

C.O.R.E.

Church Organization and Registration Essentials

Steps for Registering, Organizing, and
Growing a Church Plant

Guidelines

Introduction

This course is intended to take the church planting pastor and the mother church pastor through the process of registering the church plant and organizing it in such a way that it will become a fully-independent church able to plant its own churches.

A fully organized church should be:

1. Self-Governing
2. Self-Sustaining
3. Self-Propagating

Note: As it pertains to a church name, steps 1 and 4 may need to be switched if the state requires the name needs to run through state name database.

Statement from the Board of General Superintendents:

(December 2015)

Any group that meets regularly for spiritual nurture, worship, or instruction, with an identified leader and aligned with the message and mission of the Church of the Nazarene, may be recognized as a church and reported as such for district and general church statistics.

Biblical Foundation

This is Christ's Church! Organizing a local congregation around the mission Christ has given us to make Christ-like disciples helps the local church to be effective. There are biblical foundations which support the need to organize. The following are a few Scriptures that show God's instruction about having order and structure.

Numbers

The Old Testament book of Numbers, as tedious as it is to read, is an example of God's focus on being organized for effectiveness.

"The theme of descendants marks the first event in Numbers, the census of Israel's fight men; the huge number which results (over 600,000) demonstrates the fulfillment of God's promise to Abraham of innumerable descendants, as well as serving as God's guarantee of victory in Canaan."(Dennis T Olson)

Chapters 1-10 describe how Israel is to be organized around the Sanctuary, God's dwelling place in their midst, under the charge of the Levites and priests, in preparation for the conquest of the land." (Jean-Louis Ska)

From the beginning, even at creation, we see organization in God's handiwork as well as His instructions to His people.

The Choosing of the Seven- Acts 6:1-7

When we Organize:

- All the essentials in the church and community are accomplished. Before the Hellenistic Jews complained and the disciples organized seven men to take care of the widows, the essential ministry of care for the needs of each other was being neglected.
- No one and nothing is left out.

Were it not for the disciples organizing seven men to oversee the care of the widows, they would have continued to fall through the cracks.

- The mission of the church moves ahead.

Verse 7 tells us that because they organized themselves, the Word of God spread and there was multiplication of disciples. Even priests—those who had been critical of Christ and Christians—began coming to faith.

- The mission of making Christ-like disciples becomes focal and we are more effective.

1 Corinthians 14:40

But everything should be done in a fitting and orderly way

Paul was writing to the church in Corinth, one of his daughter churches. He was giving them instructions about the need for order in worship services. He laid out detailed instructions and then wrapped it up with this statement that “everything should be done in a fitting and orderly way.” Many of us have been in worship services that were chaotic. No one knew what to do and who should do what. Paul says, that ought not to be so.

- Disorganization is counterproductive.
- No one knows what to do and who does what in a disorganized church.

When there is no order to things, chaos ensues and focus is lost. Organization helps us focus our goals and eliminates confusion. This is the case, not only in worship service, but in all aspects of the ministry of a local congregation.

Proverbs 16:3

Commit your actions to the Lord, and your plans will succeed

- Christ is the boss. He is the one who establishes our plans. Christ is the head of the Church. He is the one who has said, “I will build my Church...”. He has a plan for your congregation.
- Our job is to seek His plans and be committed to them. God’s plans, done with godly wisdom, in God’s timing, will always succeed.

Conclusion

Those in the harvest field, the ones heading for an eternity without Christ, deserve a church that is effective in its mission to them.

Organizing your congregation around the mission of making Christ-like disciples, goes a long way to effectiveness in accomplishing this mission.

“There is nothing like the church when it’s working right. The local church is the hope of the world.” (Bill Hybels)

Objections/Answers

- Why would a church planting pastor not want to register or organize the new church?
 - Here are some possible reasons for not organizing
 - Don't want to be hindered by structure
 - Don't want to pay budgets
 - Don't want to report
 - Don't want accountability
- What are some answers to those objections?
 - Here are some possible answers (*for instructor only*):
 - Spiritual Authority and Accountability: Paul made churches accountable to him, but if he didn't know about them, we wouldn't have letters to the Ephesians, Philippians, etc.
 - If you are not on the grid, you will not get the benefits
 - Registering qualifies you for the HOPE grant
 - Spiritual Authority: I don't want to be restricted by authority. Then why does anyone in your church attend your church? Do you have all the gifts? All the wisdom? All the ideas? Why are you the pastor?
- Who would want to be disorganized?
- Can we over organize?

Yes, you don't have to have every bucket full. Begin where you are.
- Conclusion: Don't over organize, don't under organize. Find the balance for your church. What is the best organizational structure for you at this point in your church plant?
- Be self-aware. If you like structure and bullet points, be aware and avoid it. If you a free, fly by the seat of your pants type person, be aware. Organization is based on your church's needs, not your personality type.

What is a PAC?

A PAC is a ministry (organic church, multi-site, multi-congregational, new work, church plant, etc.) that is reported as *affiliated* with a parent church. A PAC has a leader or pastor who is responsible for pastoral care of the group and is connected with a parent church.

- **Why PAC?**

We want to recognize and celebrate what we want to reproduce! The PAC designation was created to address the needs of churches beginning creative new congregations, who had no way of reporting those new works. Ethnic congregations, organic churches and multi-sites are notable examples. If these affiliated congregations are not registered, they do not receive literature, are not identified via official channels, and do not appear in any database and thus are "off the grid" and unidentifiable for collaborative efforts, networking, and mutual encouragement.

- **What's the difference between a Parent Affiliated Church (PAC) and a Church Type Mission (CTM)?**

CTMs are any not-yet-organized churches which may or may not have a parent church. In contrast PACs are affiliated with a parent church and may be classified as a not-yet-organized church or an organized church.

- **If a PAC is not a separate entity, what's the difference between a PAC and a small group?**

A small group which is started to reach new people could become a PAC. PACs normally have a leader, are evangelistic, and function as distinct congregation. Final definitions are left to the discretion of the parent church and PAC leader.

- **How are PAC statistics reported?**

All PACs are assigned a unique church number. A PAC will appear in the district journals and within computerized data systems at the Global Ministry Center, indented beneath the parent church. This solves a reporting (and identification) problem for congregations-within-churches.

- A PAC has the option of including some or all of its statistical data with the Parent Church's data. Both the Parent Church and PAC will fill out the Annual Pastor's Report (APR), but there is great flexibility in how the statistics are divvied up, since in all reports they will appear together. PACs and CTM's can have members, they can be listed either under the mother church or the PAC but just can't be counted twice.

- **What about participation in denominational allocations, “Funding the Mission?”**

All Nazarene congregations may participate in denominational allocations. For organized congregations the established goals are 5.5% for the World Evangelism Fund, 2.25% for Pensions & Benefits USA, 2.25% for your regional College or University, and whatever allocation may be assigned by the district. For not-yet-organized congregations, the participation in any denominational funding is determined by the district. PAC churches, whether organized or not-yet-organized, may report their denominational funding independently or through the mother congregation.

Steps 1-2

Step 1- Inform the District

Contact the district office to inform the DS of your new church plant. Good communication ensures that at the formal organization (Step 8), there are no surprises. At that time (Step 8), the district superintendent will arrange for organization and the DS and the District Advisory Board must approve the name of the new church. The following paragraphs apply to Step 8 and are listed here to ensure good communication.

- a. **Manual** 100. Organization: Local churches may be organized by the district superintendent, or by the general superintendent having jurisdiction, or by an elder authorized by either of them. Official reports of new churches shall be filed with the General Secretary's office through the respective jurisdictional offices. (23, 107, 208.1, 536.12)
- b. **Manual** 101. Name: The name of a newly organized church shall be determined by the local church in consultation with the district superintendent and with the approval of the District Advisory Board (102.4).

Step 2- Register your Church Plant with the Global Ministry Center (GMC)

- Similar to a birth certificate, this registration shows you belong to the Nazarene family of churches-an official identification with the Church of the Nazarene. It provides the GMC staff with names and addresses and other details about your developing church. The registration number assigned to your church will remain with the church for its entire history; it is used for communication, reporting, research, and other family connection benefits.
- Register at www.usacanadaregion.org
 - Under "Districts" go to...
 - "Register a Church Form"
 - Fill out the form
 - Submit

After receiving the email confirmation, please forward the email to the District Office

A Few Friendly Reminders

- Partners-The USA/Canada Evangelism and New Church Development Office wants to serve you in every possible way.
- Priority-This registration step is the first priority in starting a church. As long you have started meetings of any kind, you are ready to register your new church.
- Pre-organization- The church plant does not have to be officially organized to receive a registration number.
- Turnaround time- Once you have completed all the information requested on the official *Registration Form*, you should receive confirmation within 48 hours.

Annual Pastor's Report, Allocations, and Insurance Coverage

- The church plant will have the option of filling out its own Annual Pastor's Report (APR) once it is registered.
- Once the church plant has organized, the church has the option of remaining a PAC under the mother church or being its own entity. If it remains a PAC the mother church pastor can include the daughter church's statistics on his/her APR or the daughter church pastor can fill out his/her own APR for the daughter church.
- Any money given to the church plant whether it be rent, salary for the church planting pastor, utilities, etc., can be considered a Point-to-Point item for the mother church. Point-to-Point is listed as a 10% Special in "Funding the Mission"
- Whether owned, rented, or leased, we understand that facilities for worship and ministry are vitally important to a local congregation. The following statements from the manual need to be followed when seeking such a space.

From the **Manual**:

103. Property

The local church considering the purchase or sale of real estate, the erection of churches or church-related buildings, a major remodeling of either, or leasing real property for any reason, shall submit its proposal to the district superintendent and the District Church Properties Board for their consideration, advice, and approval. No indebtedness, whether involving a mortgage or not, shall be incurred in the purchase of real estate or the erection of buildings or a major remodeling of either, without the written approval of the district superintendent and the District Church Properties Board. The local church shall submit quarterly financial and status reports to this board throughout the construction process. (233-234.5)

104. Restrictions

The local church may not purchase or lease real estate, nor sell, mortgage, refinance, exchange, or in any other way encumber real property, or otherwise dispose of real estate unless approved by a two-thirds vote of the members present at an annual meeting, or at a special meeting duly called. The church board may approve by two-thirds vote of its members present and voting, the disposition of properties donated for the specific purpose of providing funds for the local church. Both items require the written approval of the district superintendent and the District Church Properties Board. (113.3-113.4, 113.7-113.8, 234.3-234.4)

No mortgage or lease should be signed without written approval from the district superintendent and district advisory board because if a church defaults on its lease or mortgage payments, the leaser or mortgage company could require the district to assume the payments.

Obtaining Insurance Coverage

- Every local church needs to have proper insurance coverage. It is important to have the following coverage:
 1. Property Insurance
 2. Liability Insurance
 3. Directors and Officers Insurance
 4. Child Protection Insurance
- Research insurance companies for the best coverage and rates.
- Child Protection Policy
 - Every local church is required to have a child protection policy in place and in use. Insurance companies will not provide insurance coverage without one. The district's insurer can refuse to insure the district if not all churches have a child protection policy in place, in use, and do not have child protection insurance coverage.

Steps 3-4

Step 3- Apply for Federal Employer Identification Number (EIN)

- Every nonprofit organization must have an EIN for the purpose of reporting income and taxes that have been withheld from employees of the church. Most banks require this number.
- It is issued by the Internal Revenue Service (IRS).
- You can file for the EIN by requesting form SS-4 by phone, online, fax, or mail.
- Online- You can receive your EIN by internet and use it immediately. Go to the IRS website at www.irs.gov/businesses and click on “Employer ID Numbers” under “Business Topics.”
- Follow the prompts online.
- Please send a copy of your EIN receipt to the district office.

A Few Friendly Reminders

- Door to Denominational Communications- The General Secretary strongly recommends that a church get an EIN as soon as possible.
- EIN Required- Even when the district or sponsoring local church is writing payroll checks in the name of the church plant, the EIN should be secured because banks will not open accounts for churches or church organizations without this number.
- Good record system- After receiving the EIN, set up an efficient and credible system that will manage withholdings and tax payments from salaries.
- It is important that all withholdings are done properly and sent to the correct agencies.

Step 4- Request Federal Tax Exempt Status

- New churches are covered by the blanket tax exemption of the Church of the Nazarene.
- To attain a letter from the General Secretary, contact Elizabeth Kuhns at 913-577-0606 or ekuhns@nazarene.org.
- She will need EIN, name, and address of church plant.
- She will send you a letter from the General Secretary, currently David Wilson, a letter with federal 501c3 number, and a document with information from the *Manual* pertaining to tax status and local church requirements.
- Be sure “Church of the Nazarene” is a part of the legal name. If the bank asks for the sponsoring district’s EIN, call your district office to attain it.

Step 5a- Open Bank Accounts and Establish Financial Policies

- Every church **needs** to have bank accounts to receive and disburse funds in an orderly manner. Doing so from the beginning creates an atmosphere of authenticity and integrity that encourages faithful giving and reduces the possibility of problems.
- Make contact with the responsible officer at the bank and inquire what documents are needed for a church to open checking and savings accounts.
- Most banks will require:
 - A copy of the **minutes** designating the signers on the account or a statement on letterhead stating those who have been designated as signers. The letter should be signed by the pastor and the church board secretary
 - Note: Two signatures per check is better than one
 - The church's **EIN**
 - The **letter** from the general secretary granting the congregation's 501c3 status

(Instructor: The following is for informational purposes only.

It does not need to be read aloud. The information is included in the student handbook)

Bank Account- Checking The church's checking account should list "Church of the Nazarene" as a part of the legal name of the church. References in the bank records should also include sponsor church or district's tax ID number if the new church is not yet organized.

Bank Account-Savings Churches often find it useful to open a savings account for designated gifts like the building fund and/or contributions for special projects. By keeping designated gifts separate, the ministry's operating accounts do not expend funds being held for a specific purpose. To keep faith with donors, designated gifts must only be used for the purpose given.

Option: Church Shield- payroll, W2's, quarterly reports, taxes, and egsnetwork.com (electronic giving)

Steps 5-6

Step 5b- Establish Financial Policies

- The church plant must do everything possible to establish financial credibility from the beginning. This is done by following sound financial guidelines that build trust and create confidence.

Basic Recommendations

- **Dual Signatures on Checks-** This assures that no individual has sole authority for expending church funds.
- **Choosing Counters-** A “teller team” (offering counters) should be made up of church members who have the confidence of the entire congregation. As part of policy, a system of fiscal checks and balances should be established so no one who counts money should be authorized to sign checks.
- **Train the Tellers-** These individuals should be coached in how to process offerings, provide needed paperwork for the church’s bookkeeping practices, and carefully keep individual financial records. They must also understand the need for unequivocal confidentiality of financial records for both the congregation and individuals.
- **Pastor’s Non-Involvement-** The pastor should not be involved in counting offerings or signing church checks. His or her immediate family should not be involved, either. *Manual* 129.20
- **Individual Giving Records-** Accurate donor records are important for every church. Various systems are available to assist churches in recording contributions for income tax purposes. These giving records need to be kept from the very first offering, even if the church has not formally organized.

Bookkeeping Systems

- Various bookkeeping systems are available for new churches at reasonable prices. Be sure that the records are clear and concise for everyone’s protection.
- **Check and Balance System-** Most churches separate their volunteers and staff into two groups: (1) Those who receive and process the income and donor records and (2) Those volunteers and staff who process expense activities, like bill paying and check writing. Separating these two groups provides a built-in financial safeguard and protects everyone who helps handle the church’s funds.
- **Unified Accounting-** It is advisable to maintain one checking system, one set of financial records, and one treasurer for the various ministries of the new church. A unified budget with one set of financial records helps protect the integrity of a church’s financial procedures.
- **Regular Reports-** Regular reports and updates of the church’s financial progress helps inform donors of the value of their partnership. Regular monthly mailings to contributors can provide information about the church’s ministries and even give added inspiration for financial partnerships in ministry.
- **Annual Audit-** Most effective churches plan an annual audit of the church’s financial records by an outside agency. In the early years of a church’s history, informal audits and reviews may be more affordable than formal audits by a certified public accountant (CPA). In either case, an annual letter to all contributors should inform them of the review and assure them their contributions are being managed properly.

Step 6- Apply for State Tax Exemption

- If your state grants state exemption to churches, you should apply for tax exemption from your local state.
- The state will ask for proof that your church actually exists.
- They may ask for:
 - Statement of Faith (Articles of Faith or the *Manual*)
 - Bulletin with dates, times, and location
 - Other proof of existence

Growing Your Church Plant (Outreach)

How to Increase your Reach (Responsibility List)

- **Community Awareness-** Ask God what needs are in the community and, as a church, find a way to meet these needs. Let your community know that you exist. If your church disappeared tomorrow, would the community know or care?
- **Interaction:** List five things your church could provide for the needs in your community.
Secure bulk mailing permit from post office or secure a company to mail a mass mailing.
- **Possible Outreach Events-** These giveaways are accompanied with the presentation of the gospel. Nothing is given away for “free.” Recipients must give an hour of their time by participating in a worship service and gospel presentation with response time at the end.
 - **Backpack Give-Away:** Give away backpacks filled with school supplies and retail store gift cards.
 - **Turkey Give-Away:** Give away free turkeys at Thanksgiving and a few turkey dinners with all the fixings!
 - **Christmas Goodie Bags:** Give-away bags filled with candy, cookies, fruit, and a toy to children after the service just before Christmas. Offer retail store gift cards as an incentive for the parents to come.
 - **Easter Egg Hunt and Spring Break Day Camp:** Put a ticket in each egg and have a drawing for prizes such as bikes, scooters, gift cards, etc. Offer free babysitting for elementary children during spring break when parents have to work but children are on vacation.
- **Follow-Up after Events-** Acquire contact information from all recipients of “free” items such as backpacks or turkeys. Follow up with notes, phone calls, and/or visits after the outreach event.
- **Membership Class-** Train staff and lay leaders to lead people through a membership class.
 - **Note:** Note: Church plants can have members. They will be listed either under the mother church or the daughter church. The important point is that everyone should be counted once and no one twice.

Steps 7-10

Step 7- Facilitate Incorporation Process

- Incorporating a church makes it possible for church to own property and for the officers of the corporation to sign conveyances of real estate, mortgages, release of mortgages, contracts, and other legal documents of the church.
- Generally, you will find application forms and detailed directions on how to incorporate a non-profit organization on your secretary of state's website.

Manual Directive 102: The Articles of Incorporation of each local church shall include the following provisions:

- The corporate name shall include the words "Church of the Nazarene."
- The bylaw as of the corporation shall be the **Manual of the Church of the Nazarene**.
- The articles of incorporation shall not contain any provision that might prevent the local church from qualifying for any tax exemption available to church in the same area.
- Upon dissolution, the assets of the corporation shall be distributed to the District Advisory Board.
- **Manual** 102-102.6 contains more detailed instructions concerning incorporation
- Corporate officers- The pastor and secretary of the church board are the president and secretary of the local church.
- Find more information for the application process and fees on your state's Department of Revenue website.

Step 8- Formal Organization

- Once a church plant has reached self-governing, self-sustaining, and self-propagating it is ready for full-organization.
- Official organization must be done by the district superintendent, general superintendent, or an elder authorized by either of them.
- According to the **Manual**, “An official report must be submitted to the USA/Canada Regional New Church Development office.” (**Manual**, paragraph 100)
 - **Manual** 100. Organization: Local churches may be organized by the district superintendent, or by the general superintendent having jurisdiction, or by an elder authorized by either of them. Official reports of new churches shall be filed with the General Secretary’s office through the respective jurisdictional offices. (23, 107, 208.1, 536.12)
 - **Manual** 101. Name: The name of a newly organized church shall be determined by the local church in consultation with the district superintendent and with the approval of the District Advisory Board. (102.4)
- **Contact the District Superintendent to Set a Date for the Organizational Service**

Step 9- Forward all Documents

- Forward all documents of organization to the District Office
 - Church’s Registration Number
 - EIN
 - Incorporation Papers
 - Etc.

Step 10- After the Organizational Service

- Go to: www.usacanadaregion.org
 - Hover over the “Districts” menu
 - Click on: “Church Organization Form”
 - Fill out the form

A Few Friendly Reminders

- Celebrate- The organization service is a great time of achievement for this new ministry. What was once a vision has now become a reality. Work with your district superintendent to make it a big, historic day.
- We encourage the church to have a reception for charter members and all in attendance, secure a photographer to record the day in pictures as you celebrate this new Church of the Nazarene.
- Affirm the Mother Church- Be sure to include key people from the mother church in the celebration of your organization service.
- Get the Timing Right- A church plant should be officially organized when it has become self-governing, self-sustaining, and self-propagating. As an indigenous congregation, now it joins other Nazarene churches in our mission as both a Great Commission and a holiness church, transforming the world by making Christ-like disciples and spreading scriptural holiness to all nations.
- Take care to follow the leadership of your district superintendent and the hopes of your mother church and pastor.