

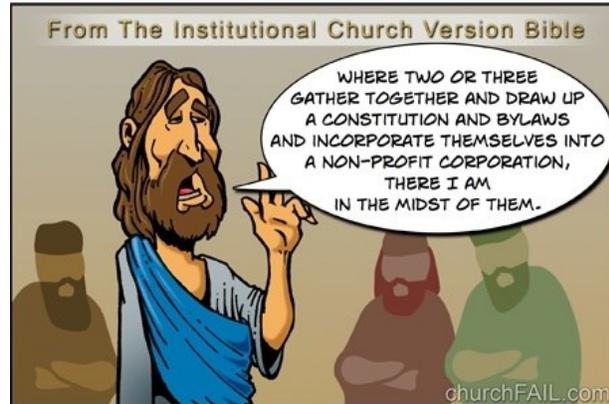
The Bible Answer to the Question, “Is an Incorporated 501(c)(3) or 508 Church a Church of Christ?”

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Introduction

1. Faith Baptist Church of Louisville, Nebraska started a Christian School in the years around 1980. Faith Baptist was a corporate 501(c)(3) church. The Nebraska Attorney General sued Faith Baptist, Inc. to enjoin operation of the school because there had been no compliance with the school laws of the State of Nebraska. The Pastor, Everett Silvan, maintained to the trial court judge that the state had no jurisdiction over the church. The trial judge asked him the name of the church. Pastor Silvan replied, “Faith Baptist Church.” The judge pointed to a court document and asked Pastor Silvan to read the name of the church. It read, “Faith Baptist Church, Incorporated.” Pastor Silvan understood and began to take steps to dissolve the church corporation.
2. From [Hollins v. Edmonds, 616 S.W.2d 801 \(1981 Ct. App. of Ky.\)](#): Some quotes from the case, page 803:

K.R.S. 273.197 requires written notice of a members' meeting within ten to thirty-five days prior to the meeting. K.R.S. 273.263 requires that written notice of proposed amendments be given to each member ten to thirty-five days prior to the meeting.

The business of the church was conducted in a rather informal manner in accordance with its customs. Although this kind of conduct might be suited to church tradition, it does not comply with the requirements of the statutes regarding nonprofit corporations. As the trial judge phrased it — once the church determined to enter the realm of Caesar by forming a corporation, it was

required to abide by the rules of Caesar, or in this case, the statutes of the Commonwealth of Kentucky.

At trial, the court must determine if the members were each given proper written notice of the annual meetings and elections of directors which were allegedly held. Unless it is proven that the members received proper written legal notice, the trial judge must find that the church has neither held a valid meeting of the members, nor has conducted a valid election of directors.

...

K.R.S. 273.191 requires the adoption of bylaws by the board of directors. Such power is vested in the directors only in the absence of charter provisions to the contrary.

K.R.S. 273.211(2) provides that a director who is originally designated as such by the articles of incorporation shall hold office until the first annual election of directors, or for such other period as may be specified in the articles or bylaws. In the absence of a fixed term, a director shall remain in office one year and until his successor is elected and has accepted his election.

It is within the province of the trial court to decide if a majority of the original board of directors has been validly constituted and has properly approved bylaws.

3. An evangelist friend who is a member of an incorporated 501(c)(3) church in Oklahoma City called me recently. His pastor was out of town and he was basically filling in. The pastor sent him a poster which gives all EEO rights of employees and told him to post it in the "church." He wanted my opinion. I looked up the law and told him the church did not have to display the poster: Section 702 of Title VII, 42 U.S.C. 2000e-1(a), provides that certain employers are religious organizations **permitted by the federal government** to prefer co-religionists with respect to hiring and certain other employment decisions:

"This subchapter shall not apply to . . . a religious corporation, association, educational institution, or society with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, or society of its activities."

4. I received a flyer from Antioch Baptist Church on my doorknob when I moved to Amarillo. So I called the pastor, explained that I had just moved to Amarillo, had received his flyer and asked him if I could ask him some questions. He said yes. I asked him, for example, what he required for membership, his authority (what translation) he used, etc.

One question was if he preached on the Bible doctrines of church, state, and separation of church and state. **When I asked about that, he said we are to obey man's law and he cited Romans 13.** I reminded him of some things about Romans 13. I expand upon what I said about that here:

That Romans 13 is speaking to the individual believer, not to churches. That Romans 13.8-14 makes clear that the individual is to obey those laws which correspond to the second table of the Ten Commandments that relate to man's relationship to man. That Romans 13.3-4 lays out the God-given jurisdiction of civil government, which is man ruling over man under God. That the Old Testament completely explains when and why God ordained Gentile civil government and the purpose of that government. That the Lord Jesus Christ ordained His institution of the church which is made up, at this time, of local visible assemblies. That the New Testament teaches that a church of Christ is under Jesus Christ and Him alone. That Jesus Christ is over all things for a church under Him. In other words that New Testament church doctrine clearly teaches that Christ's churches are to remain separate from civil government. That the rules for the theocracy of Israel do not apply to Christ's churches and the state.

Then I asked if he were incorporated and 501(c)(3). He proudly answered, "Yes, we are." I asked him if he knew that such status violates Bible principles for church and government. Again he went back to Romans 13 and said we should obey very ordinance of man. **I asked him to show me one law (ordinance of man) that requires a church in America to get corporate 501(c)(3) or any other status [there is no such law].** I submitted that the highest law of the land, the U.S. Constitution in the First Amendment and corresponding state constitutional provisions guarantee that a church does not have to submit herself to the authority of man's law and that if she so chooses she will be protected in her religious freedom, speech, press, and assembly. A church can submit to man's law, if she is not in federal jurisdiction, but she does not have to do so, according to the highest law of every state. If she does not submit herself to man's law—for example state non-profit corporation law or Internal Revenue Code §§ 501(c)(3) or 508—she remains entirely under the First Amendment, a statement of the Bible principle of separation of church and state, with all the protections that come with it. If a church voluntarily submits herself to the state or federal government, she gives up much of her First Amendment protection in favor of fourteenth amendment protection as a legal temporal person.

The pastor then left that line of "reasoning" and explained that they had considered giving up their corporate status in the 1980s, but were informed by the CLA and David Gibbs that they needed to remain incorporated in order to limit the liability of their

church members. I told him that was not true. By this point he had decided to terminate the conversation.

The same uninformed arguments permeate not only the American “Christian” landscape, but also the so-called “Fundamental Baptist” camp. The same false arguments are made across the board by incorporated 501(c)(3) and 508 churches. These arguments are unlearned and false. Yet they persist. Why? Well, that is the way religion works. The Lord, the Apostles and the first churches faced the same thing. Them against the teachings, speech, and practices of Christ. That is the way it is. The Bible makes clear that at any given time before the Lord returns, there will only remain a remnant of true believers whose sole authority for all matters of faith and practice is the Word of God.

Almost all pastors bypass the controlling Bible principle, as did the pastor of Antioch Baptist Church. They sidestep the controlling principle and then give false reasons to excuse their position on church incorporation and 501(c)(3). [This subject goes beyond incorporation and 501(c)(3) to include any church legal entity status. Since corporate 501(c)(3) status is by far the main avenue churches become legal entities, I will only deal with that in the limited time I have.]

The main reasons they give for church corporate 501(c)(3) or 508 status are these: (1) We are to obey every ordinance of man (For an examination of this and related arguments, see [online PDF of *Render Unto God the Things that Are His*](#)); (2) Limited Liability; (3) To Hold Property; (4) Tax Exemption and Tax Deduction for Contributions; (5) One’s Convictions; (6) The Most Important Thing: Loving God or Winning Souls? (See [*The Most Important Thing: Loving God or Winning Souls?*](#))

For full explanation of why these reasons are false, see the [online PDF of *Separation of Church and State/God’s Churches: Spiritual or Legal Entities?*](#)

What Bible Principle?

Because of Bible principle, no one should ever go to these false reasons for corporate 501(3) or 508 status. Even were their arguments accurate, they should never get church corporate 501(c)(3) or 508 status. Why? Because Bible doctrine teaches that no church should incorporate or get 501(c)(3) or 508 status. (See **Endnote 1** for brief comment on spiritual kindergarten.)

Matthew 16:18 “And I say also unto thee, That thou art Peter, and upon this rock **I** will build **my** church; and the gates of hell shall not prevail against it.”

(Speaking to the church in an institutional sense. Christ, and only Christ, builds his churches. If Christ, and Christ alone does not build a church, that church is not under Christ).

Ephesians 1:22 “And hath put all things under his feet, and gave **him** to be the **head** over **all things** to the church.”

(Speaking to Christ’s institution of the church made up of local visible churches. If Christ is not over all things to a church, that church is not under Christ. That church is not a church of Christ.)

Colossians 1:18 “And he is the head of the body, the church: who is the beginning, the firstborn from the dead; that in all things he might have the preeminence.”

(Speaking to Christ’s the local visible church at Colossi and to all of Christ’s churches. If Christ is not over all things to a church, that church is not under Christ. That church is not a church of Christ.)

The New Testament deals extensively with church doctrine. The epistles of Paul, Revelation 2-3, Jude (apostasy in the church), Parts of the writings of Peter (the apostasy of the church), parts of John’s writings, etc. define the doctrine of the church. In spite of this, few pastors preach on that Bible doctrine.

Likewise, a significant portion of the Old Testament teaches on civil government, and the New Testament lays down the relationship of church and state—separation of church and state if you will—but how many sermons have you heard which deal with these doctrines? As a sidenote, some church members will be offended if you begin to venture far from the simple plan of salvation. It really hurts when the attacks come from within a church, from brethren who you see and love when you meet together—when a fellow church member despises one’s work for the Lord and ministry on church organization.

Mt. 16.18 and Ephesians 1.22 and supporting New Testament church doctrine make clear that a church under Christ is built by Christ and Christ alone and that Christ is head over all things in a church who is under Him. If a church is not built by Christ, and Christ alone, and if Christ is not head over all things to that church, it church is not a church of Christ. It is a church (an assembly of people) but it is not a church of Christ.

A church is an assembly of people. Notice that Jesus said, “**I** will build **my** church. Our Lord understood that there were ekklesias (assemblies of people) coming together for various purposes. But he was going to build his ekklesia. Of course, he was speaking in the institutional sense. A significant portion of the New Testament deals with the doctrine of the Church. The epistles of Paul develop the doctrine of the church. As we learn in the epistles of Paul, that institution was to be made up of local visible assemblies of believers organized as spiritual entities only. Through the writings of Paul alone, we know that a church is not an organization,

but an organism, the body of Christ; instinct with His life, and heavenly in calling, promise, and destiny. Through Paul's epistles we know the nature, purpose, and form of organization of local churches, and the right conduct of such gatherings.

A Brief Look at the History of the First Amendment

The true history of our First Amendment, known by legal scholars and a remnant of believers, shows a trail of blood from the time of Christ on. Christians were persecuted and martyred by civil government until many, but not all, churches went to Rome and combined the "church" with civil government under the civil law of Constantine. That Catholic church/state establishment, over the next thousand plus years, tortured and murdered at least 50 million people whom they labeled to be heretics, many of whom were our historic spiritual forefathers. The Protestants continued the persecutions – Martin Luther, John Calvin, Zwingli, John Knox, the Church of England. This persecution continued in the colonies though not as severe. During the colonial period a spiritual warfare between the dissenters, mainly the Baptists, was waged and due to their efforts we now have our First Amendment.

Many Baptists, led by men such as Roger Williams, Dr. John Clarke, Isaac Backus, and John Leland, fought long and hard for religious freedom in the colonies.

In 1778 Isaac Backus wrote "Government and Liberty Described and Ecclesiastical Tyranny Exposed." He quoted Charles Chauncy:

"We are in principle against all civil establishments in religion. It does not appear to us that God has entrusted the State with a right to make religious establishments...."

Even secularists joined in the cause of religious liberty. James Madison and Thomas Jefferson and many other founding fathers understood that establishment and incorporation of churches exceeds the authority of civil government and violates the First Amendment.

For example, on February 21, 1811 President James Madison who introduced the First Amendment and led the endeavor to get it added to the Constitution in 1791 **vetoed a bill entitled "An Act incorporating the Protestant Episcopal Church in the town of Alexander, in the District of Columbia"** the District of Columbia being under federal jurisdiction. He returned the bill with the following objections:

"Because the bill exceeds the rightful authority to which governments are limited by the essential distinction between civil and religious functions, and violates in particular the article of the Constitution of the United States which declares 'Congress shall make no law respecting a religious establishment.'

“The bill enacts into and establishes by law sundry rules and proceedings relative purely to the organization and policy of the church incorporated,

“This particular church, therefore, would so far be a religious establishment by law, a legal force and sanction being given to certain articles in its constitution and administration....”

The arguments of a church, every church member, including the pastor, should begin and end with the Bible. If the Bible teaches that church incorporation and 501(c)(3) violate Bible principle, then a church should reject incorporation and 501(c)(3) and any legal entity status regardless of the consequences. In America, there will be no real consequences, only a few inconveniences, for remaining under Christ and Christ alone. Our regenerated Bible believing forefathers since the inception of the church age have done so in the face of horrible persecutions and death by drowning, beheading, burning at the stake and other indescribably cruel means by the established church states. They did so in the American colonies and paid a high price for their stand. Yet their stand gradually won the day and as a result of their sufferings and sacrifices for our Lord, we have the First Amendment and corresponding state constitutional provisions.

A Few Facts about Church Corporate 501(c)(3) or 508 Status

(See the **Endnote 2** for more on Incorporation and 501(c)(3). Or see *Separation of Church and State/God's Churches: Spiritual or Legal Entities* for an even more thorough analysis with legal citations given)

1. “[A] corporation is an artificial being, invisible, intangible, and existing only in contemplation of law. “A corporation is not a natural person but rather an artificial person, that is, a legal fiction or a creature of statute. “The attributes of a corporation may include the capacity of perpetual succession, the power to sue or be sued in the corporate name, the power to acquire or transfer property and do other acts in the corporate name, the power to purchase and hold real estate, the power to have a common seal, and the power to make bylaws for internal government. The incorporator's choice of a particular statutory framework for incorporation is not dispositive of the corporation's nature and status; the corporation's declared objects and purposes are determinative.”
2. The state is sovereign over a corporation which is an invention of man and a legal entity.
3. “No corporation can exist without the consent or grant of the **sovereign**, since the corporation is a creature of the state and derives its powers by legislative grant.
4. The state creates the corporation.
5. The corporation is is a creature of the state and which comes into existence with the consent or grant of the state.

6. The incorporated church has given up much of her First Amendment protection and placed herself, for many purposes, under the Fourteenth Amendment.
7. The basic purpose of incorporation—to create a distinct legal entity, with legal rights, obligations, powers, and privileges different from those of the natural individuals who created it, own it, or whom it employs—is at odds with the purpose of a church which is to glorify God by remaining a spiritual entity and submitting herself to Jesus Christ in all things.
8. The corporation owns the property the church meets on and the offerings and gifts of church members.
9. Incorporation creates several contracts: between the church and the state, between the members and the corporation, between the members themselves, and between the members and the state.
10. A corporation is established under a charter from the civil government and is conclusively established by filing articles of incorporation with a state agency, the contents of which are commonly specified by a state's corporation statutes.

Any assembly of people who come together at specified times for specified purposes is a church or assembly. But is it Christ's ekklesia, Christ's church? Can we agree that a corporate meeting is not Christ's church. It is created by man's temporal earthly law. Its sovereign for many purposes is the state of incorporation and the Federal Government in the case of 501(c)(3) status. It is not totally under the authority of Christ. Its officers are not Bible prescribed officers. Its procedures are not Bible prescribed procedures. Its sovereign is the state of incorporation whereas the sole sovereign of a church is the Lord Jesus Christ.

It has employees. It has a CEO, a secretary, etc. The Bible makes no provisions for "employees" in a church. The Bible makes no provision for salaries. Its rules of conduct are not those of Christ as laid out in the Epistles of Paul. The corporation is temporal and earthly. A church is eternal and spiritual. It is required to report on its activities to its sovereign, the state of incorporation. A church reports to the Lord Jesus Christ and Him alone.

501(c)(3) and 508 come with 5 rules. As to 508 status see: [Church Internal Revenue Code § 508 Tax Exempt Status](#). Under the IRS interpretation of 501(c)(3), to qualify for tax exempt status under 501(c)(3) and 508 religious organizations must meet the following requirements, i.e. abide by the following rules:

- "1. must be organized and operated exclusively for religious, educational, scientific, or other charitable purposes,
- "2. net earnings must not inure to the benefit of any private individual or shareholder,
- "3. no substantial part of its activity may be attempting to influence legislation,
- "4. the organization may not intervene in political activity,

“5. the organization’s purposes and activities may not be illegal or violate fundamental public policy.”¹

The authority as to the above rules over the 501(c)(3) church is the Federal Government though its courts. That should settle the issue of whether a church should get 501(c)(3) status. Even if the Johnson Amendment were eliminated, a 501(c)(3) or 508 church is not a church under Christ in all things. It is a church, an assembly of people, but it is not a church of Christ.

The federal government and also the Internal Revenue Service can unilaterally add additional rules. Many “Christians” hope that the their authority for 501(c)(3) and 508 matters will repeal rule no. 4 which is known as the Johnson Amendment. That will not change the fact that they voluntarily submitted to federal government authority when they asked for 501(c)(3) or 508 status. They voluntarily asked the federal government to assume authority over them in the matters covered by 501(c)(3) and 508 rules.

A First Amendment church, a non-corporate 501(c)(3) church is non-taxable. A 501(c)(3) church is tax exempt. This difference is more thoroughly explained in *Separation of Church and State/God’s Churches: Spiritual or Legal Entities* as is the whole issue of church 501(c)(3) and 508 tax exemption.

Th real reason churches get 501(c)(3) status is so that people will know that their gifts to the corporation are tax deductible: the corporation will give them an IRS acknowledgement for their gift and the name of the corporation will be on the IRS list of tax exempt organization. The intentionally violated Bible principle in order to entice people to give to their corporation for the wrong reason: because they get a tax deduction. In a church under Christ, members give to God, not to a corporation; and their motive is love for God. I know of members of churches organized according to Bible doctrine who still get a tax deduction; they would still give to God even if they did not get the deduction. My position is that the deduction to members of corporate churches only would violate the First Amendment in that it would favor religious organizations over churches under Christ. Again, see *Separation of Church and State/God’s Churches: Spiritual or Legal Entities* for more on this.

A corporate 501(c)(3) or 508 church is at least partly built and controlled by man. Such a church is not a church under Christ in all things. It is a church, but it is not a church of Christ.

Conclusion

¹ IRS Publication 1828 (2007), pp. 3, 5. This and all IRS publications referred to may be accessed at irs.gov. IRS details on proscription #3 are on pp. 5-6 of IRS Pub. 1828. Just mentioning a candidate may violate proscription #4. Detailed guidelines with consequences of violation of proscription #4 are on pp. 7-11 of Pub. 1828. As to proscription #5, public policy is determined by the courts.

Churches in America can choose to be either legal entities under civil government for many or all purposes or spiritual entities under Christ and Christ alone. American law allows the choice without persecution or discrimination. They make a choice: continue under Christ alone or put themselves under the authority of the state and federal government for many or all purposes. A lot of disputes among corporate 501(c)(3) church members, between members and the pastor, between members and the corporation, and between the corporation and the state are taken to civil court and decided there. No matter the outcome, the mere process is very time consuming and expensive. In the end, the state court, the authority and controlling party to the contracts with the state created by incorporation, decides the matter(s) without resort to the Bible. The sole basis for deciding all these disputes, and there are a multitude of them, is man's law. Please do not try to set your Bible beliefs up as the authority for deciding the issue(s).

Many nations even in this day do not give such a choice. I am sure Satan is enjoying saying to God: "Look at your people in America. They don't love you. They don't honor you. They could proceed under you alone but they choose to take on another lover because they are more interested in what I have to offer." But I believe God says, "Hast thou considered my servant Liberty Baptist Church in Albuquerque, New Mexico? Hast thou considered my remnant of churches who love me with all their heart, soul, mind, spirit, and strength?"

If your church is trying to build a man-made worldly organization without Scriptural nature, purpose, and form of organization; if your church ignores, for example, Bible requirements for church membership where anyone, lost are saved can come for worldly or even "religious" reasons, you should not worry at all about building the church on additional man made, temporal, earthly methods such as incorporation and 501(c)(3) or 508 status. After all, no matter how much flowery language you put in your constitution and by-laws, your church is not a church of Christ anyway; it is not Christ's church, it is your church built using man's methods.

2 Corinthians 7:8-10 For though I made you sorry with a letter, I do not repent, though I did repent: for I perceive that the same epistle hath made you sorry, though it were but for a season. Now I rejoice, not that ye were made sorry, but that ye sorrowed to repentance: for ye were made sorry after a godly manner, that ye might receive damage by us in nothing. For godly sorrow worketh repentance to salvation not to be repented of: but the sorrow of the world worketh death.

Endnotes

Endnote 1 God obviously does not wish his children to remain in spiritual kindergarten:

- **Hebrews 5:12-14:** "For when for the time ye ought to be teachers, ye have need that one teach you again which be the first principles of the oracles of God; and are become such as have need of milk, and not of strong meat. For every one that useth milk is unskilful in the word of righteousness: for he is a babe. But strong meat belongeth to them that are of full

age, even those who by reason of use have their senses exercised to discern both good and evil. Hebrews 6:1-2 Therefore leaving the principles of the doctrine of Christ, let us go on unto perfection; not laying again the foundation of repentance from dead works, and of faith toward God, Of the doctrine of baptisms, and of laying on of hands, and of resurrection of the dead, and of eternal judgment.”

- **1 Corinthians 3:2** “I have fed you with milk, and not with meat: for hitherto ye were not able to bear it, neither yet now are ye able.” But then Paul went on to feed them with meat.”

Endnote 2. Incorporation and 501(c)(3) status for churches fundamentally alter the nature of a church who obtains them. Both require a church to become a legal entity. A legal entity means, “Legal existence. An entity, other than a natural person, who has sufficient existence in legal contemplation that it can function legally, be sued or sue and make decisions through agents as in the case of corporations.” BLACK’S LAW DICTIONARY 893-894 (6th ed. 1990), definition of “legal entity.” Church corporate 501(c)(3) status combines church and state for some purposes. A short analysis of both church corporate and 501(c)(3) status follows.

Incorporation compromises (1) the First Amendment and corresponding state constitutional provisions, many of which expand First Amendment protections (2) the New Testament church status of a church. Church corporate status creates a legal entity with certain attributes:

- “[a] corporation is an artificial being, invisible, intangible, and existing only in contemplation of law. As a mere creature of law, it possesses only those properties which the charter of its creation confers upon it, either expressly or as incidental to its very existence; these are such as are supposed best calculated to effect the object for which they were created. It is essentially the legal identity of a set of contractual obligations and entitlements. A corporation is not a natural person but rather an artificial person, that is, a legal fiction or a creature of statute.” 18 AM. JUR. 2D *Corporations* § 1 (2007).
- The civil law makes clear that the sovereign of the corporation is the state: “No corporation can exist without the consent or grant of the **sovereign**, since the corporation is a creature of the state and derives its powers by legislative grant. The power to create corporations is one of the attributes of **sovereignty**. There is no inherent right to conduct business as a corporation. The right to act as a corporation does not belong to citizens by common right, but is a special privilege conferred by the **sovereign** power of the state or nation. Until there is a grant of that right, whether by a special charter or under a general law, there can be no corporation. Any means of incorporation that a state sees fit to adopt are appropriate....” 18A AM. JUR. 2D *Corporations* § 156 (2007) [Emphasis mine.]
- “The right to act as a corporation is a special privilege conferred by the **sovereign** power, and until there is a grant of such right, whether by special charter or under general law, there can be no corporation....” *Ibid.*, § 74. [Emphasis mine.]

- Incorporation of a church creates a contract which places an incorporated “church” under the contract clause of Article I Section 10 of the United States Constitution: “The charter of a private corporation is a contract and entitled to protection under the provision of the Constitution of the United States prohibiting the several states from passing any law impairing the obligation of contract.” 18 AM. JUR. 2D *Corporations* § 81 (2007).
- “A corporate charter frequently is described as a contract of a threefold nature; that is, a contract between the state and the corporation, a contract between the corporation and its stockholders [or members if a private religious corporation], and a contract between the stockholders [or members] inter se. The charter also is spoken of as a contract between the state and the incorporators.” *Id.* The result of this contract is “an artificial person or legal entity created by or under the authority of the laws of the state, an association of persons created by statute as a legal entity” which can sue and be sued. God is not included in the contracts created by incorporation.
- Other contracts are created by the bylaws of the corporation: contracts between the members or stockholders of a corporation, and contracts between the corporation and its members or its stockholders. The multiple contracts created by the articles of incorporation and the bylaws entangle the incorporated church with earthly concerns.
- The corporate church must also have bylaws. “The bylaws of a corporation are a contract between the members of a corporation, and between the corporation and its members, while the articles of incorporation constitute a contract between the corporation and the state, between the corporation and its owners or members, and between the owners or members themselves....” *Ibid.*, § 261. “Until repealed, a bylaw is a continuing rule for the government of the corporation and its officers. Bylaws constitute a binding contract as between the corporation and its members and as between the members themselves....” *Ibid.*, § 258.
- “A church society, by incorporating, does not lose its existence or become wholly merged in the corporation. The religious corporation and the church, although one may exist within the pale of the other, are in no respect correlative. The objects and interests of the one are moral and spiritual; the other deals with things temporal and material. Each as a body is entirely independent and free from any direct control or interference by the other.
- **“Thus, whenever there is an incorporated church, there are two entities—the one, the church as such, not owing its ecclesiastical or spiritual existence to the civil law, and the other, the legal corporation—each separate, although closely allied. The former is purely voluntary and is not a corporation or a quasi corporation. On the other hand, a corporation which is formed for the acquisition and taking care of the property of the church, must be regarded as a legal personality, and is in no sense ecclesiastical in its functions.”** 66 AM. JUR. 2D *Religious Societies* § 5 (2007). [Emphasis mine.]
- Of note in the above quote is the inference that a non-incorporated, non-501(c)(3) church which has not in any way submitted to civil government or made herself a legal entity

does not subject herself or owe her existence to civil law and her objects and interests are only spiritual. This is in line with biblical principle that a New Testament church is spiritual only and has no earthly legal attachments.

- Thus, one can see that an incorporated 501(c)(3) church, since she is under two heads, gets part of her powers from God and part from the civil government. Part of the church, as a legal entity, can sue and be sued as to both earthly and some spiritual matters. A church of Christ believes that all church matters are to be governed by spiritual principles; when a church is so directed, her members will exhibit the highest of morals and therefore will be the most desirable citizens of their nation. Of course, God ordained civil government and gave it jurisdiction over citizens who commit crimes against their fellow man, regardless of religious affiliation. For a church to obtain incorporate 501(c)(3) status clearly violates biblical principles since a New Testament church herself is a spiritual entity only.

That an incorporated church is an artificial person and a separate legal entity has many ramifications.

- “The corporate personality is a fiction but is intended to be acted upon as though it were a fact. A corporation is a separate legal entity, distinct from its individual members or stockholders.
- “The basic purpose of incorporation is to create a distinct legal entity, with legal rights, obligations, powers, and privileges different from those of the natural individuals who created it, own it, or whom it employs....
- “A corporate owner/employee, who is a natural person, is distinct, therefore, from the corporation itself. An employee and the corporation for which the employee works are different persons, even where the employee is the corporation's sole owner.... The corporation also remains unchanged and unaffected in its identity by changes in its individual membership.
- “In no legal sense can the business of a corporation be said to be that of its individual stockholders or officers.” 18 AM. JUR. 2D *Corporations* § 44 (2007).

A corporate church has given up much of her First Amendment protections since she is now also legal, and not a purely spiritual, entity:

- “A corporation is a person within the meaning of the due process and equal protection clauses of the Fourteenth Amendment to the United States Constitution and similar provisions of state constitutions and within the meaning of state statutes.” *Johnson v. Goodyear*, 127 Cal. 4 (1899).
- “[A] corporation is not considered as a person under the First Amendment to the United States Constitution (religious liberty clause) or under the Fifth Amendment to the United States Constitution.” *Id.*

- By contracting with the state through incorporation, she supposedly gains certain “protections” while giving up certain constitutional rights. While a corporate church must “obey the laws of its creation,” it also has constitutionally protected rights which are quite different and less effective than the rights she had while a spiritual entity protected by God and the First Amendment. A church which is not satisfied with God’s liberty, provisions, and protections (which are implemented by the First Amendment) seeks incorporation. A church of Christ believes that God is a far more strong and benevolent protector, provider, and director in all church matters than the state.

The organization of a church and a corporation are different:

- The incorporated “church” has “employees.” “Employees” refers to those who work for the church and receive a set salary. Members of a New Testament church serve the Lord and live by faith. They cannot receive a salary from a New Testament church, a purely spiritual entity. Even should the incorporated “church” call their “employees” ministers, the state rightly looks at them as “employees,” and the state is the sovereign of the corporation. A New Testament church cannot have employees and remain a New Testament church. Nowhere in the Bible can one conclude that a church is to pay anyone a salary. To do so makes that church a legal entity. The Bible instructs churches to provide for the pastor and their family. Some churches do so, some do not. Some are able to do so, some are not. A pastor should report to the Internal Revenue Service his income, if any, from the provisions made for his family by a church.
- Whereas a church is to have pastors, teachers, and so forth, state laws which create corporations require the corporation to have officers such as president, treasurer, secretary, and so forth.

Ownership of a church and a corporation differs.

- “Members in a nonprofit corporation are the ‘owners’ of the corporation and generally play a role similar to shareholders in for-profit corporations.” 18A AM. JUR. 2D *Corporations* § 609 (2007). As has been pointed out, Jesus Christ owns a New Testament church. Jesus stated that He would build His church. Matthew 16:18 says, “And I [Jesuws] say also unto thee, That thou art Peter, and upon this rock I will build my church; and the gates of hell shall not prevail against it.” The incorporated “church” is partly owned, authorized, and built by God and partly owned, authorized, and built by the state of incorporation.
- The corporation owns the property. The members of the corporation are not owners of the corporate property; the corporation and its members are distinct parties. The corporation has an existence distinct, separate and apart from its members.

There are other implications of incorporation which conflict with the Bible convictions of A church of Christ:

- An incorporated church must deal with all the government red tape that comes with incorporation. The incorporated church must now elect officers, hold business meetings, notify members of those meetings pursuant to statutory requirements, keep records, etc. All these secular activities take tremendous time, energy, and resources which could be used in pursuing the God-given purposes and activities of a church. The incorporated church which does not comply with statutory requirements is being dishonest and could face further problems from her sovereign state.
- A corporation cannot be the bride of Christ, the wife of Christ. The incorporated part of an incorporated church is not the bride of Christ, the wife of Christ, but rather an extramarital illicit relationship existing alongside the marriage.

Nor can A church of Christ cannot violate her Bible convictions by taking Internal Revenue Code Section 501(c)(3) status. To do so would subject the church to another authority, the federal government, and specifically a federal agency, the Internal Revenue Service. 501(c)(3) status further places a church under federal government control. Under the IRS interpretation of 501(c)(3), to qualify for tax exempt status under 501(c)(3) religious organizations must meet the following requirements, i.e. abide by the following rules:

1. “1. must be organized and operated exclusively for religious, educational, scientific, or other charitable purposes,
2. “2. net earnings must not inure to the benefit of any private individual or shareholder,
3. “3. no substantial part of its activity may be attempting to influence legislation,
4. “4. the organization may not intervene in political activity,
5. “5. the organization’s purposes and activities may not be illegal or violate fundamental public policy.”

Rules one through three above are stated in 501(c)(3). Rule four is also stated in 501(c)(3) and was added by legislation sponsored by Lyndon Johnson in 1954. The last requirement—“may not violate fundamental public policy”—is not from legislative law. This requirement was made law by federal court in the *Bob Jones University v. United States*, 461 U.S. 574 (1983). See also, IRS Publication 1828.