

First Steps of Incorporating a Church



Church Venture Northwest (CVNW) recommends that churches become incorporated. There are a number of benefits for an incorporated church, the most important is the protection it provides for individual members from personal liability associated with negligent or criminal acts.

This document provides a step-by-step guide to help churches understand all that is needed to incorporate. It is important to understand that every state has different legal requirements for incorporation. Our website provides resources for the four states in our association, Oregon, Washington, Idaho, and Alaska.

Write your Bylaws

Simply put, bylaws are a guide to how your church will be organized. Too often, churches create Bylaws that are unnecessarily complex and cumbersome to live by. *(Bylaws are often called the "Constitution" of the church. Bylaws are required by the state. Whether you call it Bylaws or a Constitution, the state will consider it Bylaws.)*

[The polity page on our website](#) contains resources to assist your church in developing bylaws. Since legal requirements vary by state, the website is organized by the four states of CVNW. Click on the state the church is located in and download the following resources (this will be a zip file with these four documents):

- Guidelines for Bylaws
- Sample Bylaws
- Articles of Incorporation
- Legal Requirements

Get an Employer Identification Number (EIN)

An EIN number is a personal number assigned to a church (or business). It is not only needed for tax purposes, but necessary for establishing certain documents and opening a bank account.

The process is simple. [Apply online](#) by completing the SS-4 form. The form will ask for basic information about church, including name, address, and type of entity. (Select "church or church controlled organization".)

You can also apply by phone, mail, and fax. More information can be found [here](#).

Obtain Articles of Incorporation

Articles of Incorporation specify the financial and legal structure of the church. This process varies by state. Our [website](#) has helpful resources to understand the purpose and the steps of the process according to your state. There is also a form available for each state to use to submit your Articles of Incorporation.

Open a Bank Account

Once your church has an EIN number, you can open a bank account. Some banks may require proof of 501(c)(3) status before proceeding.

Obtain 501(c)(3) Status

Churches that meet the requirements of section 501(c)(3) are automatically given tax-exempt status without having to apply; however, there are several reasons it would be good for a church to officially apply for 501(c)(3) status.

If a church chooses to obtain 501(c)(3) status, there are two options available.

- Churches affiliated with CVNW are covered under the 501(c)(3) umbrella of Venture Church Network. To obtain a copy of a letter confirming your church's 501(c)(3) status, please visit the [VCN website](#) to submit a request. (You have to have an EIN number to request a copy.)
- Churches may choose to obtain their own 501(c)(3) status. There are several resources online to help churches in this process. Things to remember and consider:
 - You must have an EIN number before applying. To learn about other requirements, visit the [IRS exemption requirement page](#).
 - Go to the [IRS Application Process page](#) to help determine eligibility and next steps.
 - Determine which form to file. For smaller churches, the [1023-EZ form](#) is primarily used. Larger churches or churches with potential growth, churches with a larger budget and/or churches that will be applying for grants should use the [1023 form](#).
 - Once you've submitted your application and are approved, the IRS will send a letter of determination. This letter gives the church eligibility to receive tax-free contributions.