

## **Amended Report of br. Nordeman, re. incorporation:**

Incorporating churches.

Should churches or a federation incorporate?

It is important that we take a careful look at this.

I am not familiar with possible U.S.A requirements for incorporation of churches. In Canada however, it is not necessary for churches to incorporate in order to function as an entity. Churches can be organized as a charitable trust with appointed trustees.

The church is a body of believers gathered locally as the bride of Christ and of which He is the Head. As described in our Church Order, it is necessary for the maintenance of good order in the church that there are offices. The offices of minister of the Word, elder, and deacon are recognized (Art. 1 C.O.). These are Scripture based offices and not the equivalent of a board of directors in a secular organization. An important principle is that among and between the offices there is equality. Therefore, when certain functions are assigned it is done only to divide some of the tasks. It does not assign rank. When a minister functions as chairman he does not become the president or CEO of the church.

By incorporating we reduce the church of our Lord Jesus Christ to a charitable organization, or corporate entity, that operates under the equivalent of a board of directors, called the council. It has an executive body consisting of a president/chairman, vice-president, and a secretary. The council then governs the church and has in effect two sub-committees. The elders (consistory) have responsibilities for doctrine and discipline, the deacons are responsible for the ministry of mercy and also for the finances of the church. The chairman is the chief executive officer of the corporation (church), and the clerk becomes the corporate secretary.

When we incorporate our churches they become a non-share company subject to corporate and business law, with ultimate control of the “company” in the hands of the members. This has the following implications:

- The corporation is governed by and subject to a set of by-laws. These bylaws and any changes thereto must be approved by the members of the organization.
- At each annual meeting the members approve, ratify and confirm all acts, contracts, by-laws, proceedings, appointments, elections and payments, made, done and taken by the board of directors
- The members further need to approve all minutes of membership meetings and all financial statements.

This in reality makes the council responsible to the members of the church.

Gerry Nordeman

Revised April 17, 2008