



*Enhancing Trust*

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10 ESSENTIALS OF  
**FORMING A  
CHURCH**

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CHURCH ESSENTIALS SERIES

# Introduction



# Introduction

*I will build my church,  
and the gates of Hades will not overcome it.*  
**Matthew 16:18b**

Churches are God’s design—creating an environment to worship together, grow in faith, and meet the needs of the local community. Although churches are formed for spiritual purposes, there are also practical, legal, and financial consequences that arise when organizing a church. This resource highlights common issues that surface when forming a church and offers insights for addressing them.

While many of the guidelines pertaining to forming other charitable organizations also apply to churches, there are notable differences which are described in this resource.

The earliest lawmakers in the United States recognized just how important churches are to the community and that they

serve an eternal purpose, contrasted to the purpose of government. As a result, the Constitution specifically guarantees churches distinct legal rights from other private associations and the freedom to worship without undue government interference.

Because churches are guaranteed unique rights and freedoms, it is important to determine at the outset whether an organization being formed indeed qualifies for church status under the law.

Congress and the Internal Revenue Service (IRS) have not provided an exact legal definition of the term “church.” However, the IRS commonly considers 14 non-exclusive criteria (not all must be met) when deciding whether an organization should be classified as a church:

- Distinct legal existence
- Recognized creed and form of worship
- Definite and distinct ecclesiastical government
- Formal code of doctrine and discipline
- Distinct religious history



- Membership not associated with any other church or denomination
- Organization of ordained ministers
- Established places of worship
- Literature of its own
- Ordained ministers selected after completing prescribed courses of studies
- Regular congregations
- Regular religious services
- Sunday schools for religious instruction of the young
- Schools for preparation of its ministers

The primary difference between churches and other 501(c)(3) tax-exempt organizations is that churches are not required to file for recognition of tax-exempt status. Organizations operating as churches (based on the 14 common criteria) are automatically exempt from federal income tax and therefore do not need to file the Form 1023, Application for Recognition of Exemption, although many choose to do so for reasons discussed later.

Another major difference is that churches are not required to file an annual report similar to a tax return with the IRS (Form 990, Return of Organization Exempt From Income Tax). Unless an exception applies, most charitable organizations are required to file the Form 990 each year, and the form is made available for public inspection.

Despite these major differences, churches must still make certain filings concerning unrelated business income, the operation of private schools, payroll tax, sales tax, and any other state or local reporting requirements that do not specifically exempt churches.

Churches, like all other nonprofit organizations, must be organized primarily for a tax-exempt purpose to be recognized under Section 501(c)(3). Churches generally have no trouble meeting this standard because they are automatically considered tax-exempt as serving religious purposes. In addition to being organized for religious purposes, churches are also often organized for other lawful tax-exempt purposes such as education and charity.

The benefits of 501(c)(3) status are that churches do not have to pay income taxes and are authorized to issue acknowledgments to donors for contributions. As discussed



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later, this status may be at risk, however, if the church is used to provide unlawful private benefit to those who founded or operate the church.

The information in this booklet pertains specifically to the church formation process.

Develop and convey the  
church's vision  
and mission





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## Develop and convey the church's vision and mission

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*So Christ himself gave the apostles,  
the prophets, the evangelists, the pastors and teachers,  
to equip his people for works of service,  
so that the body of Christ may be built up.*

**Ephesians 4:11-12**

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One of the most foundational places to begin the formation process is to solidify what the vision is for the church and how to best convey the vision. This step is crucial in the success of an organization because the founder's role will be one of gathering others around the vision and rallying them to implement it, whether it is through contributions, volunteering, or serving the church in various ways.

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While all churches serve in the same body of Christ, they each have distinct missions and communities to serve. Mission drift can occur for various reasons—often from a lack of focused direction, which can then spiral into a church's demise. It is therefore important that the church's vision and mission are firmly grounded before the church is launched. This is not to say that a mission statement is to be a constraint to growth, but rather that a well-crafted vision will inspire growth and keep that growth focused.



Find the right advisors





# Find the right advisors

After solidifying its vision and mission, where does a church start in the church formation trek? First and foremost, seek counsel from the right advisors. Find one or more wise counselors. It’s biblical—in a multitude of counselors, there is safety (Proverbs 11:14).

These advisors should include, but not be limited to, spiritual counselors. Other advisors that churches may find helpful include those in the following specialty fields: attorneys, CPAs, insurance brokers, and financial service providers. ([Click here](#) for a listing of such advisors on the ECFA website.)

An experienced advisor can be a great resource to a church founder in formation and operational issues. A review of significant issues by a professional is often desirable to navigate the statutory, tax, and accounting rules pertaining to churches.

It may only take one individual to legally incorporate in your state. However, it usually takes more than a few people to get most churches up and running.

*Plans fail for lack of counsel,  
but with many advisers they succeed.*

**Proverbs 15:22**



Decide whether to file  
for recognition of  
tax-exempt status

3



# Decide whether to file for recognition of tax-exempt status

The Internal Revenue Code provides an automatic federal tax exemption for churches.

Some churches choose to file for formal recognition of tax-exempt status, and some do not. The following questions may help a church to decide whether to file for tax-exempt status:

- How large is the church expected to become? If the expected income is less than “x dollars,” it may not make sense to file.
- Does the church expect to be involved with other larger churches? Their governing guidelines may require you to have formal IRS status.
- Will the church be doing overseas ministry? If so, it may make sense to have formal IRS status.

You should discuss with your legal counsel whether the benefits of filing the Form 1023 are worth the costs.

*Suppose one of you wants to build a tower.  
Won't you first sit down and estimate the cost  
to see if you have enough money to complete it?*

**Luke 14:28**

Unlike some other smaller nonprofit organizations, churches are not eligible to file the Form 1023-EZ, a less expensive and expedited process for obtaining recognition of tax-exempt status.



Determine the board size  
and style of governance





# Determine the board size and style of governance

The importance of an active, informed governing body cannot be overemphasized. Left unchecked, even minor board neglect can eventually intrude upon the accountability and effectiveness of the church. In contrast, the active, informed board will hold to the mission, protect the integrity of ministry objectives, and ensure consistent adherence to board policies.

Responsible governance by a board or similar body means carrying out key duties. Though not exhaustive, here are a few of a board's important duties:

1. Commit to prayer, corporately and individually.
2. Identify and monitor the church's mission and purpose.
3. Approve compensation of the church's top leader (in advance).
4. Comply with all legal requirements placed upon the church and approve all legally binding resolutions.
5. With the church's top leader, chart the long-range strategy of the organization.

6. Monitor the church's financial status and approve the annual budget in advance and maintain oversight of its implementation, or establish policies that enumerate the applicable budgetary constraints.
7. Approve the engagement of the church's independent certified public accountant to perform an annual audit, review, or compilation.
8. Assure the church's financial vibrancy.
9. Assure full disclosure of all potential conflicts of interest within the church and the board.
10. Serve as ambassadors for the church.

**Board size.** Board size is also an important issue. Many church bylaws give the church flexibility in determining board size, e.g., "The board shall be comprised of between three and nine board members." If this approach is followed, a church may start with a smaller board and increase as the organization grows. Bylaws that specify an exact number of board members, e.g., "There shall be seven board members," establish a very inflexible restriction that should be avoided unless otherwise required by state law.



Finding qualified candidates for governance of a local church shapes the culture and climate of the congregation. The Apostle Paul lists qualifications for overseers in 1 Timothy 3:1-7 and Titus 1:7-9. These two passages serve as helpful checklists for finding the right board members.

**Governance style.** While the style of church governance is often based on church theology and tradition, there are legal implications that will impact how a church’s bylaws are written.

One question to consider is whether a church should require its board members to be independent. ECFA requires that a board is comprised of a *majority* of non-staff members and non-relatives (see [ECFA Standard 2](#)).

While there are some variations, the two basic governance styles for churches are membership style and self-perpetuating style:

- **Membership style.** The membership style is popular among many churches. In the most typical membership governance style, members have the authority to elect board members and change the bylaws.

While the membership style provides broader representation than a church board, there are challenges

that accompany this style of governance. It can be awkward to manage competing interests of members and the church board. It can also be difficult to persuade a large membership group to make fundamental changes in governing documents.

- **Self-perpetuating style.** In this style, the board generally has the power to elect board members and change governing documents.

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*To the elders among you, I appeal as a fellow elder  
and a witness of Christ’s sufferings  
who also will share in the glory to be revealed:  
Be shepherds of God’s flock that is under your care,  
watching over them—not because you must,  
but because you are willing, as God wants you to be;  
not pursuing dishonest gain, but eager to serve;  
not lording it over those entrusted to you,  
but being examples to the flock.  
And when the Chief Shepherd appears, you will receive  
the crown of glory that will never fade away.*

**1 Peter 5:1–4**

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Prepare church  
organizing documents

5



# Prepare church organizing documents

Developing organizing documents is an important next step after deciding in which state the church will be legally formed (generally the state where the church's primary worship center and office will be located). While incorporation is usually desirable, it is generally not mandatory.

If a church decides to apply for recognition of tax-exempt status, it must submit to the IRS a conformed copy (a copy that agrees with the original document and all amendments to it) of its Articles of Incorporation (and the Certificate of Incorporation, if available), Articles of Association, Trust Indenture, Constitution, or other enabling document. If the church does not have an organizing document, it will not qualify for official federal recognition of tax-exempt status (see [Essential 3](#)).

Bylaws alone are not organizing documents; however, if the church has adopted bylaws, a current copy must be included with the Form 1023 application to the IRS. It is advisable to begin keeping these important documents in a corporate records book.

The following documents (described further in [Essential 9](#)) are considered essential by most churches:

- Bylaws
- Articles of incorporation
- Conflict of interest policy
- Whistle-blower
- Document retention



Obtain the employer  
identification number (EIN)





# Obtain the employer identification number (EIN)

*Let everyone be subject to the governing authorities,  
for there is no authority  
except that which God has established.  
The authorities that exist have been established by God.*  
**Romans 13:1**

Although churches are not required to incorporate or file for recognition of federal tax-exempt status with the IRS, every newly formed church *must* obtain its own employer identification number. The EIN, which is also sometimes referred to as a taxpayer identification number, is required in order to do even the most basic business as an organization, for example, opening the church's first bank accounts.

The IRS assigns an EIN after a church properly completes and files Form SS-4. A good time to file Form SS-4 is when the church's organizing documents have been completed.

The [Internet EIN](#) application is the preferred method for churches to apply for and obtain an EIN. Once the application is completed, the information is validated during the online session, and an EIN is issued immediately.

Applications may also be filed by mail. The processing timeframe for an EIN application received by mail is four weeks. Ensure that the [Form SS-4](#) (PDF) contains all of the required information.

There is often confusion about when a church has a tax-exempt number. The employer identification number is *not* a tax-exempt number. The EIN has nothing to do with tax-exempt status; it is simply the church's unique identifier in the IRS's records, similar to an individual's social security number.



Avoid private benefit  
and inurement





## Avoid private benefit and inurement

The basic private benefit and inurement principles have been established to ensure that a 501(c)(3) organization is serving public interests, not private interests. (Remember, churches are automatically considered tax-exempt 501(c)(3) organizations, whether or not they file for official recognition.)

A church must not be organized or operated for the benefit of private interests (example: the founder of the church, his or her family, persons controlled by private interests, or any persons having a personal and private interest in the activities of the church).

Private inurement is often described as a subset of private benefit, which prohibits a church or other charity from providing a private benefit to organization “insiders”—those in positions of substantial influence at a church, like pastors and board members.

**Example 1:** A church transfers a vehicle to an employee for \$1,000. The transfer was not approved by the board and does not constitute a portion of a reasonable pay package. The fair market value of the auto is \$10,000. The net difference of \$9,000 is not reported to the IRS as compensation. Private inurement has occurred.

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*Since an overseer manages God’s household,  
he must be blameless—not overbearing,  
not quick-tempered, not given to drunkenness,  
not violent, not pursuing dishonest gain.  
Rather, he must be hospitable, one who loves what is good,  
who is self-controlled, upright, holy and disciplined.  
He must hold firmly to the trustworthy message  
as it has been taught, so that he can encourage others  
by sound doctrine and refute those who oppose it.*

**Titus 1:7-9**

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**Example 2:** Same facts as Example 1, except the transfer was approved by the board and properly constituted a portion of the reasonable pay package, and the \$9,000 was added to the employee's Form W-2 as compensation. There is no private inurement.

Adopting and following a conflict of interest policy is a great way to avoid issues with private inurement and demonstrate the church's commitment to operate with excellence and integrity (see [ECFA Standard 6](#)).

In New Testament terms, serving for private benefit appears as "dishonest gain," so it is important to structure the organization to avoid it.



# Issue charitable contribution acknowledgments





# Issue charitable contribution acknowledgments

Because churches are automatically considered tax-exempt organizations, a newly formed church may begin issuing charitable receipts to donors as soon as the organization starts functioning as a church (based on the 14 criteria for churches outlined in the Introduction).

(See [ECFA Standard 7](#), which relates to integrity issues associated with charitable contributions.)

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*I thank my God every time I remember you.  
In all my prayers for all of you,  
I always pray with joy because of your partnership  
in the gospel from the first day until now . . .*

**Philippians 1:3–5**

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# Address administrative issues





# Address administrative issues

The following administrative issues are very important:

- **Determine your accounting system and related controls.** Many churches start with a very simple accounting system. (See [ECFA Standard 3](#).) If a significant number of donations will be received, it is also important to use an electronic donor management system (see below).

It is vital to establish sound accounting and internal control systems. Procedures or internal controls are generally the most cost effective means to avoid fraud, lawsuits, and self-dealing. (See [ECFA Standard 4](#).) Furthermore, these controls will allow the church to transition smoothly as its personnel expands. Here are a few basic concepts:

- ▶ **Cash and other revenues.** When one individual has control over an entire accounting transaction, fraud is possible. Segregate employee duties to prevent most types of theft. At minimum, the following duties should be

segregated: collecting cash, preparing bank deposits, reconciling bank statements, and posting receipts to the general ledger/contribution system.

- ▶ **Expenditures.** At a minimum, the following duties related to expenditures should be segregated: approval of expenditures, writing checks, and signing checks.
- **Donor management systems.** A donor management system will assist the church in building and using its donor database. Such systems enable the tracking of contributions and receipting. It is also important to track restricted contributions, as a failure to use the funds as instructed could damage giver trust and violate state law. For the latest annual survey of these systems, visit the [ECFA Knowledge Center](#).
- **Policies.** It is important as the church expands to ensure there are sufficient policies to have uniform momentum between employees and the organization as a whole. While organizational policies may not be a priority at formation, they should be considered during these initial steps and adopted as applicable.



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The following policies are relevant:

- ▶ **Ensuring that financial and other operations are biblical.** Devise methods to confirm that the financial and other operations of the church are conducted in a manner which reflects generally accepted biblical truths and practices.
- ▶ **Independent decisions.** Ensure that members of the board of directors are those who will make decisions in the best interests of the organization, as opposed to decisions benefitting their personal interests. (See [ECFA Standard 2.](#))
- ▶ **Conflict of interest policy.** Consider having all senior staff and board members agree to a policy that they will take proper precautions should a conflict of interest arise. (See [ECFA Standard 6.](#))
- ▶ **Whistleblower policy.** Put in place procedures so a whistleblower can confidentially report suspected improper activity. A church should communicate the procedures to employees in a written policy.

▶ **Document retention and destruction policy.**

A church's document retention policy should ensure that necessary records and documents are adequately protected and maintained as well as destroyed at the proper time.

▶ **Compensation approval of senior church staff.**

A major challenge to church boards is carefully establishing and documenting the compensation process for senior church staff and then balancing fair and reasonable compensation within the budgetary constraints of the organization.

▶ **Gift acceptance guidelines.** It is wise to set up guidelines for deciding when to accept non-cash contributions and other more complex gift forms.

▶ **Employment policies.** Churches may make employment decisions (hiring and firing) based on religious criteria, according to Title VII of the Civil Rights Act of 1964. The Supreme Court unanimously affirmed this principle in the 2012 case *Hosanna-Tabor v. EEOC*. Churches should consult with legal counsel regarding the inclusion of these provisions in employment-related policies.



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For sample policies and procedures in these areas, visit the [ECFA Knowledge Center](#).

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*But everything should be done  
in a fitting and orderly way.*

**1 Corinthians 14:40**

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Complete required filings

10



# Complete required filings

Although exempted from the IRS Form 990 annual information return, your church may be subject to a variety of other governmental filing requirements. If the church has at least one employee, there are Forms 941 and W-2 filings. If the church has at least one independent contractor to whom it has paid \$600 or more in a calendar year, the church must file Forms 1099-MISC and 1096. (See [ECFA Standard 5](#).)

Each year, churches that have \$1,000 or more of unrelated business income (UBI) generally must file Form 990-T, Exempt Organization Business Income Tax Return. Churches should consider adopting a sample UBI policy.

For the latest version of all IRS forms, see [www.irs.gov/forms-pubs](http://www.irs.gov/forms-pubs).

*Then Jesus said to them, "Give back to Caesar what is Caesar's and to God what is God's."*

**Mark 12:17**



The background of the slide is a complex, abstract pattern of overlapping triangles in various shades of blue, ranging from light to dark. The triangles are arranged in a way that creates a sense of depth and movement, with some triangles pointing towards the viewer and others receding.

Now what?

Action Steps to Excellence



## Now what?

### Action Steps to Excellence

- Develop and convey in writing the church's vision and mission statements.
  - Enlist the help of biblically sound spiritual advisors and qualified service providers such as attorneys, CPAs, and financial planners.
  - Decide whether or not to file for formal recognition of tax-exempt status by considering factors such as projected income, involvement with other entities, and overseas missions.
  - Determine the size of your governing board (exact number or range), style of governance, and policies regarding independent board members.
  - Prepare organizing documents such as bylaws, Articles of Incorporation, etc.
- Obtain Employer Identification Number (regardless of whether you are filing for formal recognition of tax-exempt status).
  - Avoid private inurement by adopting a conflict of interest policy.
  - Begin issuing charitable contribution acknowledgements.
  - Address administrative issues such as accounting systems, donor management systems, and organizational policies.
  - Complete any required filings with federal, state, and local governments.



# Summary



# Summary

An excellent time to adopt foundational and biblically-based standards is at a church’s inception. Even if a church is not yet a member of ECFA, the organization can follow ECFA’s [Seven Standards of Responsible Stewardship™](#).

While there are a host of other issues that may be important for you to consider early in the development of your church (use of the Internet, lobbying, political activities, liability insurance, proper fundraising techniques, and much more), this discussion of 10 essentials covers some of the most basic issues.

The Apostle Paul worked with Timothy to form the church in Ephesus, which would in turn form other churches. If these insights have been helpful, share them with others who are in the process of starting a church.

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*And the things you have heard me say  
in the presence of many witnesses  
entrust to reliable people  
who will also be qualified to teach others.*

**2 Timothy 2:2**

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# Resources





## Other ECFA Press Books in the Church Series



### 10 Essentials of Taxes for Ministers

This book provides a cogent overview of the ten most basic fundamentals of clergy tax. Clergy who understand these ten fundamentals will have a better understanding of the Federal tax issues impacting them. Some of these crucial issues include the clergy housing allowance, expense reimbursements, social security tax, and more.



### 10 Essentials of Social Security for Ministers

Social security tax is one of the most complicated issues for many clergy in the U.S. It all starts with two types of social security—and a minister might be subject to both types of social security in the same tax year. The tax forms do not provide a convenient way to calculate the amount subject to social security tax. Understanding these ten fundamentals provides a good grasp of the social security basics that are often puzzling to ministers.



### 5 Essentials of Reimbursing Ministerial Expenses

How a church handles the payment of business expenses incurred by staff speaks volumes about the integrity of the church. Adequate substantiation is the starting point to qualify business expense reimbursements for tax-free treatment. This booklet covers the steps for churches to maximize stewardship for both the church and staff.



### 10 Essentials of the Minister's Housing Exclusion

The minister's housing exclusion provides an income tax advantage to nearly every minister—in some instances ministers can save thousands of dollars per year using this tax provision. Maximizing this benefit requires coordination with the church, keeping good records of housing expenses, and applying the housing exclusion limits provided in the tax law. If you understand these essentials, you will have a sound understanding of the housing exclusion basics for ministers.





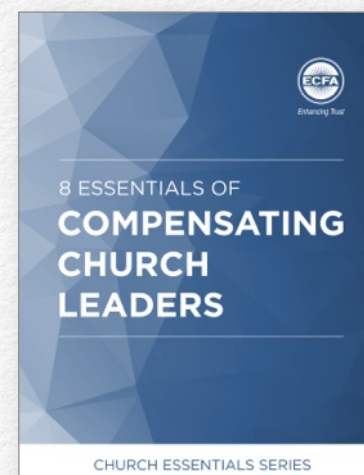
## 10 Essentials of Giver-Designated Gifts to Churches

Givers often make gifts to churches for specific purposes and many of these gifts are in response to resource-raising opportunities shared by churches. These gifts, often called “designated” or “restricted,” must be expended consistently with giver intent. This booklet outlines the way churches can handle giver-restricted gifts with integrity.



## 7 Essentials of Cash Gift Acknowledgments

It is a privilege for churches to express appreciation to givers for their generosity. Thanking givers for their contributions seems simple. But it is often not so. The complexity comes because U.S. tax law only allows charitable deductions for certain gifts, and charitable gift acknowledgments must meet strict substantiation requirements. This booklet guides a church through these challenging issues.



## 8 Essentials of Compensating Church Leaders

Setting the compensation of church leaders should meet high standards that will enhance our Christian witness. These standards include utilizing comparability data to ensure reasonable compensation, approving compensation independently of the person whose compensation is being set, and properly documenting compensation, including fringe benefits. This booklet covers all of this and much more.



## 9 Essentials of Avoiding Church Fraud

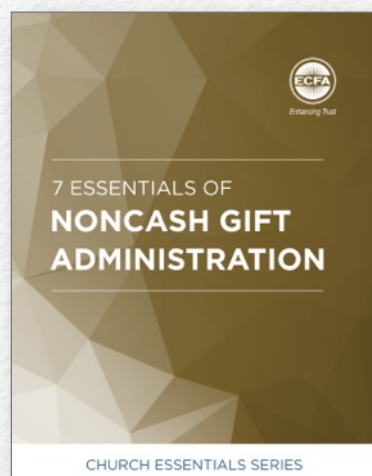
Fraud and misuse of church resources can create sensational news and cause a diminished witness for Jesus Christ. While it is almost impossible to eliminate all fraud, churches should find a reasonable balance between preventive efforts and risks. This booklet helps churches understand how to identify fraud risks and implement fraud prevention.





## 10 Essentials of Church Budgeting

Preparing and utilizing budgets for a church is not as easy as it might seem. There may be several types of budgets: operating, cash, and capital. Budgets provide the guardrails to build cash reserves and keep expenses within certain limits, and assure there is adequate cash to pay operating, mortgage, and capital expenses. This booklet provides the keys to maximize the benefits from church budgets.



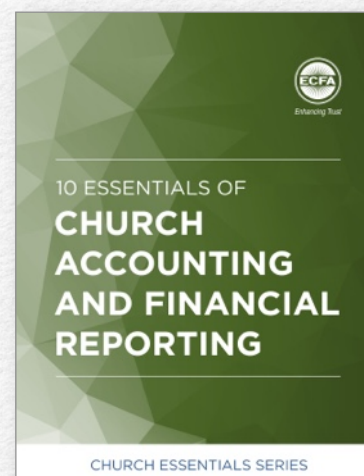
## 7 Essentials of Noncash Gift Administration

Most gifts to churches are in an electronic form with some additional gifts coming in the form of checks and currency. Noncash gifts—gifts of stock, real estate, other property, plus gifts of services—are often very helpful to fulfill a church's mission. Most of these gifts are tax-deductible, but some are not. This booklet is helpful in addressing accounting and charitable gift receipting of noncash gifts.



## 10 Essentials of Church Fringe Benefits

Fringe benefits are taxable and must be included in the recipient's taxable pay except for those the law specifically excludes. Therefore, it is important for churches to design fringe benefit plans to model stewardship for the church and structure fringe benefit plans to allow employees to maximize compensation. This booklet will help you understand how to effectively use fringe benefits.



## 10 Essentials of Church Accounting and Financial Reporting

The accounting for church financial resources is the basis for accurately documenting revenue and expense. A sound accounting system provides the data to determine if a church is on track in comparison to the budget. It is also important to provide the appropriate financial reporting to the right audience. This booklet covers the basics for optimizing the church accounting system and providing meaningful reporting.





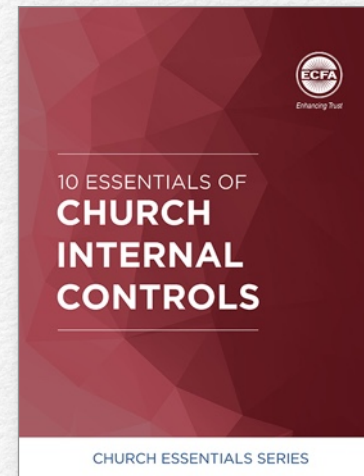
## 9 Essentials of Church Cash Reserves

Adequate cash reserves are necessary for a church to pay its obligations on time in spite of fluctuations in monthly revenue. Still, developing and maintaining appropriate cash reserves is often one of the most overlooked and misunderstood issues for a church. This booklet provides an overview of the different types of reserves and how a church may achieve them.



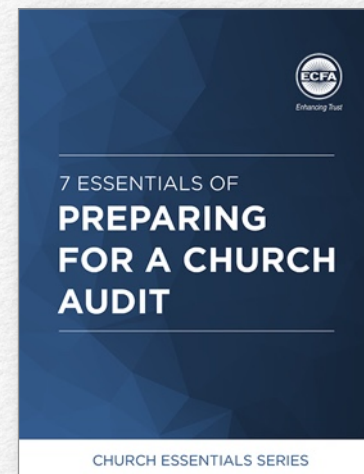
## 7 Essentials of Church Related-Party Transactions

Conflict of interest situations are common with churches—when a person who is responsible for promoting church interests is involved at the same time in a competing personal interest. A church should only enter into related-party transactions if strict guidelines are met. Even then, the risk of misperceptions may cause church leaders to choose to avoid related-party transactions.



## 10 Essentials of Compensating Church Leaders

Setting the compensation of church leaders should meet high standards that will enhance our Christian witness. These standards include utilizing comparability data to ensure reasonable compensation, approving compensation independently of the person whose compensation is being set, and properly documenting compensation, including fringe benefits. This booklet covers all of this and much more.



## 7 Essentials of Preparing for a Church Audit

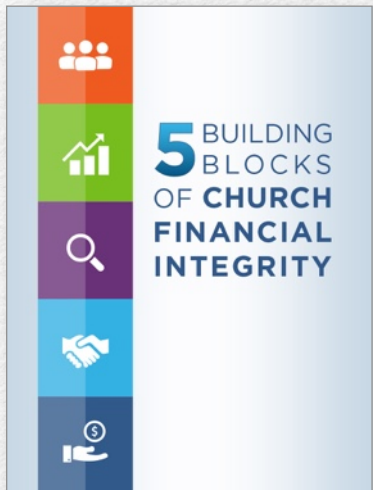
Though the process can be intimidating, there are many ways to maximize the benefits of an audit. Independent reporting offers assurance to donors and in some cases, identifies weaknesses that may otherwise go undetected. Determine what level of CPA engagement is right for your church and prepare with confidence.





## 7 Essentials of Retirement Planning for Ministers and Churches

Retirement planning is important for ministers. The church should play an active role in the planning process for both ministers and staff. This booklet will assist the church and the minister to better understand the stages of retirement and the resulting financial needs. It will also provide practical tips on selecting and implementing a plan that encourages participation by ministers and staff to prepare adequately for traditional retirement years.



## 5 Building Blocks of Church Financial Integrity

When it comes to building a church's financial integrity, many leaders simply don't know where to start. Some think that establishing a strong financial foundation is too difficult, or perhaps only possible for large churches. The good news is building a church's financial integrity is not as complicated as some might think. It is all about properly adding one building block at a time.





Now in publication for over two decades, the *Zondervan Church and Nonprofit Tax & Financial Guide* and the *Zondervan Minister's Tax & Financial Guide* are two of the most trusted tax and financial reference guides for leaders of churches and other religious nonprofit organizations. These companion resources written by ECFA staff Dan Busby, Vonna Laue, Michael Martin, and John Van Drunen are designed to provide up-to-date information in an easy-to-understand format on key issues affecting churches and nonprofits and the ministers serving them.

*To order these helpful resources, visit [ECFA.org](http://ECFA.org)*



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## More Information

- *The Zondervan Minister's Tax & Financial Guide* by Dan Busby, Vonna Laue, Michael Martin, and John Van Drunen, revised annually
- *5 Building Blocks of Church Financial Integrity*, eBook by ECFA
- "Tax-Exempt Status for Your Organization," which provides information about filling out Form 1023 (IRS Publication 557)
- "Tax on Unrelated Business Income of Exempt Organizations" (IRS Publication 598)



[ECFA.org](http://ECFA.org)

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ISBN: 978-1-936233-35-9

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