

Chapter 2

DISTRICT CORPORATIONS

A. Authorization

4100. Except where prohibited by state or provincial law, the district conference of each established district shall be incorporated or shall cause a corporation to be formed and maintained as a subsidiary corporation of The Wesleyan Church (1180:21; 4310) such as will enable it to receive, hold in trust, encumber, sell, transfer and otherwise dispose of district property and such local property as may be held by the district (cf. 323:8; 4660-4680; 4730-4750; 4770-4780), and to facilitate the management of its legal and corporate affairs in such manner as may be directed by the district conference (1180:21) from time to time and according to *The Discipline* (4590). In places where such incorporation is prohibited by law, or where the law requires the property to be held by trustees, the legal affairs of the district shall be administered as set forth in 4830-4880.

4105. A provisional district may be incorporated when so recommended by the General Director of Evangelism and Church Growth and authorized by the General Board (1655:34) or its Executive Board, and such incorporation shall be according to the standard provisions for an established district (4120).

4110. The articles of incorporation and bylaws for the incorporation of a district, and any amendments thereto, shall be according to the standard provisions in 4120 and any other pertinent requirements as set forth in *The Discipline*, and shall be subject to the approval of the General Board (1655:34).

B. Standard Provisions

4120. The standard provisions for the incorporation of a district of The Wesleyan Church shall be as listed herewith, provided that when such standard provisions shall conflict with local laws under which the incorporation is effected, said standard provisions shall be deemed to be modified to the extent required by the local laws (4510):

(1) The name of the corporation shall be: “_____ (official district name) District of The 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 of the members thereof, and especially shall be to acquire, purchase, manage, sell, exchange, mortgage, deed in trust, pledge, rent, lease, and convey any property, real, personal or mixed, as may be necessary or convenient for the purposes of the corporation; provided that all such property shall be held in trust, in the corporate name, for the benefit and use of the members and ministers of The Wesleyan Church as set forth in 4140; to acquire or erect and maintain buildings for the worship of God, the use and occupancy of its ministers, Christian education and other activities that are in harmony with the doctrines and purposes of The Wesleyan Church; to receive and hold in trust for the benefit and use of the members and ministers of The Wesleyan Church any and all donations, bequests and devises of any kind or character, real, personal or mixed, that may be given, devised, bequeathed or conveyed to the district, or to the district board of trustees as such, for any purpose consistent with the purposes of the corporation and to administer the same in accordance with the direction of the donor, trustor or testator; and in addition to have all other powers as are expressly or impliedly given to said corporation by the laws under which it is incorporated when such do not contravene the provisions of *The Discipline*.

(3) The corporation shall be subject to The Wesleyan Church, its duly elected officials and its rules and regulations as set forth in *The Discipline* as legislated and declared from time to time and as otherwise directed by the General Conference (1590:4) and the General Board (1655:34); and shall not have authority to divert property from the ownership or use of The Wesleyan Church and its duly elected officials (cf. 4870-4880).

(4) The bylaws of the corporation shall include *The Discipline* of The Wesleyan Church as legislated and declared from time to time, and no bylaws shall be adopted that are inconsistent with the provisions of said *Discipline* (4110).

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

(6) The district board of administration, duly constituted and organized as required in 1203-1230, shall be the board of directors of the district corporation (1233:13), shall exercise its corporate powers, shall carry out the duties assigned to the district board of administration in *The Discipline* in all matters relating to property in 4830-4840 and any other provisions. It shall carry out the directions of the district conference (1180:22; 1233:14),

and, in the interim of its sessions, shall have power to act on its own resolution to acquire, purchase, sell, exchange, mortgage, deed in trust, pledge, rent, lease and convey any property, real, personal or mixed, as may be deemed necessary or convenient for the purpose of the district and so to order the district board of trustees (1360-1365; 4855), provided that in transactions concerning real property used for district purposes, such as a district parsonage for the district superintendent, district headquarters or district campground, the district board of administration shall consult with the General Superintendent over the district (1935:17), and further provided that said district board of administration shall be subject to the general regulations concerning property as set forth in 4500-4630. The district board of administration of an incorporated district, acting as its board of directors, may authorize and direct the district corporation to guarantee in writing any note, mortgage, contract or any other evidence of indebtedness, of any local church of said district. The district board of administration shall be amenable to the district conference, the General Board and the General Conference (cf. 4870-4880). A director shall not be personally liable for the debts, liabilities or obligations of the corporation.

(7) The board of directors (4120:6) shall be authorized and empowered to institute all necessary legal and equitable actions in the name of the district corporation to protect the interests and rights of The Wesleyan Church within the bounds of the district, including all matters relating to property and the rights to property, whether arising by gift, devise or otherwise, for all property held by the district corporation and all property held by local churches, circuits, or other agencies within the bounds of the district.

(8) The members of the corporation shall be the members of the district conference as constituted and organized in 1080-1109, or such other body as local laws may require, provided that all voting members of the corporate body shall be covenant members of The Wesleyan Church.

(9) In the event the corporation shall be dissolved, or become inactive, or whenever the board of directors (4120:6) shall cease to function, any and all assets of the corporation shall inure to The Wesleyan Church Corporation (4200), and the General Board, in the name of The Wesleyan Church Corporation, shall carry on the functions of the corporation and exercise its corporate powers and shall be authorized to institute any necessary legal or equitable actions to preserve the interests and rights of the district and of The Wesleyan Church (1655:34).

C. Ownership

4140. All grants, conveyances, devises, gifts, transfers and assignments made of any property, real, personal or mixed, to or for an incorporated district 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 the members and ministers of The Wesleyan Church and of such district 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. 323:8).

D. Other Regulations

4150. The members (4120:8) and/or board of directors (4120:6) of a district corporation shall not have authority to divert any property from the ownership and use of The Wesleyan Church and its duly elected officials, and said members and/or board of directors are subject to the regulations concerning property held by a district as set forth in *The Discipline* (cf. 4870-4880; 5375). The board of directors of a district corporation shall consult with the General Superintendent over the district concerning transactions involving real property used for district purposes such as a district parsonage, headquarters or campgrounds (1935:17; cf. 4840:1).