

**BYLAWS OF
THE UNITED METHODIST STEWARDSHIP FOUNDATION
OF CENTRAL PENNSYLVANIA**

ARTICLE I — NAME AND DURATION

The name of the corporation is The United Methodist Stewardship Foundation of Central Pennsylvania and the duration is perpetual.

ARTICLE II — PURPOSE

The United Methodist Stewardship Foundation of Central Pennsylvania (hereinafter referred to as “the Stewardship Foundation”) provides a structure for the people of God to make gifts for the current and future ministry and mission of the Central Pennsylvania Conference of The United Methodist Church (the “Conference”) and its local churches, and other charitable, religious or educational organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding section of any federal tax code, provided that such organizations’ purpose and mission are consistent with the social principles of The United Methodist Church. The Stewardship Foundation shall promote, receive, manage and distribute such gifts or the income therefrom. The Stewardship Foundation shall also conduct programs of Christian stewardship education on behalf of the Council on Ministries of the Conference.

ARTICLE III — LOCATION

The principal office of the Stewardship Foundation shall be located at 900 South Arlington Avenue, Harrisburg, Dauphin County, Pennsylvania (which is located in Lower Paxton Township, Dauphin County), or at such other location as the Board of Directors of the Stewardship Foundation may subsequently determine. The Stewardship Foundation may have such other offices within central Pennsylvania as the activities of the Stewardship Foundation may require and as the Board of Directors may determine from time to time.

ARTICLE IV — MEMBERSHIP

The members of the Stewardship Foundation shall be all Clergy and Lay Members of the Conference, as defined by the *Book of Discipline of The United Methodist Church*.

ARTICLE V — MEETINGS OF MEMBERS

Section 5.1 Annual Meeting. An Annual Meeting of the members shall be held at the place of the annual meeting of the Conference (the Annual Conference), the hour and day to be set by the President of the Stewardship Foundation in consultation with the Sessions Committee of the Conference. This meeting shall be presided over by the Presiding Bishop of the Central Pennsylvania Conference of The United Methodist Church, with the Conference Secretary recording the official minutes. At such Annual Meeting, the Stewardship Foundation shall distribute a written report, including an audit summary, showing its income, expenses, gifts received, investment transactions, income earned on investments, distributions made, and a listing of the assets on hand as of the end of the preceding calendar year.

Section 5.2 Special Meetings. Special meetings of the members may be called by the President of the Stewardship Foundation, or any two officers of the Stewardship Foundation, or upon written petition containing the signatures of not less than one-tenth of the membership.

Section 5.3 Notice of Meeting. Separate written notice of the Annual Meeting of the members of the Stewardship Foundation shall not be required since the notice of the Annual Conference session shall be deemed to constitute a notice of that meeting. In case of a special meeting, the purpose or purposes of the meeting, as well as the date, time and place thereof, shall be stated in a written notice. If mailed, the notice may be sent by regular mail and shall be deemed to be delivered when (1) addressed to the member at the address as it appears on the records of the Conference, (2) adequate postage thereon has been paid, and (3) deposited in the United States mail. Such notice shall be given not less than twenty, nor more than fifty, days before the date of the special meeting. Notice of an adjourned meeting is required.

Section 5.4 Voting Rights and Quorum. Each member shall be entitled to one vote. Voting shall be in person and not by proxy. At any meeting of the members, those members who are present and voting shall constitute a quorum. A majority vote shall govern, except where a larger number is required by statute.

ARTICLE VI — GOVERNANCE

Section 6.1 Board of Directors. The affairs of the Stewardship Foundation shall be managed by a Board of Directors, all of whom must be adult members of The United Methodist Church. They may or may not be lay members of the Annual Conference.

Section 6.2 Authority-General. The Board of Directors shall have power in general to do all things in and about control and management of the property and affairs of the Stewardship Foundation consistent with the law, the Articles of Incorporation of the Stewardship Foundation and these Bylaws. It may from time to time adopt such regulations as the Directors may deem prudent and expedient within the scope of these Bylaws with respect to the powers and duties

of the officers, assistant officers and agents of the Stewardship Foundation, and with respect to the conduct of the Stewardship Foundation's business. The Board of Directors shall have no power or authority whatever to obligate the Conference, The United Methodist Church, nor any parts thereof, on any contract, agreement, purchase order, or for any financial commitments of any character or description created, undertaken, or assumed by the Stewardship Foundation.

Section 6.3 Limitation of Authority Regarding Distribution of Gifts or the Income Therefrom. Undesignated gifts (i.e., gifts received from donors who have not given written directions regarding the use to be made thereof) and the income therefrom shall be distributed as determined by the Conference Council on Finance and Administration. Written directions from donors regarding the use to be made of their gifts or the income therefrom shall be strictly adhered to, except when deviations from those directions have been approved by a legal court of law, or except when such directions do not further the charitable, religious and educational purposes of the Stewardship Foundation, as defined for the purposes of Code para. 501 (c) (3) of the Internal Revenue Code of 1986, as amended.

Section 6.4 Membership of the Board. The Directors shall be sixteen in number. Twelve Directors shall be elected at-large, one-fourth of whom shall be clergy. The following four persons shall serve as ex-officio members:

- (1) the Resident Bishop of the Harrisburg Episcopal Area or the Bishop's designate (voting member),
- (2) the President of the Conference Board of Trustees or the President's designate (voting member),
- (3) the Chairperson of the Conference Council on Ministries or the Chairperson's designate (voting member),
- (4) the Chairperson of the Conference Council on Finance and Administration or the Chairperson's designate (non-voting member).

The Treasurer/Comptroller of Central Pennsylvania Conference, or designee, and the Executive Director of the Stewardship Foundation also shall participate in meetings of the Board, without vote. As soon as procedures under this Article permit, one (1) of the at-large Directors shall be a Minister appointed to a pastoral charge or appointment beyond the local church, and three (3) at-large Directors shall be laypersons belonging to churches forming part of pastoral charges, within each of the following regions of the Conference:

- (a) The Western consisting of Altoona, Chambersburg and State College Districts;
- (b) The Southern consisting of Harrisburg, New Cumberland and York Districts; and
- (c) The Northern consisting of Lewisburg, Wellsboro and Williamsport Districts.

Section 6.5 Term of Office. One-third of the at-large Directors on the initial Board of Directors shall be elected for a term of one year; one-third for a term of two years; and one-third for a term of three years. At the end of these initial terms, at-large Directors shall be elected for a term of three years, except for elections to fill unexpired terms. An at-large Director shall serve no more than nine consecutive years. No more than two (2) at-large Directors representing each of the regions shall have terms expiring at the end of any given year.

Section 6.6 Nominations. Nominations of persons to serve as at-large members of the initial Board of Directors shall be the joint responsibility of the Resident Bishop of the Harrisburg Episcopal Area, the Conference Board of Trustees, the Conference Council on Ministries and the Conference Council on Finance and Administration. Subsequent nominations to fill at-large vacancies on the Board shall be made by the Conference Committee on Nominations. To assist them, the Board of Directors of the Stewardship Foundation shall provide as many names as there are vacancies to be filled. One nomination to fill each vacancy shall be submitted by the Conference Committee on Nominations on its report to the Annual Conference. Additional nominations also may be made by petition signed by twenty-five (25) or more members of the Stewardship Foundation and filed with the Secretary of the Stewardship Foundation at least ten (10) days prior to the scheduled time for the election.

Section 6.7 Election of Directors. Directors shall be elected by majority vote of the members of the Stewardship Foundation during Annual Meetings of the Stewardship Foundation, except to fill interim vacancies.

Section 6.8 Interim Vacancies. Vacancies during the interim between Annual Meetings may be filled until the close of the next Annual Meeting by a majority vote of the Directors then in office, after consultation with the Chair of the Conference Committee on Nominations. At the next Annual Meeting after a vacancy occurs a Director shall be elected by the members of the Stewardship Foundation to fill the unexpired term.

Section 6.9 Removal of Directors. Directors may be removed from office by a majority vote of the members of the Stewardship Foundation in attendance at the Annual Meeting.

Section 6.10 Meetings. The Directors shall hold regular meetings at least twice each year. Special meetings may be called by the President or by three Directors.

Section 6.11 Notices of Meetings. At least ten days advance notice of any meeting, including the time and place, shall be given in writing to each Director. Notice of an adjourned meeting shall not be required, except for an announcement made at the meeting at which the adjournment action is taken.

Section 6.12 Quorum. One-half of the Directors then in office shall constitute a quorum for the transaction of business at a meeting, and, except as otherwise provided herein, the acts of a majority of those Directors who are present shall be deemed to be the acts of the Board of Directors.

Section 6.13 Executive Committee. The Board of Directors shall have an Executive Committee consisting of the elected officers and such other persons, if any, as may be selected for that purpose by the Board. The Executive Committee shall exercise the powers granted to it by the Board of Directors.

Section 6.14 Other Committees. The Board of Directors may have other standing or ad hoc committees, with such powers, duties and members as may be determined by the Board of Directors from time to time. The President shall be an ex-officio member of all committees.

ARTICLE VII — OFFICERS

Section 7.1 Enumeration. The Stewardship Foundation shall have a President, a Vice-President, a Secretary and a Treasurer, and may have such other officers and assistant officers as the Board of Directors shall authorize from time to time.

Section 7.2 Election. The officers of the Stewardship Foundation shall be elected by the Board of Directors at an organizational meeting to be held not more than thirty days after the close of each Annual Meeting of the members of the Stewardship Foundation. Interim elections to fill unexpired terms of officers may be conducted by the Board as the need arises.

Section 7.3 Nominations. Prior to each organizational meeting, the President, in consultation with the Executive Committee, may appoint a Nominating Committee to nominate officers for election by the Board of Directors. Additional nominations may be made from the floor at the organizational meeting.

Section 7.4 Duties of Officers. The duties of the officers shall be the usual and customary duties of the offices so held or may be prescribed by motion or resolution.

ARTICLE VIII — EXECUTIVE DIRECTOR AND STAFF

The Board of Directors may choose to employ an Executive Director to administer the day-to-day activities of the Stewardship Foundation and to execute the policies, programs and other measures for carrying out the purposes of the Stewardship Foundation and such other duties as may be assigned from time to time by the Board of Directors, the Executive Committee or the President. The Executive Director shall participate in meetings of the Board of Directors, but shall not have the power to vote on any matter under consideration by the Board. The Executive Director shall be responsible for employing and supervising such staff as may be authorized from time to time by the Board of Directors.

ARTICLE IX — ACTIONS CONSISTENT WITH *THE BOOK OF DISCIPLINE*

The affairs of the Stewardship Foundation shall be conducted in a manner consistent with *The Book of Discipline of The United Methodist Church*, insofar as such provisions apply to the Stewardship Foundation. Funds held for investment shall be invested in harmony with the Social Principles of The United Methodist Church.

ARTICLE X — RELATIONSHIPS

The Stewardship Foundation shall be amenable to the Conference and shall work in coordination and cooperation with the Conference, its agencies, local churches, and the institutions related thereto, and shall provide such financial development services as may from time to time be mutually agreed upon by the Stewardship Foundation and those institutions.

ARTICLE XI — AMENDMENT OF BYLAWS

Section 11.1 Authority of the Board. Subject to the limitations provided by law, *The Book of Discipline of The United Methodist Church*, and the Stewardship Foundation's Articles of Incorporation, the Board of Directors shall have the power to make, alter, amend or repeal the Bylaws of the Stewardship Foundation, subject to the power of the members of the Stewardship Foundation to veto, alter, amend or repeal the same. Any such action to change the Bylaws shall require a two-thirds vote of the Directors then in office. This may be done at a regular or special meeting duly convened after written notice of that purpose to all of the Directors.

Section 11.2 Authority of Members. If the Bylaws should be changed by the Directors as specified in Section 1, written notice of that change shall be given to the members of the Stewardship Foundation within thirty (30) days after approval of the change by the Board of Directors, but not less than ten (10) days prior to the next meeting of the members. The members need not take any action upon such a change but they have the authority to approve, veto, alter, amend or repeal the same, by a two-thirds vote of voting members present at a properly scheduled meeting of the membership.

ARTICLE XII — LIMITATION OF DIRECTOR MONETARY LIABILITY; INDEMNIFICATION

Section 12.1. A Director of the Stewardship Foundation shall not be personally liable, as such, for monetary damages for any action taken, or for any failure to take any action, unless (1) the Director has breached or failed to perform the duties of his or her office and (2) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. This Bylaw shall not apply to the responsibility or liability of a Director pursuant to any

criminal statute or to the liability of a Director for the payment of taxes pursuant to local, state or federal law. No amendment to or repeal of this Bylaw shall apply to or have any effect on the personal liability for monetary damages of any Director of the Stewardship Foundation for, or with respect to, any act or omission of such Director occurring prior to such amendment or repeal.

Section 12.2. The Stewardship Foundation shall indemnify any Director or officer, and may indemnify any other employee or agent, who was or is a party to, or is threatened to be made a party to or who is called as a witness in connection with any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of this Stewardship Foundation, by reason of the fact that he or she is or was a Director, officer, employee or agent of this Stewardship Foundation or is or was serving at the request of this Stewardship Foundation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding unless the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

Section 12.3. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article XII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, contract, vote of shareholders, members or directors or pursuant to the direction, howsoever embodied, of any court of competent jurisdiction or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. It is the policy of this Stewardship Foundation that indemnification of, and advancement of expenses to, Directors and officers of this Stewardship Foundation shall be made to the fullest extent permitted by law. To this end, the provisions of this Article XII shall be deemed to have been amended for the benefit of the Directors and officers of this Stewardship Foundation effective immediately upon any modification of the Nonprofit Corporation Law of 1988 of the Commonwealth of Pennsylvania (the "NPCL") which expands or enlarges the power or obligation of corporations organized under the NPCL to indemnify, or advance expenses to, Directors and officers of this Stewardship Foundation.

Section 12.4. This Stewardship Foundation shall pay expenses incurred by an officer or Director, and may pay expenses incurred by any other employee or agent, in defending a civil or criminal action, suit or proceeding in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by this Stewardship Foundation.

Section 12.5. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article XII shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 12.6. This Stewardship Foundation shall have the authority to create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner, its indemnification obligations, whether arising under these bylaws or otherwise. This authority shall include, without limitation, the authority to (i) deposit funds in trust or in escrow, (ii) establish any form of self-insurance, (iii) secure its indemnity obligation by grant of a security interest, mortgage or other lien on the assets of the Stewardship Foundation or (iv) establish a letter of credit, guaranty or surety arrangement for the benefit of such persons in connection with the anticipated indemnification or advancement of expenses contemplated by this Article XII. The provisions of this Article XII shall not be deemed to preclude the indemnification of, or advancement of expenses to, any person who is not specified in Section 2 of this Article XII but whom this Stewardship Foundation has the power or obligation to indemnify, or to advance expenses for, under the provisions of the NPCL or otherwise. The authority granted by this Section 6 shall be exercised by the Board of Directors of this Stewardship Foundation.

Section 12.7. The repeal of this Article XII or any amendment thereof which may impair or otherwise diminish the protection afforded hereby to the persons described herein shall be effective only with respect to acts or omissions by such persons which occur after the effective date of such repeal or amendment and shall have no effect whatsoever with respect to acts or omissions occurring prior to such effective date.

ARTICLE XIII — INFORMAL ACTION

Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if prior to such action a written consent thereto is signed by all members of the Board of Directors or of the committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board of Directors or the committee.