

**CONSTITUTION OF
LIVING BY FAITH CHURCH
McAllen, Texas**

As Last Amended July 29, 2015

ARTICLE I. NAME AND AFFILIATION

Living by Faith Church is the legally registered operational name of Edinburg Chapel, Inc., a non-profit 501 (c) 3 religious organization, located at 7601 Ware Road, McAllen, in Hidalgo County, Texas.

Living by Faith Church is a non-denominational church. For fellowship and cooperative purposes, this church is currently a member of the South Texas Council of Reformational Churches (STCRC) and the Fellowship of Mere Christianity (FMC) Membership in these and similar organizations is based on these organizations: (1) remaining in doctrinal accord with the church, (2) doing work that benefits the kingdom of God, and (3) conducting their business in an ethical and biblical manner.

Future affiliation with or separation from these or other organizations is subject to approval by a two-thirds majority vote of the membership present at a duly convened church business meeting.

ARTICLE II. PURPOSES

This church, believing in the Holy Bible as God's inspired Word y our only authority in matters of faith and practice, and recognizing its need for faithfulness to all the teachings of Christ, declares its purposes:

1. To maintain regular services for prayer, worship, adoration, and exhortation; for teaching; and for the administration of the Ordinances.
2. To fervently proclaim the message of the Gospel of Salvation, and urge people to accept it.
3. To pray and work so that the message of salvation reaches our community, city, country, and all nations, preaching it with good personal testimony and word, and living out its principles and applications in every sphere of life, culture, and society.
4. To promote the spiritual growth and discipleship of every believer, including the systematic study of the Bible and preparation for Christian service, and stimulate our growth in the knowledge of God in Christ by every means at our disposal.

5. To assure however possible the practice of the true Christian faith as it appears in the Holy Scriptures (James 1:27).

ARTICLE III. DOCTRINE

A. THE BIBLE

We believe that the Bible is the Word of God, supernaturally inspired both as a whole and in its individual words, inerrant in its original manuscripts, and preserved by God so that it is the divinely authoritative standard for all people in every age and every aspect of life (2 Timothy 3:16; Matthew 5:18).

B. GOD

We believe that God exists eternally in three persons—Father, Son, and Holy Spirit—and that these three are one God (Deuteronomy 6:4; Matthew 3:16-17, 28:19). We believe that He is the absolute and sole Creator of the universe, and that He created out of nothing, by His word (Genesis 1; John 1:1-3; Hebrews 11:3).

C. MAN

We believe that man did not come about through evolution, but was specially created in the image of God, that he disobeyed God and thereby incurred spiritual death, which is separation from God, and also physical death as a consequence; and that all the Adamic race are sinners by nature and practice (Genesis 1:26–27; Romans 5:12–19; 7:15–21).

D. SALVATION

We believe that God, by His sovereign choice and out of His love for men, sent Christ into the world to save sinners (Romans 5:8; John 3:16).

We believe that Jesus Christ was both fully God and fully man, that He was born of a virgin and lived a sinless life, in which He taught and wrought mighty signs, wonders, and works as revealed in the four Gospels. He was crucified and died to pay the price for our sins, and was raised bodily from the dead on the third day. He presently sits exalted at the Father's right hand, where He is head of the church and intercedes for believers (John 1:1, 14; 14:3; 20:30-31; 2 Corinthians 5:21; Colossians 1:18).

We believe that, since the shed blood of Christ's death made a perfect atonement for sin, redeeming us from the curse of the law by becoming a curse for us, men are justified and saved solely on the ground of Christ's shed blood (Galatians 3:13; Romans 5:9).

We believe that salvation, with its forgiveness of sins, its impartation of a new nature, and its assurance of eternal life, is received by faith in Christ alone, entirely apart from good works, baptism, church membership, or any other effort of man. It is a pure work of God's grace (Ephesians 2:8-9).

We believe that one who has put faith in Christ is sealed by the Holy Spirit (Eph. 1:13-14), and is eternally secure, unable to be sundered from God's love and lose his or her salvation (John 10:28-29; Romans 8:38-39), but that sin can interrupt the joy of his fellowship with God and bring the loving discipline of his Heavenly Father (1 John 1:6-7; Hebrews 12:6). We also believe that, when a believer does not build on the foundation of Christ, he will lose rewards at the judgment, but he remains saved, though "as by fire" (1 Corinthians 3:10-15).

E. CCHRISTIAN LIFE

We believe that the Holy Spirit is a person, is God, and possesses all the divine attributes. He indwells every believer, baptizes and seals all believers at the moment of salvation, gifts every believer for service, and fills them in response to confession of sin and yieldedness (Ephesians 1:13; 1 Corinthians 12:13; Ephesians 5:18-19). Those who walk in the Spirit will not fulfill the desires of the flesh and will exhibit Christlike character as spiritual fruit (Galatians 5:16, 22-23).

We believe that God is the source of all true pleasure and delight (Psalm 16:11) and worthy of our wholehearted love (Deuteronomy. 6:5). It should be the goal of every Christian to walk victoriously in that love, issuing in good works in every sphere of life and society, and to grow in spiritual maturity through obedience to the Word of God and the indwelling Holy Spirit (Ephesians 2:10, 4:13; 2 Timothy 2:15-16; James 1:21-22).

We believe that every believer is called to preach the Gospel and make disciples, baptizing and teaching them to follow Christ's commands (Matthew 28:18-20; Mark 16:15; Acts 1:8).

F. THE CHURCH

We believe the Church is an elect company of believers baptized by the Holy Spirit into one body; its mission is to witness concerning its head, Jesus Christ, preaching the Gospel among all nations (Ephesians 1:3-4; 1 Corinthians 12:13; Acts 1:8), and building up believers in spiritual maturity (Ephesians 4:11-14), Believers who are not actively involved in the church suffer spiritually (Hebrews 10:24-25). We believe that every believer has been gifted by God to minister in and through the church (1 Corinthians 12).

We believe that the Holy Spirit indwells, seals, and gives spiritual gifts to every believer; and that He guides, fills, teaches, and enables every believer to do the will of God as the believer trusts and obeys the Spirit (Romans 8:9; Ephesians 4:30; 1 Corinthians 12:7-11; Galatians 5:16-18; Ephesians 5:18; 1 John 2:27).

We believe that water baptism and the Lord's Supper are the ordinances of the Church in this age (1 Corinthians 11:23-26; Acts 2:41). We believe that the Lord's Table should be open to all baptized believers who choose to partake, whether or not their theology of the Table agrees with ours, as long as they are not under just discipline from some church.

We believe that, while water baptism is not part of the Gospel (1 Corinthians 1:17), and therefore not necessary for salvation, it is God's will that every believer be baptized

(Matthew 28:19-20), and that both the meaning of the Greek word *baptizo* and the example of Scripture confirm that the mode of baptism is immersion. Furthermore, there is no Scriptural warrant for the baptism of infants who have not reached the age where they can come to Christ in comprehending faith. However, we realize that there are many faithful believers who are convinced from their study of Scripture of the validity of infant baptism. Therefore, since Scripture says there is but “one baptism” (Eph. 4:5), we will not require an adult baptism of such a person against their conscience, until they become convinced by study of Scripture of the contrary.

G. MARRIAGE AND FAMILY

We believe that marriage was designed and ordained by God at the beginning of creation as the sacred covenant one-flesh union of one man and one woman, and that God’s intent is that it be maintained until dissolved by death. All sexual relations must therefore be reserved only for that union. Biblical marriage is a representation of Christ’s relationship to His church.

We believe that God’s purpose for marriage has at least three basic components: (1) The growth of love, harmony, and companionship between husband and wife, (2) the begetting and raising of children dedicated to God, and (3) that the spouses be helpers of each other in God’s cultural mandate to “fill the earth and subdue it.”

As a consequence, we believe that God alone, as its Creator, reserves the right to define what constitutes a marriage, and that neither the State, nor any other human organization has the right to change that definition.

We also believe that all children are a blessing from the Lord. Thus all human life is sacred and worthy of protection from the moment of conception.

Genesis 1:26-28; 2:21-24; Psalm 127 & 128; 139:13-16; Matthew 19:1-10; I Corinthians 6:9-11; Ephesians 5:22-33; Hebrews 13:4.

H. LAST THINGS

We believe that Christ will return to Earth visibly, bodily, and personally to defeat the forces of Satan and consummate His kingdom. We believe in the bodily resurrection of all men, and that the lost dead will be condemned eternally according to their works, while believers will live forever as the Bride of Christ (Revelation 19-22).

ARTICLE IV. ORDINANCES

A. BAPTISM

We believe that baptism is the immersion in water of the believer in Christ, executed by a fellow believer, giving testimony of his faith and administered in the name of the Father, the Son, and the Holy Spirit. Baptism is an ordinance or command, not a sacrament, a

symbol of the burial and resurrection in Christ of the believer, burying the “old man” and rising as a “new creature” in Christ; and that it’s a requirement to enjoy the privileges of the local church (See paragraph “F” in Article III for our practice regarding those who believe in the baptism of infants).

(Mt 3:13-15, Mk 1:9-10, Jn 3:23, Acts 8:36-39, Mt 28:19, Rom 6:3-5, Col 2:13, Eph 4:5, Acts 2:41-42)

B. THE LORD’S SUPPER

We believe that the Lord’s Supper is the second ordinance that Christ left us the night in which He was betrayed, when he took bread and wine, and breaking the bread he divided them with his disciples and they shared them as symbols of His body and blood; that we should continue doing it “in memory of Him” until He comes. We believe that these two, the unleavened bread and the wine are a “symbol” only, and not the body and blood of Christ, neither are they a “sacrament.” We do believe that Jesus Christ is really and truly present in a manner appropriate to it, as we partake of the Supper, as He is in any true act of worship (Revelation 3:20). The Holy Supper is a real communion with Christ and a remembrance of Christ’s act but not a “mystical” repetition of or participation in His sacrifice. The Supper is open to all baptized believers (See Article III, paragraph “F”).

(Mt 26:26-30, Psa 22:22, Heb 2:12, Lk 22:19-20, 1 Cor 11:26, Acts 2:41, 43, 1 Cor 11:17-20, 2 Jn 1:10, 1 Cor 11:23-26).

ARTICLE V. COVENANT

Having the conviction of having been induced by the Holy Spirit to accept the Lord Jesus Christ as our Savior and having been baptized, by virtue of our profession of faith, in the name of the Father, the Son, and the Holy Spirit, now in the presence of God, of the angels, and of this congregation, we covenant with one another, in the most solemn and joyous manner, as a body that we are in Christ.

We promise, aided by the Holy Spirit, to walk together in Christian love; promoting the advancement of this church in knowledge, holiness and welfare; promoting its prosperity and its spirituality; supporting its services, ordinances, discipline and doctrines; regularly and fairly for the maintenance of the ministry, the expenses of the church, the relief to the poor and the promulgation of the Gospel in all nations.

We promise to cultivate family devotion and in particular to religiously educate our children; work for the salvation of our relatives, of our friends and of all humanity in general; to walk circumspectly in the world; to be just in our actions, faithful to our commitments and irreproachable in our conduct; to avoid gossip and defamation and excessive wrath; and to be zealous in ourselves for the growth of the kingdom of our Savior.

We promise also to take care of one another in brotherly love; to remember one another mutually in prayer; to help one another in sicknesses and misfortunes; to cultivate Christian sympathy in sentiment and in courtesy of word; to be slow to be offended and to be always ready for reconciliation, abounding in the precepts of our savior to obtain it without delay.

We promise, finally, that when we need to change our residence to another place, we will join, as soon as possible, another church, in which we can continue to develop the spirit of this covenant and the principles of the word of God.

ARTICLE VI. CIVIL GOVERNMENT

We believe that civil government is placed by God for the welfare and order of human society; that we should pray for the civil leaders, honoring them in conscience and obeying them, save in those things that are opposed to the will of the Lord, the only true Master of our life. We believe in the separation between the state and the church, where each one has its important function in its appropriate place.

We believe that individual members of the church may be called by God to participate in civil government at any level and to any degree that does not go against the Word of God.

(Rom 13:17, 1 Tim 2:1-2, Tit 3:1, 1 Pet 2:13-17, Acts 5:29, Rom 14:9-12, Rev 19:16, Mt 22:21, Eph 1:22).

ARTICLE VII. MEMBERSHIP

A. JOINING

Every person that has received Jesus Christ as their only and sufficient personal savior and mediator and who has given testimony before the church of his or her Christian experience, can be received into the membership of this church in one of the following ways:

By Baptism: Every believer, upon receiving the ordinance of baptism through our church, is constituted a member of the same.

By Letter: Every believer who comes from a Bible believing and teaching church shall be accepted into membership by means of the request of a letter of transfer from their church of origin. If a period of three months passes and we have not received an answer from the church of origin, membership can be granted by experience and testimony, notifying said church of this fact.

By Experience and Testimony: Believers who are sure of their salvation and have been baptized through a church that maintains and practices the biblical and doctrinal principles contained in these statutes, shall be accepted as a member by experience and testimony without needing to be baptized again (See paragraph III F for clarification on our position regarding Christians who believe in the biblical validity of infant baptism).

Membership in this church shall not be denied a to any believer that fulfills one of these mentioned requirements and that comes to this church with spiritual ends, understanding that the church is formed by people who are redeemed but not perfect.

B. PRIVILEGES

Every member in full communion with this church, who is 16 years of age or older, has a voice and vote in the business meetings of the church, and can be elected to occupy any charge and position for which he or she has been found fit by the church.

C. OBLIGATIONS

The members of this church should be, in every way possible, faithful in the services and general spiritual activities of the church; should contribute regularly and systematically to the work of God by means of their offerings; should work and, in accord with their gifts and talents, support its ministries, programs, and activities, and witness for Christ by example and word, Giving a good testimony to all people with the end of winning them to Christ.

As Christians and members of our church we should not have a higher concept of ourselves than we are supposed to have, Thinking of ourselves soberly and considering our neighbor as better than ourselves in accord with the Scripture. Working like that, with humility, we give others the opportunity to occupy our charges or positions if the church should solicit it, seeking always the best for the church to the end of winning the world to Christ.

D. TERMINATION

Members can continue on the membership list as “not active” or “not resident” without being removed, until the church takes a specific action in each individual case. Any member of this church can terminate their membership by one of the following means:

1. Requesting a membership transfer letter to another church.
2. By personal request terminating their membership to this church.
3. For disciplinary reasons, requiring the vote of two thirds of the voting members in a business meeting and after having attempted restoration.

For any of the three above reasons, any organization or ministry can establish a determined time of membership for any of its members in the organization or ministry. Before removing those who have been absent for a long time without justifiable cause, all

possible efforts should be made to procure their attendance, participation, and support before dismissing them.

E. RESTORATION

Any person who has been dismissed from the membership of this church or from one of its ministries, can return to membership if he or she requests it, after having corrected the cause of the loss of membership. The church should actively seek the restoration of those brethren to full communion in the church following the process of Matthew 18:15-17.

ARTICLE VIII. OFFICERS

A. PRINCIPAL PASTOR

We believe that Jesus Christ, the Chief Shepherd, has placed the pastor as the one responsible to guide the spiritual life of his congregation. In accordance with Acts 20:28, “The Holy Spirit has made you overseers, to shepherd the church of God”. The pastor should, as much as he can, fill the requirements presented in the pastoral epistles of I and II Timothy, Titus, and specifically 1 Timothy 3:1-7. He should be an example of love, promoting brotherly love in the church and be a good steward of the Lord’s goods and a joyous and generous giver.

Principal duties: The pastor should govern the church, faithfully preach the Gospel and teach the word of God “to equip the saints for the work of the ministry”. He should preach in the established services of the church, visit the homes of the members and the hospitals; visit the homes of unbelievers with the goal of evangelizing them. He should guide the church in its missionary programs of evangelism, education, equipping, and visitation. He should officiate in the administration of the ordinances of baptism and the Lord’s Supper. He should officiate in the presentation and dedication of children, weddings, and funeral services. he should serve as moderator in business meetings, and serve as an *ex-officio* member (by virtue of his position) in ministerial search committees. He should serve as President of Assembly. He should work so that there be the necessary discipline and faithfulness in the officers and members of the church. He should fulfill, and see that others fulfill the dispositions of the constitution of the church. He should bend his effort to win the love and respect of the congregation (1 Tim 5:17, Eph 4:12).

Selection: When it is necessary to elect a pastor, the church will seek a minister with the adequate theological preparation, preferably with experience in the pastorate and with the testimony of a spiritual life. If possible, the pastor should come from within the members of the congregation. To this end a pulpit committee shall be formed, which shall search for and investigate all the candidates. After adequate investigations, the candidate must be approved by the vote of two-thirds of the members in a business meeting convened for that end.

Resignation: If the pastor desires to resign his charge, he must notify the church with at least thirty days of anticipation. If justifiable causes or reasons exist, a majority of two-thirds of the members in a business meeting convened for that end, may ask the pastor to present his resignation, giving him thirty days' notice and one month of salary for each year he has served, to a maximum of six months. In the case of requesting the pastor's resignation, the reasons for the same should be entered as minutes in the church records. The church should act with Christian prudence when considering the leaving of a Pastor, recognizing that it is God who has called him, and God who should remove him, and ascertain that the leaving of the pastor be in accordance with God's will, to the end of remaining united as an efficient and effective congregation for the ministry of the church.

Salary: The church shall establish in its budget an adequate salary and other benefits for the support of the pastor. They shall also establish a normal permissible time in which the pastor can be out of the church, including vacations, evangelism campaigns, inter-church activities, and sick time.

B. ASSISTANT AND ASSOCIATE PASTORS

When the need is determined, the church may decide to call an assistant or associate pastor to head up some segment of the ministry (for example, youth pastor, pastor of education, administrative pastor, etc.). These pastors will report to the pastor. The selection of these shall be made in the same manner as the head pastor.

Duties and requirements The duties and requirements for the position of each associate or assistant pastor will be determined by the committee that is in charge of the process of choosing him, and these will be reported to the church in a business meeting.

Spiritual requirements: The spiritual requirements of any assistant or associate pastor will be the same ones that the Bible enumerates for the lead pastor (see article VIII. A above).

Miscellaneous considerations: Issues of salary, benefits, and resignation will be treated in the same way for assistant and associate pastors as for the lead pastor.

C. ELDERS:

The pastor and the assistant pastors are also called "elders" in the Bible. It is recognized that, among the members of the congregation, there may also be other men who, though they have not been called to the full-time paid ministry, fulfill the role of an assistant pastor or elder, and have the spiritual gifts and biblical requirements for that office. With the recommendation of the officers (pastor, other elders, and deacons) of the church, these may be ordained as elders. Elders that come from another church of the same faith and order can pass to the selection and election to the active eldership of the church by recommendation of the pastor and the body of elders and deacons without the necessity of a new ordination.

Counseling and orientation: The pastors/elders should provide counseling and orientation services to people that are living disorienting traumatic moments or experiencing problems of conduct or socialization, leading to the emotional and spiritual strengthening of these people.

Premarital counseling and orientation services shall also be offered. The counseling of young women shall be reserved for mature female members of good testimony, preferably the wives of pastors, elders, or deacons, in accordance with Titus 2:3-5.

C. DEACONS

They should be faithful believers, members of the church who, by their spiritual lives, have proved to be worthy of the position; fulfilling as much as possible what is mentioned in 1 Timothy 3: 8-13 and showing love, loyalty, and support to the church by means of their faithful attendance, their service to the work, y and consistent contribution with their finances for the support of the same, being a joyous and generous giver.

Selection: They shall be elected by the church at the recommendation of the Pastor, the elders, and the body of deacons. After their election, they shall be considered for ordination, separating them from within the church for Christian service (Acts 6: 5-6). These in their turn shall elect, each year, a president, a vice-president, and a secretary. Deacons that come from another church of the same faith and order can pass to the selection and election to the active deaconate of the church by recommendation of the pastor and the body of elders and deacons without the necessity of a new ordination.

Duties: According to the Bible deacons are servants of the church, and as such they must develop a true spiritual and devotional ministry, supporting and helping the Pastor and Elders in those tasks that permit him to dedicate himself more freely to his spiritual mission. The deacons “at rest” from the active body can continue to minister as servants in other responsibilities of the Church, being able to help in some ministries assigned to the deacons, but not acting as officials of the church. The deacon “at rest” can attend the deacons’ meetings, but without voice or vote. They should be ready to assume the role of deacons upon being recommended to the church by the body of deacons and being reelected. The deacons should meet periodically as set by the president of deacons or the pastor.

Activities: the Body of Deacons shall form, direct, and promote, the following activities of the Church:

1. The Lord’s Supper. Prepare the utensils and elements for the Lord’s Supper. Help the Pastor in the administration of this ordinance to the congregation.
2. Baptisms. They should take care that the robes and places of baptism are correctly set up for every occasion in which this ordinance is administered.
3. Prayer. They should promote and participate in special prayer activities such as prayer retreats, prayer services in homes, prayer in groups and organizations of the church.
4. Benevolence and community service. They are to attend to any request for economic aid and recommend to the church its support. Identify community needs in which the church can participate to supply, inasmuch as they are within its reach, unifying them in service and love for our neighbor.

C. TRUSTEES

These are the members named by the church to act as representatives of the church in legal matters concerning the acquisition of goods, loans and other financial matters.

Election: In the annual business meeting the church should elect, from its membership, five (5) persons who will serve as trustees. The period of their charge shall be of two (2) years.

Duties: The trustees shall elect among themselves a head and a secretary. The head or president of the trustees shall preside over all their meetings and supervise the work in general. The secretary shall maintain a faithful registry of any work, act, or important business transaction effected by the group of trustees. The meetings shall take place at the request of the head, the Pastor, or of the two-thirds part of the totality of the number of trustees. A majority of the number of trustees will constitute a necessary quorum. A complete report of the trustee activities shall be given at the annual business meeting or as the church requires it. It shall be the duty of the trustees to take care of the property of the church, to maintain, repair, invest and conserve the same. The trustees shall act as superintendents over any improvement that has not been assigned to a special committee. The trustees are, at every moment, servants of the church and are subject to its cooperative action.

Termination: If a trustee cannot finish his or her period of two years, the church shall elect, in a special session, a person who can finish out the rest of that term.

D. TREASURER

The church will elect, at the annual business meeting or in special session, a treasurer from its membership.

This person will receive all the monies of the church and administer them as the church indicates; shall supervise the maintaining of an authentic and clear record of accounts and the making a general financial report for the church at the regular business meetings and a complete report to the church at the annual business meeting or when the church should require it. This person should work in close cooperation with the board of elders and deacons and will submit the records to that committee annually.

ARTICLE IX. CARE OF FINANCES

Knowing that the Church of Christ should be above reproach, the financial reports and information (other than specific donor and benevolence recipient information) will be made available in the church office for study and investigation by any member of the church. Permission to make copies of said documents, or to remove them from the church building, may be obtained by the vote of a majority of a quorum of the pastor, the elders, and the deacons.

ARTICLE X. CHURCH COUNCIL

The Church Council is the chief leadership body of the church. It is made up of the pastor, elders, deacons, and heads of the ministries and organizations of the church, and shall elect their own officers. The heads of each ministry or committee shall be present in the sessions in which their attendance is required. The council of the church will meet once approximately every month and a half, including the week before a regular business meeting, except in very special cases. The council will have as its function to review the general state of the church, present suggestions or proposals in the business meetings, The programming of events, and to listen to suggestions from any member of the church who may not have the right to a vote in the resolution that is being brought.

ARTICLE XI. BUSINESS MEETINGS

They shall take place every three months, to discuss and resolve church matters. They shall be in the months of January, April, July, and October. The January meeting is designated the Annual Meeting. The church may call Extraordinary Meetings as often as is necessary to exclusively treat the issue that merits it, announcing it from the date of the Service that precedes that meeting. No business meeting shall take place if there are less than twenty-five percent of the members with the right to vote, or (in the case of Extraordinary Meetings) the person who is able to direct it is not present.

The church pastor shall be the moderator in the business meetings (see Article VIII, Section A, Paragraph 2). In case of a conflict of interests in the matter that is being treated, the board of deacons and elders will elect an alternate moderator for that session.

In preparation for a regular business meeting, the members of the Council have the responsibility of turning in their reports to the pastor or his designated contact the Sunday before the meeting (at the latest). All the members have the right to request a copy of any ministry report to examine it during the week before the session and, if they have a question about the report, to bring it to discussion during the session.

Every member has the right to bring new issues to the business meeting. New issues shall be brought in writing to the pastor, or his designated contact, at least a week before the meeting. Exceptions to this policy can be made at the discretion of the pastor or by a vote of the majority of a quorum of the elders and deacons.

ARTICLE XII. CONFLICT OF INTEREST POLICY

A. PURPOSE

The purpose of this conflict of interest policy is to protect Living by Faith Church's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the church or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest related to nonprofit and charitable organizations.

B. DEFINITIONS

1. **INTERESTED PERSON:** Any director, principal officer, or member of a committee, who has a direct or indirect financial interest, as defined below, is an interested person.

2. **FINANCIAL INTEREST;** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity with which the church has a transaction or arrangement,
 - b. A compensation arrangement with the church or with any entity or individual with which the church has a transaction or an arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with any entity or individual with which the church is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts and favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section B, subsection 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides a conflict of interest exists.

C. PROCEDURES

1. **DUTY TO DISCLOSE:** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board negotiated powers considering the proposed transaction or arrangement.

2. **DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS:** After disclosure of the financial interest and all material facts, and after any discussion with the interested person (s)he will leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. **PROCEDURES FOR ADDRESSING THE CONFLICT OF INTEREST:**

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation (s)he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The chair of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence the governing board or committee shall determine whether the church can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity what would not give rise to a conflict of interest.

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

4. VIOLATIONS OF THE CONFLICT OF INTEREST POLICY:

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

b. If, after hearing the member's response and investigating further as the circumstances warrant, the governing board or committee determines that the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

D. RECORDS OF PROCEEDINGS

The minutes of the governing board and all committees with board delegated powers shall obtain:

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

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

E. COMPENSATION

1. A voting member of the governing board who receives compensation, directly or indirectly from the church for services is precluded from voting on matters related to that member's compensation.

2. A member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly from the church for services is precluded from voting on that member's compensation.

3. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the church, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

F. ANNUAL STATEMENTS

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement that affirms such person:

- a. Has received a copy of the Conflict of Interest Policy
- b. Has read and understands the policy
- c. Has agreed to comply with the policy, and
- d. Understands that the church is charitable and in order to maintain its federal tax exemption must engage primarily in activities which accomplish one or more of

its tax-exempt purposes.

G. PERIODIC REVIEWS

1. To ensure that the church operates in a manner consistent with its charitable purposes and does not engage in activities which could jeopardize its tax-exempt status, periodic reviews shall be conducted. These reviews should, at a minimum, include the following subjects:

- a. Whether the compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the church's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

2. When conducting these periodic reviews, the church may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE XIII. USE OF THE BUILDING

The primary use of the Sanctuary is the worship of God. The sanctuary may also be used for activities such as weddings, funerals, Bible studies, associational meetings, concerts or movies; always and when the name of God is exalted. The use of the Sanctuary for personal ends such as weddings, funerals, etc. will be permitted for members of our

church, or other Christians of the same faith and practice. The cost for the use of the Sanctuary and fellowship hall for weddings and other occasions for members shall be a donation to cover the use of utilities. The cost for non-members referred by a member of our church or by the pastor will be reviewed annually by the Church as a part of the budget process. The fellowship hall shall be used for the purpose of congregational meetings, for fellowship, for study, and for entertainment, as long as these glorify and give testimony to the glory of God. As our fellowship hall is small, the sanctuary can double as a large fellowship hall when needed, if and when there is no conflicting event needing its use as a sanctuary. The classrooms and offices should be utilized with the same ends towards God. In case of financial need, a different price may be set with the vote of a majority of a quorum of the elders and deacons. Requests for the use of the sanctuary or other rooms must have the majority approval of the elders and deacons of the church. In the case of a difference of opinion where no accord can be reached between the leaders of the church, a vote shall be taken in a regular or extraordinary business meeting.

It is the responsibility of anyone using the church facilities to insure that they are returned in a clean and neat condition, completely ready for the next normal use, and to pay for any damage incurred during their use.

ARTICLE XIV. DISSOLUTION

In the event of the dissolution of Living by Faith Church, its goods and properties shall be used firstly to satisfy any debt against the church. No remaining good or property of the church shall be divided among the members or any other individual. All the goods and properties of the church shall be transferred to one or more organizations of the same faith and practice. Any recipient organization must be recognized by the I.R.S. as a non-profit organization according to the requirements of the code of 1986, 501 c, section 3. The vote of the majority of the members will decide who receives the donation.

ARTICLE XV. AMENDMENTS TO THE CONSTITUTION

Amendments to the constitution can be made by means of a proposal to the Elders and Deacons, which shall bring them to the consideration of the church council to be discussed in a business meeting, and they must be approved by two-thirds of the members with the right to vote. Any member to whom the council has denied the right to propose an amendment has the right to make it known to the Church in a business meeting, so that agreement may be reached.

Any situation not foreseen by the articles of this constitution shall be resolved exclusively according to the rules of the New Testament, attempting always to please God before pleasing men, requiring the determination of two-thirds of the membership that is present and rightfully convened that it may proceed and be brought to pass.