

APOSTOLIC INSTITUTE OF MINISTRY

MINISTERIAL TRAINING COURSE

To The IRS, With Love

Lesson One

NOTE: This class is designed for students residing in the United States of America only. The regulations of other nations concerning churches may vary significantly from those presented in this class.

READ: I Corinthians 12:28

THINK: According to the above verse, God has put "governments" into the church. God has given the ministry authority to "govern" the church. It needs to be pointed out here that the church is neither a dictatorship, with the clergy in control, nor a democracy, with the people ruling. The church is a theocracy, ruled by the Holy Ghost. Decisions regarding how the church is to be run are made prayerfully by the ministry, searching the Word and seeking the Lord for guidance. Only if the church is in obedience to the revealed will of God is it truly His church.

Secular governments do regulate the establishment of churches. Since the scriptures instruct us to obey our rulers, we try to comply with government regulations. But, and this is very important, the Word of God takes precedence over every secular government. Therefore, if government regulations violate scripture, we must disobey those government regulations. For example, certain municipalities forbid church meetings in private homes. The scriptures, however, teach that home meetings are part of first century Christianity. So the city may say no, but the Bible says yes. The Bible wins. Maybe we'll be thrown in jail for obeying the Word. So what? The Book of Acts makes it clear that jails aren't very good at holding Apostolic believers imprisoned for their faith!

Most of the regulations imposed on churches seem silly, but if they don't violate scripture, we need to comply with them. These regulations, if obeyed, offer the advantage of exempting the church from paying taxes to the Federal government, from paying property tax, from paying state income tax (where such tax exists), and from paying state and local sales taxes. (Some states, for example Arizona, do not exempt churches from paying sales tax.)

The government has regulations involving how churches are founded, how they are run, and even how they are dissolved. The ministry needs to be familiar with these regulations, and needs to know what the government expects from the church.

WRITE: In the past, certain local governments passed laws forbidding dancing on Sundays. These laws were enforced against churches that used dancing as a form of worship (as we do). For example, Mother Ann Lee, founder of the Shakers, was often arrested under such anti-dancing laws. If such laws were in existence today, how should the church respond to them? Should we modify our worship to exclude dancing, or should we ignore the laws? (According to scripture, dancing is an appropriate form of worship [Psalm 150]).

APOSTOLIC INSTITUTE OF MINISTRY

MINISTERIAL TRAINING COURSE

To The IRS, With Love

Lesson Two

READ:

THINK: Knowing how to start a church (from the legal perspective) is primarily the concern of the Apostle. However, many times, new churches are opened by saints who live in an area without a church. They may start by holding Bible studies and inviting a Pastor from another city. When that Bible study has grown and is ready to become a church, that visiting Pastor would need to know how a new church is founded.

If a new church is to be independent, that is, not part of a denomination, the paperwork involved can be quite overwhelming. There are basically two routes that can be followed. One is to incorporate under the laws of the state. This can be expensive for a small church, and may require some legal assistance. The other option is to apply to both the IRS and the state for recognition of exemption from tax. Procedures for state recognition vary from state to state. The IRS procedure is very complicated, expensive, and may take months to complete.

If a new church is to be part of a denomination, that denomination may have a "Group Exemption," which would relieve the new church of a great deal of the paperwork. Our organization achieved recognition as a denomination from the IRS in 1981. New churches joining us can be added to our Group Exemption, and, with the completion of a few simple documents, can be recognized by the Federal government in a matter of days.

WRITE: Why should all ministers understand the procedures for starting a new church?

APOSTOLIC INSTITUTE OF MINISTRY

MINISTERIAL TRAINING COURSE

To The IRS, With Love

Lesson Three

READ: Matthew 16:17-19; 18:20

THINK: How is a new church founded? (The instructions in these lessons apply to new churches in the USA that are to be part of this denomination, not independent churches or churches outside the US.) First, at least two people are needed to found the new church. Not only does this agree with the scripture we read (Matthew 18:20), but it provides for more than one signature on the founding documents.

NOTE: When a new church is to join this organization, we strongly recommend that it not incorporate under the state laws. Incorporation greatly complicates the inclusion of the church in the denomination.

The new church needs founding documents. Our churches usually use a Constitution and Bylaws. This lesson will deal with the Constitution. The Constitution is a document that actually creates the legal entity that is to be the new church.

Attached is a sample Constitution. When a new church is being founded, the District Superintendent will work with the founders to tailor this document to fit the new church. When the Constitution is customized, it is sent to the founders for their signatures. Multiple copies are usually signed, or signed copies are photocopied.

Review the attached sample Constitution.

WRITE: How many people are required to start a new church? Why?

LOCAL CHURCH CONSTITUTION

FIRST APOSTOLIC CHURCH

123 Any Street
Yourtown, NY 12345

ARTICLE I - NAME

The name of this assembly shall be First Apostolic Church of Yourtown, New York.

ARTICLE II - OBJECTS

The objects for which this assembly is formed shall be to teach and expound the Gospel of Jesus Christ according to the Scriptures, and to educate and lead people in the ways of salvation, goodness, righteousness, morality and temperance as taught in the Bible. It shall have the right to possess, buy, mortgage, sell, lease, barter and exchange real and personal property, to borrow money, collect funds, receive gifts and legacies as it may judge necessary for the attainment of these objects, all in accordance with its Constitution or as the same may be modified or amended hereafter.

ARTICLE III - MANAGEMENT

The management of this local assembly - spiritual, religious, educational and temporal - shall rest in its Pastor, who shall be an ordained minister, duly credentialed by the Affirming Pentecostal Church, inc.

ARTICLE IV - FAITH

This assembly shall accept the Holy Scriptures as the revealed will of God, the all-sufficient rule of faith and practice, and for the purpose of maintaining a spirit of unity, adopts the statement of fundamental truth as follows:

We accept the whole Bible as the declaration of faith. We believe in one God, Jesus Christ, the Maker of all things, Savior of humanity. The Bible in its entirety is the Word of God and the only infallible rule of faith and conduct. We believe in the soon coming of Jesus to claim His church. We accept the Bible standard of full salvation as found in Acts 2:38. We believe in personal holiness of heart and life, and separation from the things of the world. We believe in divine healing, as well as the operation of the nine gifts of the Spirit within the church (I Corinthians 12). We pledge ourselves to intensive personal evangelism both at home and abroad with the goal of reaching the lost for Christ.

ARTICLE V - MEMBERSHIP

Membership in this assembly shall be open to all who give evidence of their faith in the Lord Jesus Christ and who voluntarily adhere to the tenets of the faith.

ARTICLE VI - MEETINGS

This assembly shall hold regular worship services, the schedule and order of which will be determined by the Pastor.

ARTICLE VII - FINANCES

All funds for the maintenance of the assembly shall be provided through the tithes and offerings of the members and friends of the assembly.

ARTICLE VIII - PROPERTY

All property of the assembly shall be deeded to the assembly and held in its name. No property of the assembly shall be sold, mortgaged, leased, or otherwise disposed of without the approval of the Pastor.

ARTICLE IX - AMENDMENTS

This Constitution may be amended or changed by a two-thirds vote of the membership of the assembly who are in attendance at a special meeting called for

that purpose by the Pastor, provided due notice of such proposed change shall have been made at all services for at least two weeks preceding the time of such meeting.

Rev. I.B. Called
Pastor

Date

I.C. All
Witness

Date

APOSTOLIC INSTITUTE OF MINISTRY

MINISTERIAL TRAINING COURSE

To The IRS, With Love

Lesson Four

READ:

THINK: While the Constitution actually founds the new church, the Bylaws specify how it is to be run. They contain detailed information on such topics as the authority and duties of the Pastor, membership requirements, and property rights.

The Bylaws, also, will be tailored to suit the new church. Once an acceptable document has been created, the District Superintendent will send it to the founders of the new church for their signatures.

Review the attached sample Bylaws. Notice Article IV, the Dissolution clause. This clause is required by the IRS.

WRITE: Explain the difference between a Constitution and Bylaws. What is the purpose of each?

LOCAL CHURCH BYLAWS

FIRST APOSTOLIC CHURCH

123 Any Street
Yourtown, NY 12345

ARTICLE I - DUTIES OF PASTOR

Sec. 1. The Pastor shall be considered as the spiritual overseer of the assembly and shall direct all of its activities. He/She shall be the President of the assembly and shall act as chairperson of any business meetings of the assembly. He/She shall be an ex-officio member of all committees or departments. He/She shall provide for all the services of the assembly, and shall arrange for all special meetings, conventions, or revival campaigns. No person shall be invited to speak or preach in the assembly without his/her approval.

Sec. 2. If the Pastor of this assembly desires to resign from his/her position, he/she shall first appoint a suitable replacement. If the position of Pastor should become vacant due to death, incapacitation, or any other reason, and the previous Pastor did not designate a replacement, then a new Pastor shall be appointed by the Affirming Pentecostal Church, inc.

Sec. 3. The Pastor, or his/her designee, shall keep the minutes of any business meetings of the assembly.

Sec. 4. The Pastor shall be entrusted with the finances of the assembly. He/She shall deposit all funds in a responsible bank in the name of the assembly, and shall disburse the same by check. The Pastor shall keep an itemized account of the receipts and disbursements. The Pastor may appoint a Treasurer to handle the aforementioned financial duties, however, all checks must be signed by the Pastor, and an appointed Treasurer shall submit a monthly financial statement of receipts and disbursements to the Pastor. Appointment as Treasurer may be revoked by the Pastor at any time.

ARTICLE II - MEMBERSHIP

Sec. 1. The Standard of Membership -- The Standard of Membership in this assembly shall be evidence of a genuine experience in regeneration (the New Birth), and a consistent Christian life. John 1:12,13; 3:3-8; Acts 2:4,38; Romans 6:4; 8:1-4; 13:13-14; Ephesians 4:17-32; 5:1-8,15-16; I Peter 1:1-25; I John 1:6-7.

Sec. 2. The Pastor shall be authorized to revise the membership roll of the assembly and to remove from the list the names of those who have withdrawn from the fellowship.

ARTICLE III - PROPERTY RIGHTS

Sec. 1. All property, real or chattel, shall be taken, held, sold, transferred or conveyed in the name of the assembly.

Sec. 2. No real or chattel property of the assembly shall be sold, leased, mortgaged, or otherwise alienated without the authorization of the Pastor.

Sec. 3. In the event the assembly is divided by doctrinal differences, the members holding to the original faith as set forth in this assembly shall retain title to the property.

ARTICLE IV - DISSOLUTION

In the event that the assembly ceases to function, and the assets, property, etc., have not been sold, and there are no remaining active members, then the said real or chattel property shall revert to the Affirming Pentecostal Church, inc, who shall have full authority to use or dispose of the property, and in the event of sale, the proceeds derived therefrom shall be used toward the founding of new churches. Should the named distributee be unwilling or unable to accept the assets of this assembly at the time of dissolution, all such remaining assets shall be distributed to an organization organized for religious or charitable purposes according to Section 501(c)3 of the Internal Revenue Code.

ARTICLE V - AMENDMENTS

The Bylaws may be amended by a two-thirds vote of the members present at a special meeting called by the Pastor for that purpose, provided that the proposed amendment has been announced at all services for two weeks prior to the time of such meeting.

I.B. Called
Pastor

Date

I.C. All
Witness

Date

APOSTOLIC INSTITUTE OF MINISTRY

MINISTERIAL TRAINING COURSE

To The IRS, With Love

Lesson Five

READ:

THINK: Once a Constitution and Bylaws have been signed, it's time to alert the IRS to the existence of the new church. We do this by applying for an Employer Identification Number. This number is used by the government to identify the church, just as your Social Security Number is used to identify you. The church must have an Employer Identification Number, even if the church has no paid employees. The church would not be allowed to open a bank account or conduct business without this number.

To obtain the new number, the founders must file Form SS-4 with the IRS. This can be done online, and a new number will be assigned almost immediately. Alternately, the form can be requested from the IRS and filled out as a paper document, and mailed to the IRS. The IRS will then assign a number to the church and will notify the church of the number by mail. This method usually takes a couple of weeks. The new church should notify the District Superintendent of its number. There is a space on the form, both the online and paper versions, asking for a Group Exemption Number, if the church is to be part of a denomination. The Group Exemption Number for us is 9176. If help is needed in filling out the form, the District Superintendent should be able to offer assistance.

It is essential that proper records be kept by the new church. A file cabinet is an important investment. Such papers as the Constitution, Bylaws, notification of Employer Identification Number, etc. should be kept in a safe place, whether that be a file cabinet, or a metal strong box. The founders should know where these papers are at all times.

WRITE: Does a church with no paid employees need an Employer Identification Number?

APOSTOLIC INSTITUTE OF MINISTRY

MINISTERIAL TRAINING COURSE To The IRS, With Love Lesson Six

READ:

THINK: The new church, once it has notified the District Superintendent of its Employer Identification Number, should write a letter to the denomination's Secretary, authorizing the organization to include the new church in the Group Exemption. The new church should keep a copy of this letter (as well as of all correspondence that goes out of their office). See the attached sample.

Upon receipt of this letter, the Secretary will send a certificate to the new church, indicating its membership in the denomination. The Secretary will also notify the IRS that the new church has joined the denomination. (The Secretary and District Superintendent will need photocopies of the church's Constitution and Bylaws at this time, if they do not already have them.) At that point, the new church is automatically recognized by the Federal government as a church, and is exempt from paying any taxes to the Federal government.

Depending upon which State the new church is located in, obtaining recognition from the State can be very simple or very complicated. In any case, the District Superintendent will act as a liaison between the State and the new church as much as possible. This person will determine what the State requires, will notify the church of those requirements, and will do as much of the paperwork as possible. The goal is to free the ministry in the new church from as much governmental red tape as possible, so they are free to concentrate on the spiritual needs of the church.

Certain states, for example Nebraska, will assign the new church a number to be used when making purchases. This number is given to merchants when making purchases for the church so that no state or local sales tax is charged. Some states exempt churches from paying sales tax, but do not assign any number. (Ex. Texas -- But Texas churches beware! A surprising number of merchants in Texas don't know

that the State does not assign numbers to churches, and may try to argue with you or charge you sales tax. Let your District Superintendent know if this becomes a problem.) As mentioned in a previous lesson, some states don't exempt churches from paying sales tax. Arizona is one such State. If your church is in Arizona, you must pay sales tax!

If the church owns its own building, that property should be exempt from property tax. Notify the District Superintendent of whom the assessing authority is (city, town, etc.), and the proper procedure for obtaining exemption will be determined.

WRITE: Does Texas assign churches an exemption number? What about Nebraska?

FIRST APOSTOLIC CHURCH

123 Any Street
Yourtown, NY 12345
(012) 345-6789

Rev. I.B. Called
Pastor

July 27, 2003

Affirming Pentecostal Church, inc
Rev. I. Keep Records, Secretary
321 Another Street
Mytown, MI 48000

Dear Brothers and Sisters:

Greetings in the holy Name of Jesus! This letter serves as your authorization to include First Apostolic Church of Yourtown, NY in your Group Exemption.

Thank you, and God bless.

In His Service,

Rev. I.B. Called
Pastor

APOSTOLIC INSTITUTE OF MINISTRY

MINISTERIAL TRAINING COURSE To The IRS, With Love Lesson Seven

READ: Luke 10:7; I Corinthians 9:14; I Timothy 5:17-18

THINK: If a minister is self-employed, rather than employed by the church, he/she should pay self-employment tax. This tax is used toward Social Security payments in the event of death, disability, old age, or retirement, and makes payments toward providing services or medical care.

Some ministers do not feel that they should receive any such payments from the government based upon services they performed as a minister, and therefore, they may elect to file for exemption from paying self-employment tax.

The church has no position on this issue. If a minister wishes to be exempted from paying self-employment tax, he/she should fill out form 4361 in triplicate and file it with the IRS. This form is available from the IRS. More information on this can also be obtained from the IRS.

Please be aware that once you have filed this form and been granted an exemption, you may not change your mind! Once the exemption is granted, it cannot be changed.

WRITE: Final Exam follows this lesson.

APOSTOLIC INSTITUTE OF MINISTRY

MINISTERIAL TRAINING COURSE

To The IRS, With Love

Final Exam

1. What is the purpose of a Constitution?
2. What is the purpose of Bylaws?
3. Should churches that plan to join this denomination incorporate under the laws of their State?
4. Does a church with no employees need an Employer Identification Number?
5. How many people are needed to found a new church?
6. What does the Dissolution clause in the church Bylaws provide for?
7. Do all states exempt churches from paying sales tax?
8. Do all states issue exemption numbers to churches?

9. If government rules contradict scripture, which do we obey?

10. If a minister applies for, and is granted an exemption from paying self-employment tax, can he/she change his/her mind later?

Student's Name

Date