
Excerpts from the April 4-5, 2022 DEXCOM Meeting Model Church Bylaws Revisions

The following proposed amendment was included in the Decision Profile brought to the April 4-5, 2022 DEXCOM meeting regarding the approval of revisions to the *Model Church Bylaws*:

Revision of:

- 5.2 *The Board may, upon approval of the District Executive Committee:*
- a) *borrow money upon the credit of the church by obtaining loans or advances or by way of overdrafts or otherwise*
 - b) *issue, sell, or pledge securities of the church including bonds, debentures, and debenture stock for such sums on such items and at such prices as they may deem expedient*

To:

- 5.2 THE CHURCH SHALL NOT BUY, SELL, OWN, OR PLEDGE PUBLICLY TRADED BONDS OR SECURITIES WITHOUT THE APPROVAL OF THE DISTRICT EXECUTIVE COMMITTEE.

Rationale:

The District Bylaws Committee is concerned that neither DEXCOM nor churches fully understand the potential ramifications of including 5.3 b) in a church's bylaws as it is currently written. For example, on a literal reading of 5.3b), a church that wants to receive donated securities instead of donated cash is prohibited from accepting a donation of securities (as it results in ownership by the church) without first obtaining DEXCOM's permission and it is also prohibited from selling those same donated securities without first obtaining DEXCOM's permission.

As another example, with the way 5.3b) is currently written, churches that want to invest excess cash and/or designated funds in any kind of publicly traded bonds or securities would need DEXCOM's approval to not only buy those bonds or securities in the first place, but also before selling or cashing in any of those bonds or securities.

It is likely that churches that currently include this clause in their bylaws and that are engaging in these types of activities are not abiding by 5.3 b) as it reads and that in turn, DEXCOM is not aware of the responsibility it has in this regard.

Also of concern, should a church choose to exclude the current 5.3 b) from their bylaws, they would have no requirement to obtain DEXCOM's approval in order to buy, sell, or own securities.

The committee is concerned that DEXCOM and/or church boards are exposed to potential liability and risk with how clause 5.3 b) is currently written because there is an absence of any DEXCOM oversight and/or policies regarding risk management around a church issuing, buying, selling, owning, or pledging securities of the church. The committee is also concerned that churches that choose to exclude 5.3 b) from their bylaws and that do issue, buy, sell, own, or pledge securities could expose DEXCOM and/or their church board to potential liability and risk in the absence of policies regarding the same.

Recommendations:

That DEXCOM gives authority to the Finance Committee to approve church loans and/or lines of credit up to a specified DEXCOM-approved amount.

THAT DEXCOM tasks the Finance Committee with developing a policy for DEXCOM's approval that provides appropriate risk management parameters, including acceptable types of investments and about the DEXCOM approval processes regarding the buying, selling, owning and/or pledging of publicly traded bonds of securities by a CPD church. This policy would also need to factor in risk management matters in the case of a church receiving donated publicly traded bonds and/or securities as the church would then own those.

DEXCOM did not approve the recommendation, but rather struck the following action item:

Action Item – The Bylaws Committee and the Finance Committee to provide input on clause 5.3 of the *Model Church Bylaws* and its interpretation for churches, while considering the *Local Church Constitution*, the CPD Bylaws, the work that DEXCOM does, and the potential need for any policy changes or creation.