

BYLAWS
Columbia District Church Extension Society
of the Oregon-Idaho Conference of the United Methodist Church

ARTICLE I – PURPOSE

The Columbia District Church Extension Society is organized exclusively for charitable, religious, educational, or scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

ARTICLE II – DEFINITIONS

- 1.1 “Society” as used in these bylaws shall mean the Columbia District Church Extension Society of the Oregon-Idaho Conference of the United Methodist Church.
- 1.2 “Columbia District” as used in these bylaws shall mean the Columbia District of the Oregon-Idaho Conference of the United Methodist Church.
- 1.3 “Board” as used in these bylaws shall mean the board of directors of the Columbia District Extension Society of the Oregon-Idaho Conference of the United Methodist Church

ARTICLE III – ORGANIZATION CLAUSE

In furtherance of its exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, the organization is organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of the Oregon-Idaho Annual Conference of The United Methodist Church (Columbia District).

ARTICLE IV – MEMBERSHIP

- 4.1 **Members.** The Charge Conference of each United Methodist Church within the Columbia District shall designate one lay representative and ask its senior pastor to serve on the Society. Names of the lay representatives should be given to the CDCES Board of Directors no later than January 15th of each year. If the charge does not designate a lay representative, the chair of the church’s Board of Trustees will serve in that role. The term of the membership is one year with no limit to the number of terms an individual may serve.
- 4.2 **Ex-Officio Members.** The following persons shall be ex-officio members of the Society
 - (1) the resident Bishop of the Greater Northwest Episcopal Area;
 - (2) the District Superintendent of the Columbia District;
 - (3) the District Lay Leader(s);
 - (4) the immediate past president of the Society.

- 4.3 Meeting of Members. No fewer than one meeting of members shall be held each year. The annual meeting to nominate the board of directors and officers shall be held prior to the end of the first calendar quarter each year at a time and place to be fixed by the board of directors. Other meetings of the members may be scheduled by the board of directors as needed to carry out the work of the Society. Special meetings of the members may be called by the president, by the board of directors, or by members having one-twentieth (1/20) of the votes eligible to be cast as such meeting.
- 4.4 Election of Board of Directors. At all times, at least sixty percent (60%) of the members of the Board of Directors must be elected by the Oregon-Idaho Annual Conference of The United Methodist Church, an organization required to act in accordance with The Book of Discipline of The United Methodist Church.
- 4.5 Notice. Written notice stating the place, day, and hour of any meeting of members and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to members not less than seven nor more than fifty days before the date of the meeting. Delivery may be by mail, email, in person, or by other written means to each member. No business shall be transacted at a special meeting except such business as is specified in the notice of the special meeting.
- 4.6 Voting and Proxy. Each member shall have one vote on each matter submitted to a vote of the members. A member may vote in person or by proxy executed in writing by the member. No proxy shall be valid after eleven months from the date of its execution.
- 4.7 Quorum. Those members present at any meeting of members constitute a quorum when due notice has been given. Adoption of any matter voted on requires that a majority of the votes for or against must be cast in favor of the matter, unless a greater proportion is required by law, by these bylaws, or by the latest revision of *Robert's Rules of Order*.

ARTICLE V – BOARD OF DIRECTORS

- 5.1 General Powers. The business affairs of the Society shall be managed by a board of directors. The initial board of directors shall be elected at a special meeting following the adoption of these bylaws.
- 5.2 Number of Directors. The number of directors shall be fifteen in addition to the ex-officio directors listed in 5.3 below.
- 5.3 Ex-Officio Directors. The following persons shall be ex-officio members of the board of directors:
- (1) the resident Bishop of the Greater Northwest Episcopal Area;
 - (2) the District Superintendent of the Columbia District; and
 - (3) the immediate past president of the Society
- Ex-officio directors shall have all the rights and powers of office including the right to receive notice of meetings and the right to vote.
- 5.4 Directors. Fifteen directors shall be elected annually by the membership of the Oregon-Idaho Annual Conference of The United Methodist Church. The term of an elected director is one year. Not more than six elected directors shall be clergy.

Nominees for elected directors shall be selected by the nominating committee and confirmed by the members of the Society at the annual meeting; nominees need not be a member of the Society.

- 5.5 Regular Meetings. Regular meetings of the board of directors shall be held monthly at such time and place as shall be fixed by the board of directors. If the president, with the concurrence of one other officer, determines that there is no urgent official business for a regular meeting, the president may cancel the meeting upon notice to all directors who can be reached.
- 5.6 Special Meetings. Special meetings of the board of directors shall be held whenever called by or at the request of the president or any three directors.
- 5.7 Notice. Written notice stating the place, day, and hour of any regular or special meeting of the board of directors shall be delivered to members not less than five days before the date of the meeting. Delivery may be by mail, email, in person, or by other written means to each member. In the case of a special meeting, the purpose or purposes for which the meeting is called shall be specified.
- 5.8 Waiver of Notice. Any director may waive notice of any meeting. The attendance of any director at any meeting shall constitute a waiver of notice of that meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
- 5.9 Attendance. Elected directors are required to attend all meetings of the board unless they are excused by the president. Three unexcused absences are cause for removal from the board.
- 5.10 Quorum. Those directors present shall constitute a quorum at any meeting of the board of directors. Adoption of any matter voted on requires that a majority of the votes for or against must be cast in favor of the matter, unless a greater proportion is required by law, by these bylaws, or by the latest revision of *Robert's Rules of Order*.
- 5.11 Removal. Removal of all or any number of directors with or without cause is by a vote of a majority of the members of the Society present at a meeting expressly called for that purpose, except as listed below
- (1) the board of directors may, at a regular meeting, remove a director for more than three unexcused absences if the director to be removed has been notified of the action to be taken in writing along with notice of the meeting.
- 5.12 Vacancies. Any vacancies occurring in the positions of elected director may be filled by the affirmative vote of a majority of the remaining directors present. A director elected to fill a vacancy shall be elected for the unexpired term of the director being replaced.

ARTICLE VI – OFFICERS

- 6.1 Officers. The officers of the Society shall be a president, a vice-president, a recording secretary, and a treasurer.
- 6.2 Election and Term of Office. Officers of the Society shall be elected from the board of directors annually. Each officer shall hold office until a successor has been elected and qualified. Any officer may be re-elected in any office.

6.3 Removal of Officers. An officer may be removed by the board of directors Whenever removal serves the best interests of the Society. Officers may be removed only at a meeting called expressly for that purpose. Removal requires a majority vote of the directors present at such a meeting.

6.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term.

6.5 Duties and Powers.

- (1) President. The president shall preside at all meetings of the Society and the Board of Directors and, subject to the control of the board of directors, shall be charged with the general supervision, management, and control of all the business and affairs of the Society. The president shall sign, with the secretary or any other proper officer of the Society thereunto authorized by the board of directors, any contract or other instrument which the board of directors has authorized to be executed, except in cases where the signing and execution thereof shall be especially delegated by the board of directors, or by these bylaws, to some other officer or agent of the Society, or shall be required by law to be otherwise signed or executed. The president shall perform such other duties as from time to time may be prescribed by the board of directors.
- (2) Vice-President. In the absence of the president or in the event of the presidents' death, inability, or refusal to act, the vice-president shall perform the duties of the president, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-president shall perform such other duties as from time to time may be prescribed by the president or the board of directors.
- (3) Recording Secretary. The recording secretary shall keep the minutes of the meetings of the members and the board of directors, see that all notices are duly given in accordance with the provisions of these bylaws, the Articles of Incorporation, or as required by law, ensure that the Society's records and legal papers are maintained at the offices of the District Superintendent, and in general, perform all duties incident to the office of recording secretary and such other duties as from time to time may be prescribed by the president or the board of directors.
- (4) Treasurer. The Oregon-Idaho Annual Conference treasurer shall give a bond for the faithful discharge of the Society's treasurer's duties in such form and with such surety or sureties as the board of directors shall determine. The treasurer shall have charge and custody of all Society funds and shall keep in books belonging to the Society full and accurate accounts of all receipts and disbursements, and shall deposit all money and other valuable effects in the name of the Society in such depositories as may be designated for that purpose by the board of directors. The treasurer shall disburse funds of the Society, receiving proper documentation for such disbursements, and shall render to the president and directors at the meetings of the board and

whenever requested by them an account of all transactions as treasurer and of the financial condition of the Society.

- (5) Compensation and Expenses. Officers shall serve without salary unless they are also employees of the Society. Expenses incurred in connection with performance of their official duties may be reimbursed to officers upon approval by the board of directors.

ARTICLE VII – COMMITTEES

7.1 Nominating Committee. Annually, the president shall appoint a nominating committee of not fewer than three directors. They shall select candidates for the four elected officers and for the additional eleven positions of elected directors and submit these names to the annual meeting for vote by the Society membership.

7.2 Standing Committees. The Society shall have the following standing committees:

- 1) Executive
- 2) Investments
- 3) Loans
- 4) Grants

The president, vice-president, and the District Superintendent of the Columbia District shall be ex-officio members of each standing committee. At the next regular meeting of the board following the election of officers the president shall appoint the chairperson of each standing committee. The appointed committee chairs and the president together shall appoint the other members of each standing committee. A majority of each committee must be either Society members or directors. Members of committees shall serve until their successors have been appointed and qualified. Standing committees shall not have or exercise the authority of the board of directors in the management of the Society, except as in 7.3 below or as specified in the Statement of Investment Policy.

7.3 Executive Committee. The Society shall have an executive committee composed of the president, the vice-president, the District Superintendent of the Columbia District, the recording secretary, the treasurer, the immediate past president, and the chairs of the standing committees. The executive committee shall have and exercise the authority of the board during the extended periods of time when the board is not scheduled to meet, and when a matter of business is a clear emergency. The executive committee shall have authority to secure the services or advice of an attorney when deemed necessary. All such action shall be reported to the board at its first meeting thereafter.

7.4 Investments Committee.

- (1) Annually
 - (A) Review and update the Statement of Investment Policy, and recommend any desirable changes to the board of directors.
 - (B) Determine if Socially Responsible Investing (SRI) is being met and that the definition of it is current.
 - (C) Review trust and endowment monies to ensure that they are being properly managed.

- (D) Publish an explanation of investments used by the Society.
- (2) Quarterly
 - (A) Publish a quarterly report on endowment and trust funds.
- (3) Monthly
 - (A) Review interest rates and investment instruments
- (4) All additional duties contained in the Statement of Investment Policies.

7.5 Loans Committee.

- (1) Establish criteria for awarding loans.
- (2) Establish loan funds for different purposes with appropriate terms and conditions. Loans may be given for facilities, programs, and other appropriate church activities. Loans over \$10,000 must be secured by mortgage property. Loans over \$20,000 must have title insurance.
- (3) Determine the proportion of funds available to each use according to the priorities of the church extension plan.
- (4) Review loan applications and make recommendations to the board of directors.
- (5) Authorize and have issued past due notices
- (6) Know what the current loan rate UM Development Fund of the Board of Global Ministries is and be able to report it to the board.

7.6 Grants Committee

- (1) Establish criteria for awarding grants.
- (2) Establish grants for different purposes.
- (3) Determine the proportion of funds available to each use according to the priorities of the church extension plan.
- (4) Review grant applications and make recommendations to the board of directors.
- (5) Make recommendations to the board regarding grant budget requests for future years.

7.7 Other Committees. Other committees not having and exercising the authority of the board of directors in the management of the Society may be appointed in such a manner as may be designated by resolution of the Board.

ARTICLE VIII -- PROHIBITIONS AND LIMITATIONS

No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the exempt purposes of the organization. No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision herein, this organization shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this organization.

ARTICLE IX – INDEMNIFICATION

9.1 Generally. The Society shall to the fullest extent permitted by law indemnify any person who is or was a director or officer of the Society against any and all liability incurred by such person in connection with any claim, action, suit, or proceeding or any threatened claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative; by reason of the fact that such person is or was a director or officer of the Society, if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interest of the Society, and with respect to any criminal proceeding such person had no reasonable cause to believe the conduct was unlawful. Liability and expenses include reasonable attorneys' fees, judgments, fines, costs, and amounts actually paid in settlement. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not of itself create a presumption that such person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interest of the Society, and, with respect to any criminal proceeding, had no reasonable cause to believe that, such conduct was unlawful. The forgoing right of indemnification shall be in addition to and not exclusive of any and all other rights to which any such director or officer may be entitled under any statute, bylaw, agreement, or otherwise.

9.2 Actions by or in the Right of the Society. In connection with any proceeding brought by or in the right of the Society, the Society may not indemnify any person who is or was a director or officer of the Society if such person has been adjudged by a court of law to be liable to the Society, unless the court in which the action or suit was brought shall determine upon application that, despite the adjudication of liability in view of all of the circumstances of the case such person is fairly and reasonably entitled to indemnity.

9.3 Self-Interested Transactions. The Society may not indemnify any person who is or was a director or officer of the Society in connection with any proceeding charging improper personal benefit to such person in which such person has been adjudged liable on the basis that personal benefit was improperly received by such person, unless the court in which the action or suit was brought determines upon application that, despite the adjudication of liability, in view of all of the circumstances of the case such person is fairly and reasonably entitled to indemnity.

9.4 Determination of the Propriety of Indemnification. The determination that indemnification is proper shall be made by the majority vote of a quorum consisting of the directors who were not parties to the proceeding or, if such a quorum cannot be obtained, by the majority vote of a committee, duly designated by the board of directors, consisting of at least two directors who were not parties to the proceeding. If there are not two directors who were not parties to the proceeding, the full board of directors shall select special legal counsel to determine whether indemnification is proper.

9.5 Evaluation of Expenses. An evaluation as to the reasonableness of expenses shall be made by the majority vote of a quorum consisting of directors who were not parties to the proceeding or, if such a quorum cannot be obtained, by the majority of a committee, duly designated by the board of directors, consisting of at least two directors who were

not parties to the proceeding. If there are not two directors who were not parties to the proceeding, the full board of directors, including directors who were parties to the proceeding, shall evaluate the reasonableness of expenses.

9.6 Notice of the Attorney General. A director or officer shall not be indemnified by the Society until 20 days after the effective date of written notice to the Attorney General of the proposed indemnification.

9.7 Advance of Expenses. Expenses incurred with respect to any claim, action, suit, or other proceeding of the character described in this article may be advanced by the Society prior to the final disposition of such proceeding if:

(1) the director or officer provides written affirmation to the Society of such person's good faith belief that such a person satisfied the criteria for indemnification, and

(2) the director or officer gives the Society a written undertaking to repay the advanced amount if it is ultimately determined that the director or officer is not entitled to indemnification under this article. The undertaking shall be a general obligation of the director or officer, but need not be secured and may be accepted by the board of directors without reference to the director's or officer's financial ability to make repayment.

ARTICLE X – DISSOLUTION CLAUSE

Upon the dissolution of the organization, all assets of the organization remaining after all liabilities and obligations of the organization have been paid, satisfied and discharged, will be transferred, conveyed, and distributed to the Oregon-Idaho Conference of The United Methodist Church.

If on the date of such proposed distribution, the Oregon-Idaho Conference of The United Methodist Church is no longer in existence or does not qualify for exempt status under §501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, the assets of the organization shall be transferred, conveyed, and distributed to the United Methodist entity (the "Successor Organization") entitled under *The Book of Discipline of The United Methodist Church*, or by other General Conference, Jurisdictional Conference, Annual Conference, or District action, to receive the assets of the Oregon-Idaho Conference of The United Methodist Church upon its dissolution.

If pursuant to the preceding paragraphs, the organization's assets are to be distributed to the Successor Organization, but on the date of the proposed distribution, the Successor Organization is no longer in existence or does not qualify for exempt status under §501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, the assets of the organization shall be transferred, conveyed, and distributed to such other United Methodist related organization(s) as may be specified in, or provided for, under a Plan of Distribution adopted by this organization; provided, however, that in any event, each such distributee organization shall be exempt under the provisions of §501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

ARTICLE XI – AMENDMENTS OF BYLAWS

These bylaws may be amended at any regular or special meeting of the Society by two-thirds majority vote, provided that the notice of such intention was given in writing according to the notice provisions in paragraph 4.5, with the following exceptions; any amendments to the following provisions shall require the approval of the Oregon-Idaho Annual Conference of The United Methodist Church:

- Article I, Purpose Clause;
- Article III, Organization Clause;
- Article IV, Section 4.4, Election of Board of Directors,
- Article V, Section 5.4, Directors,
- Article VIII, Prohibitions and Limitations;
- Article X, Dissolution Clause;
- Article XI, Amendment of Bylaws.

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