



Dakotas-Minnesota Area

The United Methodist Church

Church Planting Legal and Business Structure and Sequence

This document is intended to guide a new church in the early phase of organizational structure and sequence.

I. Developing Your Stakeholder Team

A. Why?

1. Protecting the intended purpose of the new church.
2. Alignment of the Stakeholders and Planter.
3. Holding Planter accountable for project progress.
4. Overseeing the fiscal integrity of the planting effort.
5. Supporting the Planting leader.

B. Who?

1. Planter
2. Director of New Church Development
3. District Superintendent
4. Parent church rep. if relevant
5. Coach.
6. Finance person.

C. When?

1. Monthly or bi-monthly meetings

II. Staffing Issues

- A. Contracts
- B. Supervision
- C. Policies

III. Legal and Business Components and Sequence

A. Obtain GCFA number.

1. If you are an Elder or LLP the GCFA establishes you with Westpath for pension and insurance.
2. Do this immediately through the Annual Conference office and your DS.
3. All new starts do this regardless of whether you are using a fiscal partner or not UNLESS they are a multi-site.

B. File State Articles of Incorporation

1. Obtain the template from your Annual Conference.
2. Establishes your legal identity and ensures limited liability.
3. Establishes Stakeholders as your board.

4. File with the state.
- C. Obtain Liability Insurance
 1. Contact the Annual Conference Offices to obtain coverage.
 2. Get your own coverage if NOT covered by the Annual Conference.
 - D. Get EIN Number (also known as your tax ID number) and is needed for payroll.
 1. To apply: <https://app.goveasyfilings.com/church-tax-id-ein-application>
 2. Allows you to take tax deductible offerings.
 3. Ideally this is done by your treasurer. If no treasurer, get one so the pastor is not signing for this.
 4. NOTE: If partnering with a fiscal parent church that does your payroll you do not need your own EIN number...yet. When you do your own payroll you must have an EIN.
 - E. Establish Financial Controls
 1. Obtain "Financial Controls" checklist. (see website)
 2. Confirm with Stakeholders that you have completed checklist
 - F. Open a Bank Account
 1. Bring your Articles of Incorporation and EIN number
 2. Establish who can sign checks.
 3. NOTE: If partnering with a fiscal parent church then you will be running checks through your parent church.
 - G. Tax Exemption or becoming a 501c3 or IRS GROUP LETTER inclusion.
 1. Establishes your ability to grant tax deductions on income the church receives and on contributions.
 2. Go to: www.umgroupruling.org for directions.
 3. You must issue tax receipts to donors at year end.
 4. NOTE: If partnering with a fiscal parent church you still should apply for GCFA inclusion in the group tax exemption ruling.
 - H. Obtain City, Township or County License where required.
 1. Check with city or otherwise manager office
 2. Expected in some rental situations.
 - I. Confirm Your Housing Allowance
 1. Call a Stakeholder Team meeting prior to January 15
 2. Submit to your team housing estimates and record in minutes
 3. This amount is verified at year end and reported on W-2
 4. Consult IRS for further details (tax topic 417 and publication 517)

- J. Chartering. (2016 Discipline P259.3-259.10) - Typically 4-6 years after launching.
1. Confirm you have leaders for key committees. (Trustee, SPRC, Finance, Council) and that they are nominated for those roles by your current Stakeholder team.
 2. Confirm you are self-sustaining financially for a reasonable period.
 3. Confirm that you have been holding public worship for a reasonable period.
 4. Confirm those who desire to be "charter members" and hold a Charge Conference with your DS. (P246.5) Appoint a secretary to record minutes.
 5. At the Charge Conference, receive professing members by transfer or on profession of faith. Baptize those not baptized.
 6. At the Charge Conference the pastor shall nominate or appoint a person to nominate the officers for Trustee, SPRC, Finance and Council which shall be elected by the members (P258.1c).

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