

How Does This Affect Our Church Polity?

Legal experts agree that there is no inconsistency between the incorporation of a local Church of God and operating under our present ecclesiastical polity. If all of the above requirements are met, there should be no inconsistency whatsoever between incorporation of a local church and our present ecclesiastical government in operation. The important thing is to employ attorneys who know our structure, and who are willing to work with the church in complying with Church of God requirements. This will benefit the local church.

Some persons have expressed a doctrinal objection to incorporation of churches, as giving too much authority to the state or partnering with government. However, these objections need to be viewed in light of current business and legal realities, as well as the fact that they overlook the realities of potential liabilities to individual members of our churches, in some cases.

Conclusion

Our local churches should strive to be current on all aspects of their day-to-day operations. Because of the change in the way that our business and legal communities operate, it is

necessary for all of our local churches to review this issue thoroughly. Some of these issues also may apply to our state offices. Where applicable, the legal department of the Church of God also gladly will assist attorneys in providing form or sample corporate documents to assist in the incorporation process. These documents will need to be tailored to meet requirements in each individual state. If you have any questions regarding this topic, please do not hesitate to contact our legal counsel as follows:

Dennis W. Watkins, Legal Counsel
Church of God International Offices
PO Box 2430
Cleveland, TN 37320-2430
Telephone: 423-478-7056
Email: cogls@aol.com

**Incorporation
of Local
Churches
in the
Church of
God**

YES OR NO?

History

The incorporation of local churches is an emerging issue in the Church of God. Our church forefathers came in large part from the Methodist Church, and we inherited a governmental and property structure similar to the Methodist Church, with some variation. Included in this history has been a general disfavor of incorporation of local churches.

The *Church of God General Assembly Minutes*, S1, IV, Subparagraph D., Page 120, and S37, IV, Page 138, of the 1998 *Minutes* state as follows:

“That steps be taken to dissolve the incorporation of states or local churches where practical, and that where it is necessary to incorporate states or local churches, that said action be first approved by the General Executive Committee.”

It should be noted that these provisions were passed in the 1952 General Assembly. During the decades since 1952, however, much has changed in our country's business and legal environment. Churches now face unprecedented numbers of lawsuits, and the business requirements of everyday operation of churches is much more complex.

Sensing this need for flexibility in the business and legal operations of our local churches, in 1994, the General Assembly adopted S46 of the 1998

Minutes, “Incorporation of Local Churches,” which recognizes the necessity of some local churches to incorporate, and provides guidelines for doing so. This section also sets out language necessary to be placed in the articles of incorporation, bylaws, or charter of incorporated local churches.

Should Our Local Churches Incorporate?

The question of whether or not to incorporate a local Church of God should be answered by competent professionals in each of the respective states where our churches are located. Some state laws actually require the incorporation of local churches, while others do not allow for it. The best advice is for our local pastors to seek competent local legal counsel regarding this issue and to consult with Church of God representatives, to make sure that our polity is defined in incorporation of local churches. It should be pointed out that in some states, the failure of a local church to incorporate actually may subject the individual members of that local church to exposure for payment of judgments or liens against it. These states have held that members of an *unincorporated* local church are personally liable for any debts or other obligations of that local church.

This is not the holding in all states, but competent local attorneys should

answer these questions regarding the different applicable state laws.

How to Incorporate

Presently, our local churches should know that in order to incorporate, the following must occur:

1. Approval must be obtained in writing, from the General Executive Committee;
2. The provisions of S46 must be placed in the corporate articles of incorporation, bylaws, or charter; and
3. The Church of God deed forms must continue to be followed, with the proper denominational clauses inserted therein, with the deed form going to the corporation, and not a local board of trustees.

Following incorporation of a local church, the local church must act like a corporation, and not as an unincorporated association. It must do business in the corporate form, hold regular corporate meetings, have corporate minutes of all matters of business passed upon, and should be able to prove that it operated as a corporate entity.