

INCORPORATION OF LOCAL CHURCHES

Purpose: To strongly recommend that each local church become an incorporated legal entity and take the steps necessary to continue the incorporation in good standing.

Rationale:

Whereas, Paragraph 2529.1 of The Book of Discipline permits the Charge Conference of a local church to direct the Board of Trustees to incorporate the local church, and

Whereas, the Kansas East Annual Conference adopted a policy, which was set forth in the Standing Rules of that Conference, providing that “[a]ll local United Methodist Churches must be incorporated and maintain their good standing”, and

Whereas, the incorporation of a local church creates a distinct legal entity separate from its officers, trustees, and members, with the capacity to own property and enter into contracts and agreements in its own name, and

Whereas, incorporation of a local church limits the liability of church members and individuals who act on behalf of the church, and

Whereas, incorporation of a local church helps to make clear the identities of those persons who have the authority to act on behalf of the church in transactions with third parties, and

Whereas, incorporation of a local church provides continuity in operation, ownership and management of property, and continuity of the institution of the local church beyond the individuals involved in its operation at any one time, and

Whereas, incorporation of a local church may provide a foundation for businesslike functioning and favorable insurability of the church, and

Whereas, the cost of incorporating and maintaining a corporation in good standing is relatively inexpensive for the protection offered, and

Whereas, incorporation of local churches assists the Annual Conference in ensuring that the governing documents of each local church act to further the mission of the Annual Conference, the United Methodist denomination, and are consistent with and properly include The Book of Discipline, and

Whereas, the three co-Chancellors of the Annual Conference have unanimously recommended that all local churches be incorporated, and

Whereas, the Conference Board of Trustees urges the Annual Conference to adopt a resolution strongly recommending that all local churches be incorporated,

THEREFORE BE IT RESOLVED, that it is strongly recommended that all local churches become incorporated as separate legal entities and take all necessary acts to maintain such legal status in good standing.