

# **BY-LAWS OF ST. JOHN LUTHERAN CHURCH RUSSELL, KANSAS (DRAFT)**

## **SECTION 1 Annual Meeting**

The annual business meeting of the congregation shall be held in the month of January, the date and time to be determined by the Congregation Council.

## **SECTION 2 Duties of the Officers**

- a. The Congregation Council president shall serve as the president of congregation. The President shall preside over all meetings of the Congregation Council and the congregation.
- b. The Congregation Council vice-president shall serve as the vice-president of the congregation. The Vice-President shall preside over all meetings of the Congregation Council and the congregation, in the absence of the president.
- c. The Congregation Council secretary shall serve as secretary of the congregation. The Secretary shall keep accurate and complete records of the meetings of the Congregation Council and the congregation and shall report regularly to Congregation Council and the congregation. Such records shall be kept in order and be accessible whenever needed as part of the permanent records of the congregation.
- d. The Congregation Council treasurer shall serve as treasurer of the congregation. The Treasurer shall disburse funds according to the budget of the congregation and report regularly to the Congregation Council and the congregation.

## **SECTION 3 Fiscal Year**

The congregation's fiscal year shall coincide with the calendar year.

## **SECTION 4 Audit Committee**

The Audit Committee/or an engaged third party shall audit the financial accounts of the congregation and all its auxiliary organizations every 3 years. A written statement as to the findings of the audit shall be entered in each set of financial books audited and the statement shall be signed by each member of the Audit Committee/or the person(s) who performed the audit. The findings and recommendations of the Audit Committee/or engaged third party Audit Report shall be included in the annual report to the congregation and shall be presented to the congregation for its approval.

## **SECTION 5 Standing Committees**

- a. At its first meeting of each congregational year, the Congregation Council shall appoint as many standing committees as the local and wider concerns of the congregation shall require. Each committee shall be composed of one or more members of the council and, in addition, other members of the congregation. The council representative shall serve as liaison between the council and the committee and as recording secretary of the committee. Although appointed by and responsible to the Congregation Council, these committees shall be recognized as representatives of the interests of, and performing essential services for, the congregation as a whole. The pastor shall have voice and vote in all committees.
- b. The duties of all committees shall be assigned by the Congregation Council, along with such instructions as in its judgment are in the best interests of the congregation. All actions of committees shall be subject to review by the council.

## **SECTION 6 Altar Guild**

There shall be an Altar Guild elected by the congregation at its annual meeting. The Altar Guild shall have a constitution that is approved by the council and congregation.

## **SECTION 7 Financial Secretary**

The Congregation Council shall annually elect a financial secretary for the congregation who shall report to, but shall not be a member of, the Council. The Financial Secretary shall be responsible for the accurate counting and recording of all offerings.

## **SECTION 8 Removal of Members**

Members may be removed from the roll for those reasons cited in the Constitution.

- a. Removal from the roll due to inactivity may take place, by action of the Congregation Council, when a member fails to commune or contribute (for record) for two consecutive calendar years.
- b. Such removed members will remain a matter of continuing pastoral concern for the congregation.

## **SECTION 9 Accounting and Internal Control Procedures**

### *Receipts*

- a. After each service, ushers will place all collected money (cash and checks) into sealed manilla envelopes, which are then deposited in the lockbox on the church office door.
- b. All offerings in the door lockbox shall be tallied in ink, dated, and signed by two offering counters. The tally sheet shall be provided to the Bookkeeper and Financial Secretary. Offering counters will deposit the money in the bank the next business day following the weekend. Offering counters enter the deposit into the Accounting Software by *Donee*.
- c. All receipts received in the mail or in person through the church office shall be placed in the door lockbox. These receipts will be collected, photocopied and tallied in ink by the Bookkeeper.
- d. Undeposited receipts shall be kept in a locked safe or file cabinet until deposited.
- e. Deposits shall be made at least once weekly by the Bookkeeper.
- f. The Bookkeeper shall reconcile the deposit receipts to the tally sheets and donations on a weekly basis.
- g. All donations, memorials, and receipts shall be classified in accordance with the donor's intent. The Bookkeeper shall provide a monthly report of donations by category to the council.

### *Door Offering Lock Box*

- a. A limited, select number of individuals will have a key or know where the key to the door offering lockbox is.

### *Disbursements*

- a. All expenditures shall be supported by proper documentation. Each credit card transaction shall have receipts with accurate documentation attached.
- b. The church council shall vote to open any additional credit cards in the church's name.
- c. All invoices shall be approved by the Council Treasurer prior to payment.

- d. The Bookkeeper shall process the invoices and prepare checks for signature.
- e. Checks shall be attached to the supporting documentation prior to presentation for signature.
- f. All checks shall be verified against the supporting documentation by the signer.
- g. Checks shall be signed by the Council Treasurer and the Council President. If one of these two are not available to sign a check prior to the payment due date, the Council Vice President shall be the second signer. The Council Secretary will be the third signature backup.
- h. Check stock shall be kept in a locked safe or file cabinet and may not be signed in advance.
- i. On a monthly basis, musicians must fill out and sign the musician payment request form in order to be paid.
- j. A reimbursement form must be filled out and signed with receipts attached for proper reimbursement.

#### *Payroll and Associated Taxes*

- a. Proper documentation shall be provided for all new hires including:
  - a. Rate of pay or an annual contract signed by employee and Council President stating the annual salary amount or wages and any benefits agreed upon, by Church Council. The employee's Social Security Number must be on file for payment of wages.
  - b. Form W-4
  - c. Form I-9, Driver's License or other federally accepted form of ID.
- b. All employee terminations shall be documented as to the cause of the termination.
- c. All documentation shall be permanently placed in the employee's personnel file.
- d. All personnel files shall be stored in a locked file cabinet.
- e. Hourly employees shall complete and sign a timecard every two weeks prior to payroll.
- f. The Bookkeeper shall ensure that all federal and state payroll filings are made on a timely basis.
- g. The Bookkeeper shall enter all pastoral compensation and benefits information into the ELCA benefits provider network.

#### *Capital Expenditures*

- a. All capital items shall be approved by the council prior to purchase.
- b. All capital expenditures greater than \$20,000 shall be procured through a competitive bidding process with not less than three bids, unless it can be shown that the particular item is only available through a limited number of vendors.

#### *Fund Transfers*

- a. All transfers between funds shall be approved by the Council.
- b. The Bookkeeper will make transfers via paper check. (not online transfer)

#### *Loans & Borrowing*

- a. All loans shall be approved by the Council.
- b. Accrued interest expenses shall be recorded to the general ledger on a monthly basis.

- c. Loan statements from the lender shall be reconciled to the general ledger on a monthly basis.

#### *Bank Reconciliations*

- a. The unopened monthly bank statement shall be provided to and reviewed by the Council Treasurer prior to reconciliation by the Bookkeeper.
- b. Bank reconciliations shall be done on a monthly basis.
- c. Any items outstanding for more than 90 days shall be brought to the attention of the Council Treasurer for resolution.

#### *Bank Accounts and Investments*

- a. The church council will vote to open or close any and all bank accounts if need be.
- b. Ministerial staff, both ordained and lay clergy, shall not have access to or signature authority over any bank or investment accounts.
- c. The congregational council president, vice president, treasurer, and secretary are to be the designated signers on all bank and investment accounts.
  - a. Signature cards should be updated each year as new representatives are appointed to these positions.

#### *Data Security*

- d. All accounting software and data files shall be password protected.
- e. Each individual shall have their own login and password.
- f. All computers shall have security software installed and running at all times.
- g. All security software updates shall be installed as updates become available.
- h. No data files or data back-ups shall ever leave the premises.

#### *Record Retention*

- a. All financial records shall be retained for a minimum of ten years.

### **ATTEST**

I, the undersigned, do hereby certify that I am the duly elected and acting secretary of St. John Lutheran Church; and that the foregoing bylaws constitute the bylaws of the congregation as duly adopted by the Congregation Council on the 12<sup>th</sup> day of November 2024, and approved by congregational vote at the Annual Congregational Meeting on the 26<sup>th</sup> day of January 2025.

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Carol Fritz, Secretary