

PART 7
CORPORATIONS
Chapter 1
LOCAL CHURCH CORPORATIONS

A. Authorization

4000. A local church within an established district may be incorporated (cf. 655:14) when so authorized by the district board of administration (1233:32), and when in the opinion of the district board of administration it is deemed necessary for the issuing of bonds, the securing of commercial loans or some other special reason. The incorporation of a local church within a developing district or provisional district may be authorized when deemed necessary by the General Director of Evangelism and Church Growth.

4005. The articles of incorporation and bylaws for the incorporation of a local church shall be according to the standard provisions in 4010, any other pertinent requirements of *The Discipline*, the requirements of local laws as advised by competent legal authority, and shall be approved in writing by the authorizing district board of administration or official (4000).

B. Standard Provisions

4010. The standard provisions for the incorporation of a local Wesleyan church are as follows, provided that whenever such standard provisions shall conflict with the local laws under which the incorporation is effected, such provisions shall be deemed to be modified to the extent necessary to conform with such local laws (4510).

(1) The name of the corporation shall be: “ _____ (name or place) Wesleyan Church, Inc.”

(2) The primary purposes for which the corporation is formed shall be religious, benevolent, charitable and educational in keeping with the purposes of The Wesleyan Church as set forth in its *Discipline* (cf. 100-105; 200; 2200; 2300), and shall not be for the pecuniary gain or profit to the members thereof, and especially, to purchase, hold in trust for the benefit and use of the members

and ministers of The Wesleyan Church, manage, encumber, sell, transfer or otherwise dispose of property, real, personal or mixed, as may be necessary or convenient for the purposes of the corporation; to acquire or erect and maintain buildings for the worship of God, the use and occupancy of its ministers, Christian education, and other purposes in keeping with the doctrines and principles of The Wesleyan Church; to receive, manage and hold in trust for members and ministers of The Wesleyan Church, any and all donations, bequests and devises of any kind or character that may be given, bequeathed or conveyed to the local church or to the trustees of the local church as such, and to administer the same and income therefrom in accordance with the directions of the donor, trustor or testator; provided that any and all of the foregoing purposes shall be carried out in conformity with the provisions of *The Discipline* of The Wesleyan Church as legislated and declared from time to time (cf. 4040).

(3) The corporation shall be subject to The Wesleyan Church, its duly elected officials and its rules and regulations as set forth in its *Discipline* from time to time and as otherwise legislated and declared in keeping with said *Discipline*.

(4) The bylaws of the corporation shall include *The Discipline* of The Wesleyan Church as legislated and declared from time to time; and no other bylaws shall be adopted that are inconsistent with the provisions of said *Discipline* (4005).

(5) The term for which the corporation is to exist is perpetual.

(6) If the corporation shall be dissolved or become inactive, or whenever the board of directors (4010:7) shall cease to function or cease to be amenable to The Wesleyan Church as set forth in the Judiciary (5006; 5305-5320), any or all assets of the corporation shall inure to the district of which the local church is a member, and the district board of administration shall be authorized and empowered to carry on the function of said board of directors (1233:32, 35).

(7) The directors of the corporation shall be the members of the local board of trustees as set forth in *The Discipline* (cf. 850-859; 4500-4780), who shall carry out the directions of the local church conference (655:13) and the local board of administration (782:27) as set forth in *The Discipline*. A member of the board of directors shall not be personally liable for the debts, liabilities or obligations of the corporation.

(8) The members of the corporation shall be the covenant members of the local church, or such other body as local laws may require, provided that each voting member of the corporate body shall be a covenant member of The Wesleyan Church.

C. Ownership

4030. All grants, conveyances, devises, gifts, transfers and assignments made of any property, real, personal or mixed, to or for an incorporated local church shall be held by and/or conveyed and transferred to the corporate body in its corporate name, in trust for the use and benefit of such local church and The Wesleyan Church, and subject to *The Discipline*, regulations and appointments of said Church as from time to time legislated and declared. Every instrument or conveyance of real property shall contain the trust clause as set forth in 4610 (cf. 4690) and shall be approved by the district superintendent as being in conformity with the requirements of *The Discipline* (1310:11).

D. Acquisition, Sale, Transfer or Mortgage of Property

4040. An incorporated local church shall acquire, purchase, sell, mortgage, transfer or otherwise dispose of real property subject to the following authorization and conditions:

(1) A resolution authorizing the proposed action shall be recommended by the local board of administration (782:31) and passed by the local church conference (655:13) in corporate session, or such other corporate body as local laws may require and as set forth in the articles of incorporation and bylaws of the local church corporation, with the members thereof acting in their capacity as members of the corporate body, by a majority vote of those present and voting, at any regular or special session duly called for such purpose (630:1-2; 633:1), provided that notice of such intended action shall be given to the covenant members of the local church through announcement from the pulpit in two regular services, the first of which shall be at least one week prior to the meeting at which the action shall be presented, and in the church bulletin, when such is available (cf. 633:1), and through such other notice as may be required by local laws or by the bylaws of the local church corporation.

(2) The district building committee shall study the proposal of the local church whenever the purchase of property, the construction or remodeling of buildings or other work of the committee is involved as set forth in 1345, and shall give its written recommendation to the district board of administration and the local church.

(3) The written approval of the district board of administration as stated in 1233:32 shall be necessary and shall be affixed to the written instrument involved.

(4) The resolution authorizing such proposed action shall direct and authorize the corporation's board of directors (4010:7) to take all necessary steps to carry out the action so authorized, and to cause to be executed, as hereinafter provided, any necessary contract, deed, bill of sale, mortgage or other written instrument.

(5) The board of directors of the local church corporation (4010:7) shall take such action and adopt such resolutions as may be necessary or required to carry out the proposal as approved, provided that such shall be in conformity with *The Discipline* and as required by local laws (4510).

(6) The chair of the board of directors (4010:7), or another designated director shall submit all written instruments of conveyance and title for the acquisition of property to the district superintendent for the approval of the district superintendent as to their conformity with *The Discipline* as stated in 1310:11 and shall see that permanent legal and property records are properly stored as required in 4760.

E. Other Regulations

4060. An incorporated local church and/or its board of directors (4010:7) may not divert property from the ownership and use of The Wesleyan Church and is subject to other regulations concerning local church property as set forth in *The Discipline* in 4500-4630, 4700-4780, and any other pertinent provisions.

4070. The proceeds from the sale of any real property by an incorporated local church shall only be used for the purchase or improvement of property for that local church, unless otherwise authorized by the district board of administration as set forth in 4720-4730 (cf. 1233:32).