district superintendent. The senior pastor of the church shall be called by the Board and appointed by the district superintendent. Upon appointment by the district superintendent, the senior pastor and spouse become members of the church.

Churches, which by a two-thirds majority vote of the members present at a duly called meeting of the membership have affirmed to have women serve on the Board, may call a woman to serve as senior pastor in consultation with the district superintendent.

The senior pastor may resign from the church by giving due notice of intention to the district superintendent and the Board. The Board may, with the written approval of the district superintendent, terminate the employment of the senior pastor in accordance with the policies of the C&MA.

The district superintendent may, after consultation with the Board and with the approval of the District Executive Committee, terminate the appointment of the senior pastor.

9.2. Pastors (other than senior) and Official Workers

The senior pastor shall consider for ministry staff only those candidates who in the senior pastor's judgment have proper qualifications for pastors or official workers in the church and are approved by the district superintendent. All official workers shall be nominated by the senior pastor, called by the Board, and appointed by the district superintendent. Upon appointment, the official worker and spouse become members of the church.

The official worker may resign from the church by giving due notice of intention to the senior pastor and the district superintendent and through the senior pastor to the Board. The senior pastor may, with the approval of the Board, and after consultation with the district superintendent, terminate the employment of workers covered in this section in accordance with the policies of the C&MA. The district superintendent may, after consultation with the senior pastor and Board and with the approval of the District Executive Committee, terminate the appointment of the official worker.

Article 10 – Organizations

The Board may establish organizations, committees, and teams strategic to fulfilling the purpose of this church. They shall be under the authority of the Board and shall fulfill the duties determined by the Board.

Article 11 – Missions

The biblical basis of missions and the current efforts to transform the world for Christ shall be emphasized and promoted throughout the year in conjunction with the district and national programs of the C&MA. The church shall enlist prayer support, recruit workers, and raise financial support for the global work of the C&MA.

Article 12 – Property and Records

12.1. Property

This church will be operated without purpose of gain for its members, and any profits or other assets of the organization will be used solely to promote its objectives.

Real property may be acquired, disposed of, improved or encumbered by order of the Board, subject to the approval of the membership and the District Executive Committee. Except as otherwise provided herein, all real property shall be registered in the name of the district in which the property is situated, and the district shall be deemed to be the legal and beneficial owner of all real property, appurtenances and effects. The district shall be entitled and authorized to mortgage, hypothecate, pledge, or otherwise create a security interest in, or charge on, all or any part of such property to secure payment of debt or performance of any other obligation of either the church or the district.

The above requirements may be waived by an incorporated church by a two-thirds majority of the members present at a duly called meeting of the membership and with the approval of the District Executive Committee. In such cases, the church shall have a clause in its bylaws which states that, should the church cease to exist as

a corporate body, or cease to be subject to the Manual, which includes the Statement of Faith of the C&MA, all of its real property, appurtenances, and effects then owned or held by it shall inure to the benefit of, and become the property of, a qualified donee as described in current legislation, with priority given to the district corporation of the C&MA, within which jurisdiction this church is located or with which it is affiliated by law, and then the national corporation of the C&MA with which it is affiliated. Further, the church will assume full responsibility for all encumbrances with respect to the subject property and will obtain a full release for the district of any security interest provided by the district for the benefit of the local church.

Should the church cease to exist or cease to be subject to the Manual, which includes the Statement of Faith of the C&MA, all of its real property, appurtenances, and effects associated with the member church prior to its withdrawal shall inure to the benefit of and remain the property of the district corporation of the C&MA within which this church is located or with which it is affiliated by law.

Should the church cease to be subject to the Manual, which includes the Statement of Faith of the C&MA, but continue to abide by a similar statement of faith and promote similar purposes, the District Executive Committee of the district within which this church is located or with which it is affiliated by law may allow the church to acquire ownership of some or all of the real property, appurtenances, and effects associated with the member church prior to its withdrawal.

12.2. Records

The official records of all officers of this church and all its departments are the property of the church. All financial records shall be prepared and maintained according to the Accounting Standards for Not-For-Profit Organizations, and shall be subject to an independent audit, review, or compilation by a Chartered Professional Accountant annually as prescribed by the bylaws. Only churches with an annual revenue not exceeding \$250,000, if permitted by federal, provincial, or territorial regulations, may by special resolution of the membership, choose a compilation annually on an accounting basis that is acceptable to their district that may be other than the Accounting Standards for Not-For-Profit Organizations. To remain in effect until such time as annual revenue exceeds \$250,000 or is revoked by a special resolution of the membership.

In the event of the death or resignation of an incumbent officer or upon the election or appointment of a successor, the current records of the office shall be returned to the secretary of the Board. All records, other than the current ones, shall be kept in a secure repository designated by the Board.

Article 13 – Nominating Committee

The Nominating Committee, when required, shall consist of the senior pastor and a minimum of four members with equal representation from the Board and the membership, the number to be established in the bylaws. The senior pastor or appointee shall chair this committee. They shall be elected by ballot by the respective bodies at least three months prior to the annual meeting and shall serve until the annual meeting. In cases where only the required number is nominated, the ballot may be waived by unanimous vote.

Article 14 – Elections

In preparation for elections at the annual meeting, the Nominating Committee shall present and post, at least three weekends prior to the annual meeting, one name for each office to be filled. Any procedures for receiving additional nominations from the membership shall be specified in the bylaws. Elections shall be by ballot and, in order to be elected to the Board, a nominee must receive a majority of the ballots cast.

Article 15 – Bylaws

Church bylaws may not be in conflict with this Constitution. Bylaws and subsequent revisions become valid upon adoption by a majority of the votes cast at a duly called meeting of members, or a higher proportion of the votes cast if such is required by provincial or territorial regulations, and approval of the District Executive Committee. A copy of the bylaws must be filed with the district.

Article 16 – Amendments

This constitution may be amended only by special resolution at any regular business session of General Assembly, written notice having been given prior to the General Assembly.

Adopted – General Assembly 2004
Amended – General Assembly 2010
Amended – General Assembly 2014
Amended - General Assembly 2016
Amended – General Assembly 2018
Amended – General Assembly 2022

Model Church Bylaws

October 2022

Introduction

The following model church bylaws are based on work done by churches and with consideration of the examples and advice of the Societies Act of BC and the Canadian Council of Christian Charities. They are just that – a model. You may adapt them as you deem appropriate for your situation in this document.

Clauses that are required by DEXCOM are indicated by **RED SMALL CAPS**.

Clauses suggested using best practices are indicated by normal font.

Clauses that are suggested options are indicated by *blue italics*.

Clauses that require your input are **highlighted**.

Explanations, references, and questions for consideration are in **[brackets]**.

Once your initial draft is complete, a “DRAFT” watermark should be used until the bylaws have been adopted by church membership. Please edit the footer to reflect your church’s logo and include the date of the bylaw version.

Name of the Church Bylaws

Preamble

THE LOCAL CHURCH CONSTITUTION, THE MANUAL OF THE CHRISTIAN AND MISSIONARY ALLIANCE IN CANADA, AND THESE BYLAWS CONSTITUTE THE GOVERNING DOCUMENTS OF THE CHURCH.

[The order of documents is intentional to designate the hierarchy of the governing documents. For churches that are separately incorporated, the Societies Act must be included as the first document.]

Definitions and Interpretation

In these bylaws, unless the context otherwise requires:

- “Annual General Meeting”** means the general meeting of the members held annually as specified in these bylaws.
- “Board”** means the Board of Elders of the church.
- “bylaws”** means the bylaws of the church.
- “Constitution”** means the *Local Church Constitution* contained in the *Manual of The Christian and Missionary Alliance in Canada*.
- “church”** means [REDACTED] Church of The Christian and Missionary Alliance in Canada.
- “ordinary resolution”** means a resolution that requires a simple majority of the votes cast at a general meeting by the members eligible to vote or at a meeting of the Board.
- “Special Meeting”** is a meeting other than the Annual General Meeting in which special or urgent business may be conducted.

“special resolution”

means a resolution that requires a **TWO-THIRDS (2/3)** majority of the votes cast at a general meeting by the members eligible to vote or at a meeting of the Board. It is required to make fundamental changes to the organization and governance of the church and decisions about major issues.

[The threshold may be increased above a two-thirds (2/3) majority if the church desires (ex. a three-quarter (3/4) or 75% majority threshold).]

Part 1 – Mission, Vision, and Values

- 1.1 The Board shall ensure that a current statement of mission, vision, and values exists for the church and is communicated appropriately.

Part 2 – Membership

- 2.1 In the absence of any other structure they approve, the Board is responsible for all matters related to membership.
- 2.2 Qualifications for membership are as stipulated in the Constitution and these bylaws.
- 2.3 There are three categories of membership:

2.3.1 Active Member

An Active Member is a member in good standing who has been officially confirmed as having met the requirements for membership outlined in the Constitution and these bylaws, and who regularly attends and actively supports the church in ways outlined in the membership covenant.

Active Members are eligible:

- a) to vote,
- b) to give primary leadership to church ministries, and
- c) unless otherwise restricted, to be elected to the Board.

[See Board of Elders – Board Composition on page 10 in the *Guide to Writing Church Bylaws* for further information on other restrictions.]

2.3.2 Associate Member

An Associate Member is a former Active Member who is non-resident and/or for reasons acceptable to the Board, desires to retain membership in the church.

Associate Members may not vote at meetings of members, nor hold office in the church.

An Associate Member may be returned to Active Member status at the discretion of the Board.

2.3.3 Member not in Good Standing

All members are in good standing except:

- a) a member who, in the opinion of the Board, has failed to remain active in the church, meaning that the member has been absent from the normal activities of the church for a period of **six (6)** months or more and has not communicated an interest in remaining a member of the church, or
- b) a member who is under discipline¹

2.3.3.1 A Member not in Good Standing may not vote at meetings of the members, nor hold office in the church.

2.3.3.2 A Member not in Good Standing may be returned to Active Member status at the discretion of the Board.

2.3.3.2.1 A Member not in Good Standing who is an Official Worker may only be returned to Active Member status by the Board upon the authorization of the District Superintendent and confirmation that the discipline process is complete and the Official Worker is restored to active ministry.²

¹ As outlined in the *Discipline and Restoration Policy for Members of Local Churches of The Christian and Missionary Alliance in Canada* and the *Policy on Discipline, Restoration and Appeal for Official Workers*.

² *Policy on Discipline, Restoration and Appeal for Official Workers*, Section 2.2

[Discipline and restoration of an Official Worker are under the purview of the district, not the Board.]

- 2.4 To become an Active Member of the church, an individual must participate in the church's application and orientation process. In addition:
- a) applicants for membership are expected to sign a membership covenant that identifies the commitments being made, and
 - b) an applicant for membership becomes a member when officially confirmed by the Board.
- 2.5 A person ceases to be a member of the church:
- a) by delivering their resignation in writing to the secretary of the Board by mail, email, or personal delivery to the address of the Board.
 - b) upon death.
 - c) by transfer to another church.
 - d) upon having not been a member in good standing for 12 consecutive months.
 - e) upon being expelled as a result of any disciplinary process.
 - f) by the Board passing a special resolution which terminates membership upon the person failing to maintain the qualifications for membership or having accepted membership in another church. The person who is the subject of the special resolution for expulsion must be given an opportunity to be heard by the Board before the special resolution is put to a vote.

Part 3 – Government

- 3.1 **THE ANNUAL GENERAL MEETING OF THE MEMBERS MUST BE HELD *within the month of* [REDACTED] *OR within three (3) months of the end of the fiscal year ON A DATE SET BY THE BOARD.***

[Reminder – financial statements must be presented at the Annual General Meeting and consideration should be given to an appropriate amount of time to allow for financial statements to be completed at the end of the fiscal year. The Canada Revenue Agency requires that T3010 statements must be submitted no later than six months after the end of the fiscal year, therefore six months is the maximum allowable timeframe.]

- 3.1.1 The proposed agenda and written reports for the Annual General Meeting must be available on or before the Sunday prior to the Annual General Meeting.
- 3.1.2 THE COMPILED OR REVIEWED OR AUDITED ANNUAL FINANCIAL STATEMENTS MUST BE PRESENTED AT THE ANNUAL GENERAL MEETING OF THE MEMBERS.
- 3.1.3 THE BOARD MUST RECOMMEND AN INDEPENDENT CHARTERED PROFESSIONAL ACCOUNTANT TO THE MEMBERS TO COMPILE OR REVIEW OR AUDIT THE CHURCH'S FINANCIAL STATEMENTS FOR THE UPCOMING YEAR.
- 3.1.4 The members must appoint an independent Chartered Professional Accountant to compile or review or audit the church's financial statements for the upcoming year.

[Reminder – parallel language should be used in clauses 3.1.2, 3.1.3, 3.1.4, and 5.7 to define the financial reporting allowed.

Churches with annual revenue not exceeding \$250,000 may by special resolution of the members choose to use a compilation engagement as outlined in the *Local Church Constitution*, Article 12.2.

Churches with annual revenue not exceeding \$250,000 that are choosing to use the alternate clause 5.7 and are choosing that the financial statements be reviewed when a compilation is not possible would remove all references in 3.1.2, 3.1.3, 3.1.4, and the alternate 5.7 to "audits" and "audited" and instead refer only to "compiled or reviewed" and "compile or review".

For churches that have determined that it is a review that is required each year, 3.1.2, 3.1.3, and 3.1.4 above and 5.7 should have all references to "compiled", "compile", "audited", and "audit" removed and instead refer only to "reviewed" and "review".

For churches that have determined that it is an audit that is required each year, 3.1.2, 3.1.3, and 3.1.4 above and 5.7 should have all references to "compiled", "compile", "reviewed", and "review" removed and instead refer only to "audited" and "audit".]

- 3.2 Special meetings of members to consider special or urgent business:
- a) may be called by the Board.
 - b) must be called by the Board when requested by at least **10%** of the Active Members in good standing. Such request shall include a brief written statement of purpose.
- 3.3 NOTICE OF MEETING MUST BE GIVEN TO MEMBERS BY **verbal and/or print media and/or electronic media (email, church website, etc.)** AT LEAST **twenty-one (21) days and not more than sixty (60) days** PRIOR TO ANY MEETING OF MEMBERS. SUCH NOTICE MUST INDICATE THE PURPOSE OF THE MEETING.
- 3.4 THE QUORUM FOR A DULY CALLED MEETING OF THE MEMBERS IS THE ACTIVE MEMBERS PRESENT.
- 3.4 THE QUORUM FOR A DULY CALLED MEETING OF THE MEMBERS IS [REDACTED] PERCENT OF THE ACTIVE MEMBERS.
- [A church may use either of the above clauses, however if the percentage option is chosen, then the following clauses are recommended. The term "Active Member" must be associated with the church's bylaws.]
- 3.4.1 If a meeting is terminated for lack of a quorum, the Active Members present at a meeting **called for no earlier than one (1) day or later than ten (10) days** following the terminated meeting, constitute a quorum.
- 3.4.2 Business other than the election of a Chair of the meeting and the adjournment or termination of the meeting must not be conducted at a general meeting at a time when a quorum is not present.
- 3.4.3 If at any time during a general meeting there ceases to be a quorum present, business in progress must be suspended until there is a quorum present or until the meeting is adjourned or terminated.
- 3.5 EACH ACTIVE MEMBER IS ENTITLED TO ONE VOTE AND VOTING BY PROXY IS NOT ALLOWED.
- 3.5.1 The Chair must not cast a second vote in addition to the vote to which they may be entitled to as a member, and thus change the outcome of a vote.

- 3.6 The Board of Elders may approve and provide for electronic participation in an Annual General Meeting or Special Meeting of the church's members.

Notice of the meeting shall provide instructions for attendance and/or participation in the meeting. Such meetings shall ensure that members have the following capabilities:

- The ability to determine if a quorum is present.
 - The ability to enter into discussion and be heard by those in attendance.
 - The ability to vote.
- 3.7 The current edition of Robert's Rules of Order is the definitive resource on procedures at meetings of the members unless another procedure is otherwise provided by these bylaws.

Part 4 – Board of Elders

- 4.1 THE BOARD MUST CONSIST OF THE LEAD PASTOR, AND AT LEAST THREE (3) AND UP TO A MAXIMUM OF [REDACTED] ELECTED MEMBERS. THE NUMBER OF ELDERS MUST BE SET ANNUALLY BY THE BOARD.

[The number of Board members should be an odd number (including the Lead Pastor) to eliminate confusion about quorum.]

- 4.1.1 If the number of elders falls below three (3) plus the Lead Pastor, the Board must appoint an eligible Active Member to serve until the next Annual General Meeting.

- 4.1.2 ***Unless otherwise restricted, Active Members (OR who have attained the age of majority OR any other stipulation) are eligible to serve on the Board.***

[See the section on Board of Elders Composition in the *Guide to Writing Church Bylaws* for further information on other restrictions.]

- 4.1.3 Board members must annually sign a declaration of not being ineligible as defined by the Income Tax Act of Canada.

[The Income Tax Act defines in 149.1 (1) what an ineligible individual is, and Board members must declare that they are in a state of not being an ineligible individual. The Canadian Council of Christian Charities (CCCC) recommends an annual declaration.]

4.1.4 Board members must declare any potential conflict of interest regarding any agenda item at the beginning of each meeting.

4.2 **THE LENGTH OF TERM SHALL BE *two (2) or three (3) years***; however, an occasional term of ***one (1) or two (2) years*** is acceptable.

[An occasional term of one (1) year is allowed to ensure that neither the entire Board, nor a majority of it, is replaced at the same time. This preserves momentum and organizational memory for Board decision-making.]

4.2.1 **A BOARD MEMBER MAY SERVE A MAXIMUM OF *two (2) to three (3)* CONSECUTIVE TERMS AND SHALL NOT BE ELIGIBLE FOR ELECTION FOR A PERIOD OF ONE YEAR.**

[It is recommended that the total length of consecutive service be no longer than six (6) years without a break.]

4.3 The term of office begins at the conclusion of the Annual General Meeting at which the member is elected.

4.4 The Board must meet at least once per quarter. Meetings may be held at places the Board sees fit and attendance may include electronic means.

4.5 **THE QUORUM FOR MEETINGS OF THE BOARD IS *a majority* OF THE SERVING MEMBERS.**

[Note that the quorum must be at least a majority but may be greater. By definition, quorum needs to be a number or a percentage or "a majority".]

4.6 A motion proposed at a Board meeting need not be seconded and the Chair of a meeting may move or propose a resolution.

[Robert's Rules of Order, 12th edition (chapter XVI, 49:21) states that in a small board or committee, a motion need not be seconded in order to be brought before the Board. This is counter to tradition in most of our churches but is technically accurate.]

4.6.1 The Chair must not cast a second vote in addition to the vote to which they may be entitled to as a member, and thus change the outcome of a vote.

4.7 The Board may pass a resolution without a meeting if a majority of the Board consents to the resolution in writing or by electronic means and it is recorded in the minutes.

4.8 The Board must appoint the officers of the church – the Vice-Chair, Secretary, and Treasurer from among its members. The positions of Secretary and Treasurer may be held by one person, in which case the position must be identified as Secretary/Treasurer.

[The *Local Church Constitution* stipulates the Chair, Vice-Chair, Secretary, and Treasurer are the officers of the church.]

4.8.1 At the request of the Lead Pastor, the Board may nominate a Chair for consideration by the Lead Pastor.

4.8.2 If the Lead Pastor is not the Board Chair, the position of being an officer of the church is retained.

4.9 Any two officers may sign documents on behalf of the church with the approval of the Board.

4.10 The Board may delegate any, but not all, of their powers to committees consisting of one or more Board members as they see fit.

4.10.1 A committee so formed in the exercise of powers so delegated must conform to any rules imposed on it by the Board and must report every act done in exercise of those powers to the earliest meeting of the Board after the act has been done.

4.11 The Board must set and be the final interpreter of church policies.

4.12 Unless stipulated in higher precedence legislation or these bylaws, the Board must determine the requirement for a special resolution.

4.13 THE BOARD MUST **annually/biennially** REVIEW THE LEAD PASTOR'S MINISTRY AND REMUNERATION.

[For conducting effective performance reviews, see the Introduction to Lead Pastor Performance Reviews on **myCPD**.]

4.14 Every member of the Board and officer of the church or other person who has taken or is about to undertake any liability on behalf of the church and their heirs, executors, and administrators, and estate and effects, respectively, must from time to time and at all times, be indemnified and saved harmless, out of the funds of the church or applicable insurance from and against:

- a) all costs, charges, and expenses whatsoever which the Board member, an officer, or other person sustains or incurs in or about any action, suit, or proceeding which is brought, commenced, or prosecuted against them in respect of any act, deed, matter, or thing whatsoever made, done, or permitted by them in or about the execution of the duties of their office or in respect of any such liability
- b) all other costs, charges, or expenses which are sustained or incur in or about in relation to the affair thereof, except the costs, charges, or expenses occasioned by willful neglect or default

[If the Board collectively, or any individual elders, acting in good faith is taken to court, they are not liable for costs or damages.]

4.15 A Board member may be removed from office by special resolution of the Board if the member:

- a) is absent for **three (3)** consecutive meetings without sufficient reason
- b) becomes ineligible under the Income Tax Act of Canada
- c) fails in their responsibilities as stipulated in the Constitution
- d) becomes a Member not in Good Standing

[The Income Tax Act defines in 149.1 (1) what an ineligible individual is, and Board members must declare that they are in a state of not being an ineligible individual. The Canadian Council of Christian Charities (CCCC) recommends an annual declaration.]

4.15.1 If a Board member is removed from office under, 4.15, an Active Member may be appointed, by ordinary resolution of the Board, to serve as a member until the next Annual General Meeting.

[This aligns the process of removal with the Societies Act and specifies the type of resolution required to remove a Board member.]

4.16 Persons who are not Board members may be present at a Board meeting or portion thereof at the invitation of the Board.

4.17 The current edition of Robert's Rules of Order is the definitive resource on procedures at meetings of the Board unless another procedure is otherwise provided by these bylaws.

Part 5 – Finances

5.1 The Treasurer and those appointed by the Board are the signing officers for the church bank accounts.

5.1.1 The Treasurer must be one of the signing officers of all church-related accounts.

5.2 **THE CHURCH SHALL NOT INCUR DEBT, WITH THE EXCEPTION OF CHURCH CREDIT CARD DEBT AND CAPITAL LEASES NOT EXCEEDING \$30,000 PER ITEM, WITHOUT THE APPROVAL OF THE DISTRICT EXECUTIVE COMMITTEE.**

[Reminder – the *Bylaws of The Christian and Missionary Alliance in Canada Canadian Pacific District* prohibits all debt without District Executive Committee approval. The Canadian Pacific District interprets the *Bylaws* as in the above clause.]

5.3 **THE CHURCH MAY INVEST ITS FUNDS ONLY IN AN INVESTMENT IN WHICH A PRUDENT INVESTOR MIGHT INVEST.**

[Churches are encouraged to ask questions and seek counsel about what constitutes a prudent investment from their professional financial advisor. The Board may want to consider implementing a policy regarding investments, the level of risk involved, and any restrictions on investment types.]

5.4 ***Any non-budgeted proposed capital expenditure exceeding 10% of the annual budget must be approved by special resolution at a duly called meeting of the members.***

5.5 Real property may be acquired, disposed of, improved, or encumbered by order of the Board, subject to the approval of the members by special resolution and to approval by the District Executive Committee.

[Under the *Accounting Standards for Not-For-Profit Organizations*, an improvement is a cost that is incurred to enhance the service potential of the real property. Expenditures that extend the useful life of real property or improve it beyond its original condition are usually improvements. If an improvement will be capitalized for financial reporting purposes, then it is also an improvement for the purposes of clause 5.5.]

Note: A special resolution is not required by the *Local Church Constitution*, however, the District Bylaws Committee recommends this approach given the potential for large expenditures for an improvement.]

5.6 THE FISCAL YEAR OF THE CHURCH IS FROM _____ to _____.

5.7 THE ANNUAL FINANCIAL STATEMENTS MUST BE REVIEWED / AUDITED BY AN INDEPENDENT CHARTERED PROFESSIONAL ACCOUNTANT. THE REVIEWED / AUDITED FINANCIAL STATEMENTS MUST BE PREPARED IN ACCORDANCE WITH THE ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS.

[Churches with an annual revenue not exceeding \$250,000 may by special resolution of the members choose to use a compilation engagement as outlined in the *Local Church Constitution*, Article 12.2. If a compilation engagement is chosen, the clause in 5.7 above may be replaced with the alternate clause 5.7 below in the bylaws.]

5.7 IN A YEAR THAT THE CHURCH'S ANNUAL REVENUES DO NOT EXCEED \$250,000, BY SPECIAL RESOLUTION THE MEMBERS MAY CHOOSE TO HAVE THAT YEAR'S FINANCIAL STATEMENTS COMPILED BY AN INDEPENDENT CHARTERED PROFESSIONAL ACCOUNTANT. THE COMPILED FINANCIAL STATEMENTS MUST BE PREPARED IN ACCORDANCE WITH THE ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS. TO REMAIN IN EFFECT UNTIL SUCH TIME AS ANNUAL REVENUE EXCEEDS \$250,000 OR IS REVOKED BY A SPECIAL RESOLUTION OF THE MEMBERS.

IF AT ANY TIME THE CHURCH'S ANNUAL REVENUE EXCEEDS \$250,000 OR THE MEMBER'S SPECIAL RESOLUTION IS REVOKED, THE FINANCIAL STATEMENTS MUST BE AUDITED / REVIEWED BY AN INDEPENDENT CHARTERED PROFESSIONAL ACCOUNTANT. THE AUDITED / REVIEWED FINANCIAL STATEMENTS MUST BE PREPARED IN ACCORDANCE WITH THE ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS.

[Reminder – parallel language should be used in clauses 3.1.2, 3.1.3, 3.1.4, and 5.7 to define the financial reporting allowed. See explanations below section 3.1.4 for more information.]

5.8 The Board must establish a Financial Statement Review Committee to provide oversight of the financial reporting process.

5.8.1 Committee members must be at arms-length from each other – free of any relationship that could interfere with their independent judgment.

[Templates for a Financial Statement Review Committee Terms of Reference as well as worksheets for the committee based on the financial reporting method can be found on pacificdistrict.ca/church-bylaws and myCPD.]

- 5.9 The Finance Statement Review Committee must:
- a) be appointed by the Board and report to the Board
 - b) consist of a minimum of three (3) Board Members (unless impractical), with the majority of Committee members being Board members
 - c) meet at least annually
 - d) review the annual financial statements and the findings letter
 - e) if necessary, meet in camera with the independent Chartered Professional Accountant who reported on the annual financial statements
 - f) report its findings and recommendations to the Board prior to the first Annual General Meeting following the end of the fiscal year
 - g) review other matters assigned by the Board such as, but not limited to, larger projects and purchases, financial policies, and adequacy of insurance

Part 6 – Church Ministries

- 6.1 The Board must ensure that there is an effective organizational structure for the church and its ministries.
- 6.2 The Board must ensure that policies and procedures are established for the affirmation, appointment, and potential removal of leaders in all church ministries.
- 6.3 Each ministry leader or committee must function with a ministry description that describes both responsibilities and accountability. The group or individual that appoints the person or committee must be responsible to ensure the ministry description is in place.

Part 7 – Elections

Nominating Committee

- 7.1 **THE NOMINATING COMMITTEE MUST CONSIST OF THE LEAD PASTOR, A MINIMUM OF TWO (2) BOARD MEMBERS APPOINTED BY THE BOARD, AND AN EQUAL NUMBER OF ACTIVE MEMBERS, WHO ARE NON-BOARD MEMBERS, ELECTED AT THE ANNUAL GENERAL MEETING OR ANOTHER DULY CALLED MEETING OF THE MEMBERS.**

- 7.1.1 The Nominating Committee must serve until the next Annual General Meeting.
- 7.1.2 The Board must appoint replacements for any vacancy that should occur in the Nominating Committee membership during the term of office.
- 7.2 The Board must annually inform the Nominating Committee of:
- a) the number of elders desired and the length of each term, ensuring a continuity of leadership
 - b) the number of eligible members who are not Board members to be elected to the Nominating Committee
 - c) the positions and number of candidates for any other office that are established by the bylaws or the Board
- 7.3 The Nominating Committee must place in nomination, and report to the members, the nominees required for each position as specified by the bylaws or the Board.
- 7.3.1 If the Nominating Committee wishes to consider one of its members for nomination, that person must withdraw from the Nominating Committee meeting while the decision is being made regarding the nomination.
- 7.4 The Nominating Committee must establish its process for considering potential nominees.
- 7.5 **THE NOMINATING COMMITTEE MUST POST ITS REPORT *via print and/or electronic media* AT LEAST TWENTY-ONE (21) DAYS PRIOR TO THE DATE SET FOR THE ANNUAL GENERAL MEETING. *Such report must include biographical information of each nominee.***

Nominations by Members

- 7.6 Additional nominations may be made by any **two (2) OR three (3)** Active Members by submitting the name in writing on an approved nomination form to the Lead Pastor for posting at least fourteen (14) days prior to the Annual General Meeting. In the absence of a Lead Pastor, nominations must be filed with the Board Chair or Secretary.
- 7.6.1 The proposed nominee must consent to being nominated before a nomination form is submitted to the Lead Pastor.

7.6.2 Such nominations must be included on the ballot without being vetted by the Nominating Committee.

[This is one example of a principle present throughout the governing documents of the Christian and Missionary Alliance in Canada, namely, balancing power between parties and sharing it widely throughout the organization. In this case, the power or influence of the Board and the Nominating Committee is balanced by the power of the church members to make additional nominations that are not vetted or approved by any other party.]

Part 8 – General

8.1 No offering for outside agencies shall be solicited without the approval of the Board.

8.2 Members may inspect the records of the church with the exception of the proceedings (minutes) of the Board and individual donor records other than the member's own.

8.2.1 Management of records shall be in accordance with the Societies Act as far as applicable and any other applicable legislation.

8.3 SHOULD THE CHURCH CEASE TO EXIST AS A CORPORATE BODY, OR CEASE TO BE SUBJECT TO THE MANUAL, WHICH INCLUDES THE STATEMENT OF FAITH OF THE CHRISTIAN AND MISSIONARY ALLIANCE IN CANADA, ALL OF ITS REAL PROPERTY, APPURTENANCES, AND EFFECTS THEN OWNED OR HELD BY IT SHALL INURE TO THE BENEFIT OF, AND BECOME THE PROPERTY OF, THE CHRISTIAN AND MISSIONARY ALLIANCE – CANADIAN PACIFIC DISTRICT, PROVIDED THAT THE CHRISTIAN AND MISSIONARY ALLIANCE – CANADIAN PACIFIC DISTRICT IS A QUALIFIED DONEE AS DEFINED BY THE INCOME TAX ACT OF CANADA. IN THE EVENT THAT THE CHRISTIAN AND MISSIONARY ALLIANCE – CANADIAN PACIFIC DISTRICT IS NOT A QUALIFIED DONEE, THE PROPERTY OF THE CHURCH SHALL BE TRANSFERRED TO THE CHRISTIAN AND MISSIONARY ALLIANCE IN CANADA, PROVIDED THAT IT IS A QUALIFIED DONEE FOR THE PURPOSE OF THE INCOME TAX ACT OF CANADA.

[The above bylaw clause 8.3 is mandatory for incorporated churches. This is a requirement of the *Local Church Constitution* under section 12.1]

- 8.3 SHOULD THE CHURCH CEASE TO EXIST OR CEASE TO BE SUBJECT TO THE MANUAL, WHICH INCLUDES THE STATEMENT OF FAITH OF THE CHRISTIAN AND MISSIONARY ALLIANCE IN CANADA, ALL OF ITS REAL PROPERTY, APPURTENANCES, AND EFFECTS ASSOCIATED WITH THE MEMBER CHURCH PRIOR TO ITS WITHDRAWAL SHALL INURE TO THE BENEFIT OF AND REMAIN THE PROPERTY OF THE CHRISTIAN AND MISSIONARY ALLIANCE – CANADIAN PACIFIC DISTRICT.

[The above bylaw clause 8.3 is mandatory for unincorporated churches. This reflects the language of the *Local Church Constitution* under section 12.1]

Part 9 – Amendments

- 9.1 BYLAW AMENDMENTS MAY BE PROPOSED BY THE BOARD AND SUBMITTED TO THE DISTRICT SUPERINTENDENT FOR APPROVAL BY THE DISTRICT EXECUTIVE COMMITTEE.
- 9.2 AMENDMENTS SHALL BE VALID ONLY AFTER BEING APPROVED BY THE DISTRICT EXECUTIVE COMMITTEE AND ADOPTED BY SPECIAL RESOLUTION OF THE ACTIVE MEMBERS PRESENT AT A DULY CALLED MEETING FOR SUCH PURPOSE.

Record of Amendments

List the date of the initial adoption of the bylaws upon organization and every subsequent amendment.