

# INCORPORATION OF PCA CHURCHES

## SUMMARY

The Stated Clerk's Office strongly recommends incorporating. The legal protections afforded by incorporation are significant. Careful study and planning should precede the actual process of incorporation, using competent spiritual and legal counsel. The corporation should be structured in such a way that it is a tool serving the church, not a cumbersome nuisance. Once a corporation has been formed, the church should see that annual reports are filed and that other corporate formalities are observed to preserve the benefits corporate status can provide to the church.

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## I. INCORPORATION IN GENERAL

Incorporation is the registering of a legal entity with the State. A corporation is the resulting legal entity that separates the organization's assets and income from its members. In terms of the Church, incorporation is the legal recognition by the State of a previously existing independent entity encompassing church life and activities.

Incorporation of a local church is an optional procedure. The church's exemption from federal income tax or state sales tax is the same whether the church is an unincorporated association or a legally incorporated entity. The formation of a corporation by a church may be viewed as a tool to serve the church in its civil affairs and to protect its assets.

Formation of a corporation is controlled by the laws of the state in which the church is located. Most states provide for the formation of corporations by churches, although a few have unique laws applicable to churches or barring churches from having corporate status.

## II. ADVANTAGES & DISADVANTAGES OF INCORPORATION

There are both advantages and disadvantages from forming a corporation. "The legal advantages of incorporation include (1) limitation of personal liability, (2) litigation in the corporate name, (3) convenience in holding property, (4) availability of financing, (5) limitation of charitable trust regulation, and (6) better protection of the organizational name."<sup>1</sup> The disadvantages noted by the Church/State Subcommittee are (1) expenses and formalities of corporations, and (2) governmental regulations for corporations and potential limitations on constitutional protections.

### A. Advantages

- (1) *Limitation of personal liability*: Incorporation effectively creates a protective bubble of limited liability, often called a corporate veil, around a corporation's members and officers. Members and officers are shielded from personal liability and their financial assets are legally separated from the church's. Without incorporation, every member and officer of the church potentially may be held personally liable for any claim on the church, including leases, loans, physical injuries incurred on church property or at a church-sponsored event, abuse, etc. Incorporation not only limits the personal liability of members and officers, it also often makes liability insurance easier and cheaper to secure.
- (2) *Litigation in the corporate name*: An incorporated church is ordinarily sued in its corporate name, whereas an unincorporated church must be sued in the names of all its members and officers.

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<sup>1</sup> Attorney Wendell R. Bird, quoted in "Report of the Church/State Subcommittee of the General Assembly" (*M15GA*, Appendix Q, 444f.). The report may be found in *M15GA*, 15-91, III.C.32 & 33, p. 191 and Appendix Q, p. 429 and online at <https://pcahistory.org/pca/digest/index.html>.

- (3) *Convenience in holding property*: In some states, unincorporated entities must hold property in the names of all its members, creating complexities for property ownership.
- (4) *Availability of financing*: An incorporated church often may more readily borrow funds.
- (5) *Limitation of charitable trust regulation*: Charitable trust statutes typically do not apply to incorporated churches other than for specific trusts that they establish. Unincorporated churches are often subject to regulation as charitable trusts.
- (6) *Better protection of the organizational name*: Incorporation registers a unique corporate name with the State. This name is reserved in that state for the sole use of the incorporated entity. An unincorporated church can reserve its name, but the process is often more tedious.

## B. Disadvantages

- (1) *Expenses and formalities of corporations*: Incorporation involves filing and legal costs, sometimes annual filings to maintain corporate status, and observance of corporate formalities. However, churches that do not incorporate should pursue professional legal documents for either a charitable trust or an unincorporated association, which also incurs costs.
- (2) *Governmental regulations for corporations and potential limitations on constitutional protections*: Though incorporation is sometimes thought to either reduce constitutional protections enjoyed by religious organizations or bring greater governmental regulation, neither is the case. A fuller discussion of this issue may be found in the Report of the Church/State Subcommittee.<sup>2</sup>

## **III. INCORPORATION PROCEDURE**

### A. Decision to Incorporate

The decision to form a corporation should be considered initially by the Session. Though not required by *The Book of Church Order*, the Session should then make a recommendation to the congregation for its vote on the matter. In a mission church, the decision would be made by the temporary governing body (the presbytery commission or mother church Session).

### B. Articles of Incorporation

The church should obtain competent legal counsel, since a "do it yourself" approach to incorporation might result in errors that could cause serious problems in the future. Exhibit A provides an example of Articles of Incorporation for a PCA congregation. A local attorney can modify the sample document to meet state requirements and local custom and assist in registering the corporation with the state.

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<sup>2</sup> *M15GA*, 15-91, III.C.32 & 33, p. 191 and Appendix Q, p. 429 and online at <https://pcahistory.org/pca/digest/index.html>.

### C. Organizational Meeting

Once the corporation has been formed by filing the Articles of Incorporation with the appropriate state authority and receiving a Certificate of Incorporation (name may vary by state), the corporation should hold an organizational meeting. Since *BCO* 25-7 states that "all the communing members on the roll of that church shall be members of the corporation," the organizational meeting should be held at a properly called congregational meeting. Exhibit B is an example of the Minutes for an organizational meeting. The matters included in the meeting may need to be tailored to the legal requirements of the state in which the church is located.<sup>3</sup>

In a mission church, the organizational meeting would consist of the trustees instead of members. The trustees would ordinarily be the organizing pastor and his temporary governing body. Some states allow unanimous action in lieu of a corporation meeting. Exhibit D provides an example of minutes of an organizational meeting for the trustees by common consent in lieu of an actual meeting. If state law does not permit such a shortcut to holding an organizational meeting, or should it be necessary to hold a meeting to discuss other corporate matters, the sample minutes can be easily adapted to an actual meeting.

### D. Bylaws

One of the most important matters at the organizational meeting is the adoption of the corporate Bylaws. Exhibit C provides sample Bylaws which seek to harmonize legal requirements with Scriptural mandates and the provisions of *The Book of Church Order*. Although the Bylaws can be amended and expanded as needed, caution should be taken not to make them too lengthy or detailed. The Bylaws should apply only to the legal necessities of the corporation. Ecclesiastical matters and other policy decisions are to be left to *The Book of Church Order* and action by the Session.

## **IV. OPERATION OF THE CORPORATION**

Once the organizational meeting has been held, the Bylaws adopted, and other matters of "corporate housekeeping" handled, the corporation will essentially stay in the background as a tool to be used when needed.

### A. Board of Trustees

Where compatible with state law, it is recommended that the active Session members serve as the Board of Trustees (or Board of Directors) to eliminate the potential misunderstandings about legal authority that can develop when there are two separate groups. The congregation should be informed that in electing a man to serve as a Ruling Elder, they are also electing him to serve on the Board of Trustees. When it becomes necessary to handle a corporate matter (such as real estate), the Session can adjourn its

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<sup>3</sup> Some states restrict membership in corporations to individuals 18 years or older. *BCO* 25-11 requires churches in the PCA to follow all applicable civil laws. Thus, in those states that restrict corporate membership by age, incorporated churches must restrict their corporate membership accordingly. Only corporation members may vote in corporate meetings. Communicant members under 18 retain the full right to vote in congregational meetings on all matters that are not strictly corporation matters.

meeting and then call to order a meeting of the Board of Trustees, with the same men simply "changing hats."

Most corporate matters will involve only such things as authorizing the opening of bank accounts, designating the individuals who may sign checks, and dealing with real estate matters. As stated in *BCO* 25-7, "the powers and duties of such [corporate] officers must not infringe upon the powers and duties of the Session or of the Board of Deacons."

#### B. Officers of the Corporation

*BCO* 25-7 does not distinguish between the corporate Board of Trustees and corporate officers (who are often employees of the corporation in the business world). The sample Bylaws provide for a Board of Trustees who would "be elected from among the members of the corporation in a regularly constituted congregational meeting" at the same time those men were being elected to serve on the Session. However, there is a need for individuals to serve as corporate officers, with authority delegated to them by the Board of Trustees to carry out the day-to-day business operations of the corporation. The sample Bylaws suggest that the following individuals serve as corporate officers: (1) President—the senior pastor, (2) Vice President(s)—the associate pastor and/or assistant pastor(s), (3) Secretary—the Clerk of Session, and (4) Treasurer—an individual elected by the Board of Trustees. This arrangement can be altered to fit the church's situation, but it allows having corporate officers (except for the treasurer) serve *ex officio*, keeping the corporation in the background as a tool that is used only when needed.<sup>4</sup> The sample Bylaws give specific responsibilities to the corporate officers that are in keeping with PCA polity and custom. The sample minutes of the organizational meeting of the corporation delegate authority to the corporate officers, the Session, and the Board of Deacons in keeping with the provisions of the *BCO* that specify the appropriate duties and authorities of each group.

#### C. Corporate Minutes

Minutes of the meetings of the Board of Trustees and the congregation (when corporate matters are brought before the congregation) should be kept in a corporate minute book. Such a book is sometimes provided along with a corporate seal by the attorney handling the incorporation.

#### D. Annual Corporate Registration

Generally, all states providing for the formation of a corporation by a church require the filing of an annual registration form. In most states, the form only asks for the names and addresses of the current Trustees and corporate officers. There is usually a nominal filing

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<sup>4</sup> This arrangement interprets *BCO* 25-7 to mean that "the officers of the corporation, whether they be given the title 'trustee' or some other title" refers to the group given legal authority over the corporation, i.e., the Board of Trustees. The corporate officers, by comparison, only have the delegated authority given to them by the Board of Trustees. This permits the pastoral staff to serve as President and Vice President, even though they are not members of the corporation and also permits the Board of Trustees to elect the Treasurer.

fee required with the filing of the annual form. Failure to file the annual registration form will usually result in the dissolution of the corporation.

INCORPORATION  
Exhibit A-I

SAMPLES  
ARTICLES OF INCORPORATION OF  
FIRST PRESBYTERIAN CHURCH, INC.  
A NONPROFIT CORPORATION

ARTICLE I. NAME

The name of the corporation is FIRST PRESBYTERIAN CHURCH, INC., and the corporation may adopt such trade names as it desires.

ARTICLE II. AUTHORITY

The corporation is organized pursuant to the provisions of the [name the state] Nonprofit Corporation Code. The form of church government is provided for by *The Book of Church Order* of the Presbyterian Church in America. The governing body is therein provided, i.e., the Session. The Board of Trustees provided by these Articles of Incorporation shall perform all corporate powers necessary and as required by the laws of the State of \_\_\_\_\_. Unless otherwise required by the laws of the State of \_\_\_\_\_ (provided they are not in conflict with the Holy Scripture or doctrine), any conflict between these Articles of Incorporation and *The Book of Church Order* of the Presbyterian Church in America shall be resolved in favor of *The Book of Church Order* of the Presbyterian Church in America. The First Presbyterian Church, as a body of believers recognizes only the sovereignty of God and the Lordship of Jesus Christ in all things. The Church shall be governed according to the tenets of the Faith contained in the Holy Scriptures, being the Old and New Testaments of the Holy Bible, and according to the doctrines of the Church contained in the Constitution of the Presbyterian Church in America. The Church recognizes God's ordination of the civil authority and the legitimate laws in support thereof. The Church shall uphold the laws of the civil authority provided said laws are not in conflict with the Holy Scriptures or the doctrine of the Church contained in the Constitution as shall be determined by the Church.

ARTICLE III. PURPOSES

The corporation is organized exclusively for religious, educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States internal revenue law), and such purposes shall include, but not be limited to, the following:

*[The church should develop its own statement of purpose, which may be as brief or as long as desired. The following purpose #1 is given as an example.]*

1. To be a growing Christian fellowship glorifying God in worship, nurturing people in Biblical faith, and spreading the gospel of Jesus Christ throughout our community and into the world; and
2. To do everything necessary, suitable or proper for the accomplishment, attainment or furtherance of (and to do every other act or thing incidental to, pertinent to, growing out of or

## INCORPORATION

## Exhibit A – 2

connected with) the purposes, objects or powers set forth in these Articles of Incorporation, whether alone or in association with others; to possess all the rights, powers and privileges now or hereafter conferred by law upon a nonprofit corporation organized under the laws of the State of \_\_\_\_\_, and, in general, to carry on any activities and to do any of the things herein set forth to the same extent as a natural person or partnership might or could do; provided that nothing herein set forth shall be construed as authorizing the corporation to possess any purpose, object or power to do any act or thing forbidden by law to a nonprofit corporation organized under the laws of the State of \_\_\_\_\_.

## ARTICLE IV. DURATION

The corporation shall have perpetual duration.

## ARTICLE V. RESTRICTIONS

Section 1. No Private Inurement. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its trustees, officers, or other private persons; except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof. The corporation shall not have capital stock or shareholders.

Section 2. No Substantial Lobbying. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation.

Section 3. No Political Campaigning. The corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

## ARTICLE VI. TRUSTEES

Section 1. Number. Directors for the corporation shall be known as "Trustees". The Board of Trustees shall consist of not fewer than three (3) members, and of not more than a maximum number determined by the Bylaws of the corporation as amended from time to time.

Section 2. Powers. The Board of Trustees shall manage the civil activities and affairs of the corporation, and shall have all the rights and powers of a board of directors under the laws of the State of \_\_\_\_\_ and of the United States, as well as such other rights and authority as are herein granted. Such rights and powers shall include, but not be limited to, the buying, selling and mortgaging of property for the church, the acquiring and conveying of title to such property, the holding and defending of title to the same, the managing of any permanent special funds entrusted to them for the furtherance of the purposes of the church, provided that such duties do not infringe upon the powers and duties of the Session or of the Board of Deacons. In buying, selling, and mortgaging real property the Trustees shall act solely under the authority of a corporation, granted in a duly constituted meeting of the corporation. The Board of Trustees shall have the power to adopt and amend the Bylaws by a majority vote, in any way not inconsistent



INCORPORATION  
Exhibit A - 3

with the Holy Scriptures, *The Book of Church Order* of the Presbyterian Church in America, these Articles of Incorporation, or the laws of the State of \_\_\_\_\_ and the laws of the United States (except where in conflict with the Holy Scriptures or doctrine).

Section 3. Election, Qualifications, and Term. The method of election, the qualifications, and the term of each member of the Board of Trustees shall be as established in the Bylaws.

Section 4. Officers. The Board of Trustees may elect such officers as the Bylaws may specify, who shall have such titles and exercise such duties as the Bylaws may provide.

Section 5. Initial Trustees. The initial Board of Trustees shall consist of five (5) members. The names and addresses of the persons who are to serve as Trustees until the first annual election of Trustees, or for such other periods as may be specified in the Bylaws are:

Samuel Jones  
111 Pleasant Road  
Anytown, State 00000

Fred Holly  
244 Pine Court  
Anytown, State 00000

Joe Miller  
3155 Peachtree Street  
Anytown, State 00000

Harry Thornton  
148 Briarwood Road  
Anytown, State 00000

James Black  
4896 Westside Drive  
Anytown, State 00000

#### ARTICLE VII. MEMBERSHIP

The corporation shall have one class of members. Members shall be those persons who have qualified and been admitted into the membership of the church according to the requirements and provisions of *The Book of Church order* of the Presbyterian Church in America and the Session of the First Presbyterian Church. Members shall be entitled to one vote each. The only votes that members shall make are for election of Trustees and for such items as permitted or required by *The Book of Church Order* of the Presbyterian Church in America.

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### ARTICLE VIII. POWERS

Section 1. General. The corporation shall have all the rights and powers customary and proper for tax-exempt, nonprofit corporations, including the powers specifically enumerated in Section XX-X-XX of the [name of state] Code.

Section 2. Restrictions. Notwithstanding any other provisions of these Articles of Incorporation. The corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or by a corporation to which contributions are deductible under Sections 170(b)(1)(A) and 170(c)(2) of the Internal Revenue Code (or the corresponding provisions of any future United States internal revenue law).

### ARTICLE IX. DISSOLUTION

Section 1. Dissolution. Dissolution must first be approved by two-thirds vote of the Session of First Presbyterian Church at a special meeting called for that purpose with appropriate notice given in writing stating the purpose of the meeting. Upon such approval by the Session, the membership of First Presbyterian Church must then approve such dissolution by majority vote at a specially called meeting pursuant to proper notice. The Board of Trustees may cease corporate activities and dissolve and liquidate the corporation by two-thirds vote only after the required approval by the Session and the membership of First Presbyterian Church.

Section 2. Liquidation. Upon dissolution of the corporation, the Board of Trustees shall pay or make provision for the payment of all of the liabilities of the corporation, and shall thereafter dispose of all of the assets of the corporation exclusively for the purposes stated in Article III hereof in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, or religious purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States internal revenue law), as the Board of Trustees shall determine.

Section 3. Contingent Provision. If any such assets are not so disposed of, the appropriate court of the county in which the principal [name of state] office (or if none, the [name of state] registered office) of the corporation is then located shall dispose of such assets exclusively for the purposes stated in Article III herein, and exclusively to such organization or organizations which are organized and operated exclusively for such purposes and at the time qualify as an exempt organization or organizations under such Section 501(c)(3), as said court shall determine.

### ARTICLE X. INITIAL OFFICE AND AGENT

Section 1. Office. The initial registered office of the corporation shall be \_\_\_\_\_, Anytown, \_\_\_\_\_ County, \_\_\_\_\_ 00000.

Section 2. Agent. The initial registered agent of the corporation at such address shall be \_\_\_\_\_.

INCORPORATION  
Exhibit A – 5

ARTICLE XI. INCORPORATOR

The name and address of the incorporator, who is a citizen of the United States, is  
\_\_\_\_\_, \_\_\_\_\_, Anytown, \_\_\_\_\_ 00000.

IN WITNESS WHEREOF, the undersigned attorney for, and representative of, the  
Incorporator has executed these Articles of Incorporation, pursuant to [name of state] Code Section  
XX-X-XX.

\_\_\_\_\_  
John C. Attorney  
Attorney for and Representative of  
The Incorporators

INCORPORATION  
Exhibit B-1

MINUTES OF ACTION OF  
ORGANIZATIONAL MEETING OF  
FIRST PRESBYTERIAN CHURCH, INC.

We the members of FIRST PRESBYTERIAN CHURCH, INC., do hereby adopt the following resolutions at a meeting of the said Corporation, duly called and held pursuant to applicable provisions of the [name of state] Nonprofit Corporation Code, and direct that the record of such actions shall be filed with the minutes of the proceedings of the Corporation.

A. Charter.

RESOLVED, that the Articles of Incorporation of this Corporation granted by the Secretary of State of [name of state] on [date of incorporation] be, and hereby are, accepted.

FURTHER RESOLVED, that the Secretary of the Corporation is hereby directed to place a copy of said Articles, together with the Certificate of the Secretary of State thereon in the Corporation minute book.

B. Bylaws.

BE IT FURTHER RESOLVED, that the proposed Bylaws accompanying these Minutes be, and the same are hereby adopted as the Bylaws for this Corporation. The Secretary of the Corporation is hereby directed to incorporate said Bylaws in the minute book of the Corporation directly preceding these minutes and to attest the same under his hand and seal as the Bylaws so adopted.

C. Seal.

RESOLVED, that the seal impressed on the margin of this page is hereby accepted as the seal of the Corporation.

D. Election of Trustees.

RESOLVED, that the following persons are hereby recognized as Trustees of the Corporation, having been duly elected by the members of the Corporation: [list all active Ruling Elders or others as elected by the congregation].

E. Election of Officers.

RESOLVED, that the following persons are hereby elected to the offices shown, with each officer to serve until his respective successor is duly elected and qualified:

- (1) President/Senior Pastor. . . . . \_\_\_\_\_
- (2) Secretary/Clerk of Session. . . . . \_\_\_\_\_
- (3) Treasurer . . . . . \_\_\_\_\_

INCORPORATION  
Exhibit B-2F. Bank Account.

RESOLVED, that the bank resolution(s) in the form attached to this Consent of Trustees dealing with the designation of the bank or banks named herein as depository or depositories for the Corporation be and hereby are adopted as resolutions of the Corporation;

FURTHER RESOLVED, that the proper officers of the Corporation be and hereby are authorized and directed to open such additional accounts with said bank or any other bank as may be selected. as depositories for the Corporation in the discretion of any of the Officers of the Corporation, and to deposit therein funds of the Corporation, drafts, checks and notes of the Corporation payable on said accounts to be made in the corporate name;

FURTHER RESOLVED, that such officers be and hereby are authorized to execute and deliver corporate resolutions on such forms as may be presented or required by said banks, said forms to be completed with such information as the executing officers may deem to be in the best interest of the Corporation;

FURTHER RESOLVED, that all such resolutions which may be required by banks hereafter selected by the Corporation dealing with the designation of such banks as depositories be and hereby are adopted as resolutions of the Corporation; and the Secretary or Assistant Secretary of the Corporation may hereafter attest to and execute such bank resolutions and/or forms without additional action of the Corporation.

G. Fiscal Year.

RESOLVED, that the fiscal year of the Corporation is hereby determined to commence on January 1 of each year and end on December 31 of the same year, until otherwise determined by the Board of Trustees.

H. Powers and Duties of Church Officers.

RESOLVED, that in accordance with Chapter 25 of *The Book of Church Order* of the Presbyterian Church in America, along with Article VI of the Articles of Incorporation of this Corporation and the Introduction of the Bylaws of this Corporation, the Trustees and Officers of the Corporation shall refrain from exercising the powers and duties expressly assigned to the Session and Diaconate of the church by *The Book of Church Order* and do hereby acquiesce to the rights and authority of those bodies as detailed in *The Book of Church Order*.

FURTHER RESOLVED, that the members of this Corporation intend for the routine conduct of the Corporation's business to be carried out by the Session and Diaconate of the church and do hereby delegate such matters to those bodies.

I. Organizational Expenses.

RESOLVED, that the officers of the Corporation be and hereby are authorized to pay all fees and expenses incident to and necessary for the organization of the Corporation and to complete all forms as may be presented or required by the Internal Revenue Service

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Exhibit B-3

of the United States, said forms to be completed with such information as the Internal Revenue Service may deem to be required of the Corporation.

IN WITNESS WHEREOF, the hand and seal of the Secretary of the Corporation is set forth below, effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_"

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

(CORPORATE SEAL)

\_\_\_\_\_  
Secretary

INCORPORATION  
Exhibit C - 1BYLAWS  
OF  
FIRST PRESBYTERIAN CHURCH, INC.

## Introduction.

The operation of First Presbyterian Church shall in all instances be according to the Holy Scriptures and the Constitution of the Presbyterian Church in America, which consists of the doctrinal standards set forth in the Westminster Confession of Faith, together with the Larger and Shorter Catechisms and *The Book of Church Order*, as adopted by the Presbyterian Church in America. These aforementioned documents include the doctrinal and procedural positions of local churches that are members of the presbyteries of the Presbyterian Church in America. First Presbyterian Church is a member of the \_\_\_\_\_ Presbytery of the Presbyterian Church in America.

First Presbyterian Church is to be governed by the Session. This governing body is responsible for all of the operations of the Church, including receipt and disposition of funds. Therefore, the Treasurer of the Corporation is subject to the Session of the Church. Authority may be delegated to such persons as permitted by *The Book of Church Order*, including delegation of certain authority to the Treasurer of the Board of Deacons of the Church, should the Board of Deacons appoint a Treasurer other than the Treasurer of the Corporation.

These Bylaws are for the purpose of governing the Board of Trustees and the Officers of the nonprofit Corporation, FIRST PRESBYTERIAN CHURCH, INC. They are to provide procedures wherein actions by these officers are necessary. These Bylaws shall not govern the operation of the Session or the Board of Deacons.

The Board of Trustees and corporate Officers are responsible for the lawful corporate affairs of the Corporation. They are subject to *The Book of Church Order* of the Presbyterian Church in America, the lawful directions of the Session of First Presbyterian Church, the laws of the State of \_\_\_\_\_, the Articles of Incorporation and these Bylaws.

The purposes of First Presbyterian Church are those stated in the Articles of Incorporation. These Bylaws are to conform in all aspects to those purposes. Further, at any time that there is a conflict between these Bylaws and the Articles of Incorporation, the Articles of Incorporation shall govern. At any time there is a conflict between these Bylaws and *The Book of Church Order* of the Presbyterian Church in America, except as may be required by the laws of the State of \_\_\_\_\_ or the United States of America (provided such laws are not in conflict with the Holy Scripture or doctrine), *The Book of Church Order* shall govern.

INCORPORATION  
Exhibit C – 2

### ARTICLE I. OFFICES

Section 1.01. Registered Office and Agent. The address of the registered office of the Corporation is 123 Main Street, Anytown, \_\_\_\_\_ 00000, and the name of the registered agent at this address is \_\_\_\_\_.

Section 1.02. Other Offices. The Corporation may have officers at such place or places within or without the State of \_\_\_\_\_ as the Board of Trustees may from time to time appoint or as the business of the Corporation may require or make desirable.

### ARTICLE II. TRUSTEES

Section 2.01. Powers. The civil activities and affairs of the Corporation shall be managed by its Board of Trustees. In addition to the powers and authority expressly conferred on it by the Articles of Incorporation and these Bylaws, the Board of Trustees may exercise all such powers of the corporation and do all such lawful acts and things as are not prohibited by law (provided such laws are not in conflict with the Holy Scriptures or doctrine), by the Constitution of the Presbyterian Church in America, by the Articles of Incorporation, or by these Bylaws. Such powers and authority shall include, but not be limited to, the buying, selling and mortgaging of property for the church, the acquiring and conveying of title to such property, the holding and defending of title to the same, and the managing of any permanent special funds entrusted to them for the furtherance of the purposes of the church, provided that such duties do not infringe upon the powers and duties of the Session or of the Board of Deacons. In buying, selling, and mortgaging real property, the Trustees shall act solely under the authority of the Corporation, granted in a duly constituted meeting of the members of the Corporation.

Section 2.02. Number. The Board of Trustees shall consist of not more than fifteen (15) nor less than three (3) persons, the exact number of which shall be fixed by a resolution of the Trustees from time to time.

Section 2.03. Qualifications. Election. and Term. Trustees shall be of the age of eighteen (18) years or over but need not be residents of the State of \_\_\_\_\_. The Board of Trustees shall consist of all current, active Ruling Elders serving on the Session of the church. Each Ruling Elder/Trustee shall be elected according to the qualifications and procedure detailed in *The Book of Church Order* of the Presbyterian Church in America. Each Trustee shall serve on the Board of Trustees as long as he is an active member of the Session of the church.

2.04. No Compensation. The Trustees shall serve without compensation, except that the Board by resolution may provide for reasonable expenses for attendance at meetings of the Board to be reimbursed.

Section 2.05. Regular Meetings. Meetings of the Board of Trustees shall be held at such place, either within or outside the State of \_\_\_\_\_, as may from time to time be fixed by resolution of the Board of Trustees, or as may be specified in the notice of meeting. Regular meetings of the Board of Trustees shall be held at such time as may from time to time be fixed by resolution of the Board of Trustees.

Section 2.06. Special Meetings. Special meetings may be held if called pursuant to Section 2.07 herein with at least two days' notice by telephone, e-mail, or personal delivery, or five days' notice by first class mail, of the time and place of the meeting to each Trustee.



## INCORPORATION

## Exhibit C – 3

Section 2.07. Calling Meetings. Meetings of the Board of Trustees may be called by the President of the Corporation when he may judge it requisite or when requested to do so by any two of the Trustees.

Section 2.08. Waiver of Notice. Notice of a meeting of the Board of Trustees need not be given in any event to any Trustee who signs a waiver of notice either before or after the meeting. Attendance of a Trustee at a meeting shall constitute a waiver of notice of such meeting and waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except if a Trustee states, at the beginning of the meeting, any such objection or objections to the transaction of business.

Section 2.09. Contents of Notice. The business to be transacted at, and the purpose of, any regular or special meeting of the Board of Trustees need not be specified in the notice or waiver of notice of such meeting.

Section 2.10. Quorum. A majority of the number of Trustees stated in the Articles of Incorporation or the number last fixed by the Trustees, as the case may be, at a meeting duly assembled, shall constitute a quorum for the transaction of business, and the act of a majority of such Trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees except as may be otherwise specifically provided by law, by the Articles of Incorporation, or by these Bylaws. If at any meeting of the Board of Trustees there shall be less than a quorum present, a majority of those present may adjourn the meeting, without further notice, from time to time until quorum shall have been obtained.

Section 2.11. Conduct of Meetings. The President of the Corporation, and in his absence the acting President, named by the Board of Trustees, shall preside at meetings of the Board of Trustees. The Secretary of the Corporation, or in the Secretary's absence any person appointed by the presiding Officer, shall act as Secretary for meetings of the Board of Trustees. Meetings shall be governed by *The Book of Church Order* of the Presbyterian Church in America and most recent edition of Robert's Rules of Order, except where Robert's Rules of Order are inconsistent therewith.

Section 2.12. Telephone Participation. Trustees may participate in meetings of the Board of Trustees through use of conference telephone, video conference, or similar communications equipment so long as all Trustees participating in the meeting can hear one another. Such participation shall constitute personal presence at the meeting, and consequently shall be counted toward the required quorum in any vote.

Section 2.13. Written Consent. Any action required or permitted to be taken at any meeting of the Board of Trustees or of any committee thereof may be taken without a meeting if a written consent, setting forth the action so taken, is signed by all members of the Board or of such committee, as the case may be. Such written consent shall be filed with the minutes of the proceedings of the Board or committee.

Section 2.14. Adjournment. A majority of the Trustees present, whether or not a quorum exists, may adjourn any meeting of the Board of Trustees to another time and place. Notice of any such adjourned meeting shall be given to the Trustees who were not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other Trustees, with at least two days' notice by telephone or personal delivery, or five days' notice by first class mail, of the time and place of the meeting.

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Section 2.15. Removal. The Board of Trustees may declare the position of a Trustee vacant, and may remove such Trustee for cause, on occurrence of any of the following events: the Trustee has been declared of unsound mind by a final order of court, the Trustee has been convicted of a felony, the Trustee is no longer a member of First Presbyterian Church, or the Trustee has been deposed from the office of Ruling Elder through church discipline.

Section 2.16. Resignation. Any Trustee may resign by giving written notice to the President or the Secretary of the Corporation. The resignation shall be effective on receipt, unless the notice specifies a later time for the effective date of such resignation, or if the Corporation would be left without the minimum number of duly elected Trustees in which event the resignation shall be effective upon the election of a successor. If the resignation is effective at a future time, a successor may be elected before that time to take office when the resignation becomes effective.

Section 2.17. Vacancies. A vacancy on the Board of Trustees shall exist on the death, resignation, or removal of any Trustee; whenever the number of Trustees authorized is increased; and on failure of the Congregation to elect the full number of Ruling Elders/Trustees authorized. Such vacancies can only be filled for the remainder of the term by the election of additional Ruling Elders/Trustees by the Congregation.

## ARTICLE III. COMMITTEES

Section 3.01. Committees. Committees may be established by the Board from time to time; shall consist of two or more Trustees, as provided by the Board; and shall be authorized to exercise the authority of the Board of Trustees to the extent provided in the resolution creating any such committee. Any such committee shall act by majority vote; and shall have a quorum of one-third of the member Trustees, but in any event not less than two Trustees.

## ARTICLE IV. OFFICERS

Section 4.01. Election. The Board of Trustees shall elect a Treasurer. The President, Secretary and any Vice Presidents shall serve ex officio as provided below.

Section 4.02. Other Officers. The Board of Trustees at any time and from time to time may appoint such other Officers as it shall deem necessary, including one or more Assistant Treasurers, and one or more Assistant Secretaries, who shall hold their offices for such terms as shall be determined by the Board and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Trustees or the President.

Section 4.03. Multiple Offices. Any person may hold any two or more Offices, except that no person may hold both the Offices of President and Secretary.

Section 4.04. Compensation. The salaries of the Officers of the Corporation shall be fixed by the Session of the church.

Section 4.05. Term. Each Officer of the Corporation shall hold office until his successor is chosen or until his earlier resignation, death, or removal.

Section 4.06. President. The Senior Pastor of the church shall serve as the President of the Corporation. The President shall preside at all meetings of the members of the Board of Trustees and at all Congregational meetings; shall be an advisory member of all committees; shall sign such papers as may be required by his office or as may be directed by the Board of Trustees; shall make

## INCORPORATION

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such reports and recommendations to the Board of Trustees of the Corporation at any regular or special meetings, concerning the work and affairs of the Corporation, as in his judgment may be necessary for their information and guidance; may require such reports from the Treasurer and Secretary, as in his judgment are necessary; shall manage the affairs and direct the work and employees of the Corporation, subject to and in accordance with the directions of the Session; shall be authorized to incur expenses in accordance with the approved budget, or as directed by the Session; and shall perform such other duties as may be incidental to the office.

Section 4.07. Vice Presidents. The Associate and/or Assistant Pastors of the church may be named by the Board to serve as Vice Presidents of the Corporation. The Vice Presidents, in the order named by the Board of Trustees, shall perform the duties of the President in the event of the absence, resignation, refusal to act, or inability to act of the President. One Vice President may be designated by the Board as Executive Vice President.

Section 4.08. Secretary. The Clerk of the Session shall serve as the Secretary of the Corporation. The Secretary shall issue in writing all notices of meetings; shall notify individuals of their election to the Session and the Board of Trustees; shall keep complete records and minutes of meetings of the Board and of the Congregation; shall furnish the Board of Trustees with a list of officers, members of the Board of Trustees, and members of committees whose terms are expiring; shall mail such other notices as may be directed by the Board of Trustees; shall be custodian of all records of the Corporation, except such records and papers as shall be kept by the Treasurer as herein provided; shall sign such papers as may be required by his office or as directed by the Board of Trustees; and shall perform such other duties as may be incidental to the office.

Section 4.09. Treasurer. The Treasurer shall be a member of the Congregation but may or may not be a member of the Board of Trustees. The Treasurer shall receive all moneys of the Corporation and have custody thereof; shall deposit the funds of the Corporation in one or more banks selected by the Board of Trustees; shall disburse funds in accordance with the directions of and upon the signatures of persons designated by the Board; shall keep a full account of all moneys received and paid out and shall make such reports thereof to the President and Board of Trustees as they may require; shall receive and have custody of all deeds, securities, notes, contracts and other financial papers of the Corporation and shall place them for safekeeping in the safe deposit vaults of a bank designated by the Board and under such rules as to access as the Board shall determine; shall keep full account of all deeds, securities, notes and financial papers of the Corporation and shall make such accountings and reports thereof to the President and Board of Trustees as they may require; shall cause the books of account of the Corporation to be reviewed at least once annually by a public accountant approved by the Board of Trustees shall cause to be prepared and shall present annually at a meeting of the Trustees a comprehensive financial statement including the report of the accountant shall sign such papers as may be required by his/her office or as may be directed by the Board of Trustees; and shall perform such other duties as may be incidental to the office. He/She shall not be required to give any bonds, unless the Board of Trustees provide otherwise and in the amounts as they shall determine, for the faithful performance of his/her duties. The said books of account shall be open at any time during regular business hours to inspections by any Trustee, the President, and the Secretary.

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Section 4.10. Contracts. Unless authorized in a particular instance by the Board of Trustees by resolution, no Officer, employee, or agent shall have any authority to bind the corporation by any contract, to pledge its assets or credit, or to render it liable pecuniarily, for any amount in excess of \$500. If so authorized, or if less than \$500, any of the foregoing Officers singly may execute contracts or deliver instruments on behalf of the Corporation, pledge its assets or credit, or render it liable pecuniarily.

Section 4.11. Removal. The Board of Trustees may remove any Officer other than President or Vice President with or without cause whenever in its judgment the best interests of the Corporation will be served thereby. Removal of the President or a Vice President shall be handled according to *The Book of Church Order* of the Presbyterian Church in America. Election or appointment of an Officer or other agent shall not of itself create contract rights.

Section 4.12. Resignation. Any Officer may resign at any time on written notice to the Board of Trustees, to take effect immediately unless a future effective date is specified, without prejudice to any rights of the Corporation under any contract to which the Officer is a party.

Section 4.13. Vacancies. A vacancy in any Office shall exist on the death, resignation, or removal of any Officer. In case of a vacancy, the Board of Trustees may elect a new Officer, except for the Offices of President and Vice President, which shall be filled by men selected according to the procedures detailed in *The Book of Church Order* of the Presbyterian Church in America. In case of the absence of any Officer of the corporation, or for any other reason that the Board of Trustees may deem sufficient, the Board of Trustees may delegate, for the time being, any or all of the powers or duties of such Officer to any other Officer or to any Trustee.

## ARTICLE V. MEMBERSHIP

Section 5.01. Qualifications. Members shall be those persons who have qualified and been admitted into the communing membership of the church according to the requirements and provisions of *The Book of Church Order* of the Presbyterian Church in America and the Session of the church. Each member shall be entitled to one vote each.

Section 5.02. Meetings. Meetings of the Congregation of the church, when called pursuant to the procedures required by *The Book of Church Order* of the Presbyterian Church in America, shall be considered to be meetings of the Corporation when the purpose of calling such meetings is for the consideration of matters concerning civil law, such as the buying, selling or mortgaging of real estate. Such Congregational meetings shall be conducted according to the rules and procedures of *The Book of Church Order* of the Presbyterian Church in America and the most recent edition of *Robert's Rules of Order*, except where *Robert's Rules of Order* are inconsistent therewith.

## ARTICLE VI. MISCELLANEOUS PROVISIONS

Section 6.01. Amendment. Amendments to the Articles of Incorporation may be made by resolution of the Board of Trustees at a meeting at which two-thirds of the entire membership of the Board are present and voting therefore. The Board of Trustees shall have the power to adopt and amend by a majority vote these Bylaws in any way not inconsistent with *The Book of Church Order* of the Presbyterian Church in America, the Articles of Incorporation or the laws of the State

## INCORPORATION

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of \_\_\_\_\_ or the United States (provided such laws are not in conflict with the Holy Scriptures or doctrine).

Section 6.02. Dissolution. The Board of Trustees may cease corporate activities and dissolve the corporation as provided in Article IX of the Articles of Incorporation of the corporation.

Section 6.03. Indemnification. The Corporation shall indemnify its Trustees and Officers to the extent permitted by Sections XX-X-XXX and XX-X-XXX [cite the relevant portions of the state code] [name of state] Code and may indemnify its employees and agents to the same or a narrower extent. The Board of Trustees may maintain liability insurance coverage for any or all of the Corporation's Trustees, Officers, employees, or agents.

Section 6.04. Racial Nondiscrimination Policy. The corporation's programs, including but not limited to its educational programs, shall admit persons of any race to all the rights, privileges, programs, and activities generally accorded or made available to students or other persons in such programs. The corporation shall not discriminate on the basis of race in administration of its educational policies, admissions policies, scholarship and loan programs, if any, and other programs.

Section 6.05. Corporate Seal. The seal of the Corporation shall consist of an impression bearing the name of the Corporation around the perimeter and the words "Corporate Seal" and such other information, including the year of incorporation, in the center thereof as is desired. In lieu thereof, the corporation may use an impression or writing bearing the words "Corporate Seal" enclosed in parenthesis or scroll which shall also be deemed the seal of the Corporation. Section 6.06. Fiscal Year. The Fiscal year of the Corporation shall be such period as the Board of Trustees shall determine, and unless otherwise so determined, shall begin on the first day of January of each year and end on the last day of December of each year.

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CERTIFICATE OF SECRETARY

I hereby certify that the foregoing Bylaws comprising 7 pages constitute the Bylaws of the Corporation, that said Bylaws were duly adopted at a meeting of the Board of Trustees held on \_\_\_\_\_, 20\_\_\_\_, and that I am the duly elected and acting Secretary of the Corporation,

Dated \_\_\_\_\_20\_\_\_\_,

\_\_\_\_\_  
Secretary

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MINUTES OF ACTION OF  
ORGANIZATIONAL MEETING OF  
BOARD OF TRUSTEES OF  
FIRST PRESBYTERIAN CHURCH, INC.

TAKEN BY

UNANIMOUS WRITTEN CONSENT IN LIEU OF ORGANIZATIONAL MEETING

As permitted by the [name of state] Nonprofit Corporation Code, we, the undersigned, being all the Trustees of FIRST PRESBYTERIAN CHURCH, INC., do hereby unanimously consent to and adopt the following resolutions, which action shall have the same force and effect as if taken by us by unanimous affirmative vote at a meeting of the Board of Trustees of said Corporation, duly called and held pursuant to applicable provisions of the Nonprofit Corporation Code, and direct that the written consent to such action shall be filed with the minutes of the proceedings of the Trustees of the Corporation.

A. Charter.

RESOLVED, that the Articles of Incorporation of this Corporation granted by the Secretary of State of [name of state] on [date of certificate of incorporation] be, and hereby are, accepted.

FURTHER RESOLVED, that the Secretary of the Corporation is hereby directed to place a copy of said Articles, together with the Certificate of the Secretary of State thereon in the Corporation minute book.

B. Bylaws.

BE IT FURTHER RESOLVED, that the proposed Bylaws accompanying this Consent of Trustees be, and the same are hereby, adopted as the Bylaws for this Corporation. The Secretary of the Corporation is hereby directed to incorporate said Bylaws in the minute book of the Corporation directly preceding this written Consent of Trustees and to attest the same under his hand and seal as the Bylaws so adopted.

C. Seal.

RESOLVED, that the seal impressed on the margin of this page is hereby accepted as the seal of the Corporation.

D. Election of Trustees.

RESOLVED, that the following persons are hereby recognized as Trustees of the Corporation, having been elected by the members of the Corporation to serve as the current, active Ruling Elders of First Presbyterian Church: Samuel Jones, Fred Holly, and Joe Miller. [In a mission church situation, it would be appropriate to name the pastor and members of his advisory or steering committee as Trustees and rewording this section to read: RESOLVED, that the following persons are hereby elected as Trustees of the

## INCORPORATION

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Corporation, subject only to their acceptance of such position: Samuel Jones, Fred Holly, and Joe Miller.]

E. Election of Officers.

RESOLVED, that the following persons are hereby elected to the offices shown or recognized *ex officio* as an officer, where appropriate, with each officer to serve until his respective successor is duly elected and qualified:

- (1) President/Senior Pastor. . . . . [name of pastor]
- (2) Secretary/Clerk of Session. . . . . [name of clerk]
- (3) Treasurer ..... [name of treasurer]

F. Bank Account.

RESOLVED, that the bank resolution(s) in the form attached to this Consent of Trustees dealing with the designation of the bank or banks named herein as depository or depositories for the Corporation be and hereby are adopted as resolutions of the Board of Trustees;

FURTHER RESOLVED, that the proper officers of the Corporation be and hereby are authorized and directed to open such additional accounts with said bank or any other bank as may be selected as depositories for the Corporation in the discretion of any of the Officers of the Corporation, and to deposit therein funds of the Corporation, drafts, checks and notes of the Corporation payable on said accounts to be made in the corporate name;

FURTHER RESOLVED, that such officers be and hereby are authorized to execute and deliver corporate resolutions on such forms as may be presented or required by said banks, said forms to be completed with such information as the executing officers may deem to be in the best interest of the Corporation;

FURTHER RESOLVED, that all such resolutions which may be required by banks hereafter selected by the Corporation dealing with the designation of such banks as depositories be and hereby are adopted as resolutions of the Board of Trustees; and the Secretary or Assistant Secretary of the Corporation may hereafter attest to and execute such bank resolutions and/or forms without additional action of the Board of Trustees.

G. Fiscal Year.

RESOLVED, that the fiscal year of the Corporation is hereby determined to commence on January 1 of each year and end on December 31 of the same year, until otherwise determined by this Board of Trustees.

H. Powers and Duties of Church Officers.

RESOLVED, that in accordance with Chapter 25 of *The Book of Church Order* of the Presbyterian Church in America, along with Article VI of the Articles of Incorporation of this Corporation and the Introduction to the Bylaws of this Corporation, the Trustees and Officers of this Corporation shall refrain from exercising the powers and duties expressly assigned to the Session and Diaconate of the church by *The Book of Church*



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*Order* of the Presbyterian Church in America and do hereby acquiesce to the rights and authority of those bodies as detailed in The Book of Church Order.

FURTHER RESOLVED, that the Trustees and Officers of this Corporation intend for the routine conduct of the Corporation's business to be carried out by the Session and Diaconate of the church and do hereby delegate such matters to those bodies.

I. Organizational Expenses.

RESOLVED, that the officers of the Corporation be and hereby are authorized to pay all fees and expenses incident to and necessary for the organization of the Corporation and to complete all forms as may be presented or required by the Internal Revenue Service of the United States, said forms to be completed with such information as the Internal Revenue Service may deem to be required of the Corporation.

IN WITNESS WHEREOF, the hand and seal of each member of the Board of Trustees is set forth below, effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Samuel Jones, Trustee

\_\_\_\_\_  
Fred Holly, Trustee

\_\_\_\_\_  
Joe Miller, Trustee

(CORPORATE SEAL)