



THE  
**CENTER**  
FOR  
**CLERGY & CHURCH SUPPORT**

**The Many Advantages of  
501(c)(3) Status**

The Center for Clergy and Church Support, Inc.  
“Strengthening Communities By Strengthening Churches”

[www.clergycenter.org](http://www.clergycenter.org)



# "Equipping Believers to Transform the World"

## Welcome



By wisdom a house is built, and by understanding it is established; by knowledge the rooms are filled with all precious and pleasant riches. Wise warriors are mightier than strong ones, and those who have knowledge than those who have strength, for by wise guidance you can wage your war, and in abundance of counselors there is victory. (Proverbs 24:3-6, NRSV)

Dear Church and Nonprofit Leaders,

We are indeed living in most challenging times, and it even appears as if the church is being bombarded from the left and from the right. However, I believe, without one doubt, that the Rock of Gibraltar will crumble before the church is conquered. She is inevitable, invincible, inescapable, incredible, enduring, overcoming, and unbeatable. She is endued with power, entrusted with redemption, encouraged by the Holy Spirit, engaged in a winning warfare, and equipped for every good work.

It is with that holy excitement and passion that I greet you and introduce you to our organization, **The Center for Clergy and Church Support**. Established in 1996, our overarching mission is to **"strengthen communities by strengthening Churches"**. As a 501(c)(3) tax exempt, parachurch organization, we strive to serve as a cornerstone of support for the Christian community by delivering innovative and holistic services. We feel that one of the best ways to reduce crime, eradicate poverty, empower the disenfranchised, impact the lives of individuals, and build strong, vibrant neighborhoods and communities is through the local church. An investment in CCCS results in stronger, better managed, more connected and community engaged, need-meeting churches and faith-based organizations.

**Simply put, we're here to help you do what GOD has purposed and called you to accomplish.**

We do this by helping leaders discern if they have the gifts and calling to plant a church, ministry or nonprofit organization (**Assessment**), understand the best principles and practices to plant successfully (**Training**), make good decisions or, at least, keep from making the big mistakes (**Coaching**), and figure out how to grow and strengthen what they've planted (**Strategic Planning**). **Our deepest desire is to help Christian leaders plant and grow the churches, nonprofit organizations, and ministries they envision in their heart of hearts, impact lives, and transform communities.**

It is our prayer that you will find the services that we provide to be of value to you and your organization and that you will choose to invest in all we have to offer.

GOD's overcoming power is ours for the taking. Together, we can change the world as we unite our hearts. GOD has guaranteed our complete triumph against our hellish foe. **Though the signs of the time are dark and foreboding, the greatest hour for the church is at hand.** Let the church be the church!!

Please take time to visit our website, [clergycenter.org](http://clergycenter.org) to see all that we do or contact our office at (980) 866-1212.

One of my favorite poems says it best, **"the woods are lovely, dark and deep....but you have many promises to keep. ...and miles to go before you sleep. ...and miles to go before you sleep"**.

Kingdom Blessings,  
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# *“Strengthening Communities by Strengthening Churches”*

## *The Many Advantages of 501(c)(3) Status*

The IRS has its own definition of a church. We have had clients over the years who have applied for church status but for whom the IRS has said, “We’ll give you 501c3 status as a mission, ministry, or a bible fellowship, but we will not grant your church status.” There are definite advantages to having church status. The principal advantage is that you never have to file tax returns with the IRS. Therefore, the IRS does not easily grant church status. What does the IRS say about obtaining church status for your nonprofit?

**General Information:** There is no single definition of the word “church” for tax purposes. When determining whether a section 501(c)(3) religious organization is also a church, the IRS will consider characteristics generally attributed to churches and the facts and circumstances of each organization applying for public charity status as a church.

The characteristics generally attributed to churches are as follows.

- A distinct legal existence.
- A recognized creed and form of worship.
- A definite and distinct ecclesiastical government.
- A formal code of doctrine and discipline.
- A distinct religious history.
- A membership not associated with any other church or denomination.
- Ordained ministers ministering to the congregation.
- Ordained ministers selected after completing prescribed courses of study.
- A literature of its own.
- Established places of worship.
- Regular congregations.
- Regular religious services.
- Sunday schools for the religious instruction of the young.
- Schools for the preparation of ministers.

Although it is not necessary that each of the above criteria be met, a congregation or other religious membership group is generally required. A church includes mosques, temples, synagogues, and other forms of religious organizations. The practices and rituals associated with your religious beliefs or creed must not be illegal or contrary to clearly defined public policy.

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Now, if churches, (that had **NOT** been recognized by the IRS as churches), had given tax-deductible receipts to its congregants, believing they were churches, would those receipts have been valid? **Absolutely not.** Upon an audit, those congregants' deductions could have been disallowed.

So, does a church need IRS tax-exempt status? No, if it falls in line with what the IRS says is a church. But, Yes, if a church wants to be guaranteed that the tax-deductible receipts which it gives to its congregants are valid. If the IRS would determine that the "church" is not a "church" by IRS guidelines, then those tax-deductible receipts are not valid. Most churches, in order to be certain that their tax-deductible receipts are valid, prefer to have IRS church status. There are also other advantages to having 501(c)(3) status:

- **Tax-deductibility of donations** to the organization—you can **give tax-deductible receipts** for all cash and non-cash donations.
- **Lower nonprofit postage rates** for mailing over 250 identical pieces of mail.
- **Public service announcements** on radio and TV (free but limited availability).
- **Limited liability** for directors and officers for operations of the organization.
- **Perpetual existence.** The corporation continues on after the death of the founder(s).
- **Government and private grants** are available for tax-exempt organizations.
- Miscellaneous—**employee fringe benefits** not generally available to the self-employed person or business owner, e.g., group life insurance, health insurance, payments of medical expenses and approved corporate pension and retirement plans. Some stores and businesses give a discount to nonprofit corporations and employees of nonprofits. Some publications give an advertising discount to nonprofit organizations.
- For churches and congregations only: Pastors can receive certain **tax benefits**. If you want to issue a call to a pastor from a foreign country—to come here and preach or pastor—it is much more costly and much more time-consuming if your church or congregation doesn't have its 501(c)(3) tax-exempt status. A church needs to be incorporated to hold property in the name of the church (the property should normally be held in the name of the church, not in the name of the pastor or other individual).
- A nonprofit organization (even a church) needs 501(c)(3) status to **obtain food from a government food bank**.
- Once your organization secures tax-exempt status, it is permanent. You don't have to go back and renew it, ever.
- A church must have 501(c)(3) status if it wishes to have a **group exemption** for its "daughters" or subordinate churches under it.
- A nonprofit organization (even a church) needs 501(c)(3) status in order to benefit from the **Bill Emerson Good Samaritan Act**. This act of Congress releases restaurants and other food organizations from civil and criminal liability associated with the donation of food to nonprofits assisting individuals in need. The act protects donors in all 50 states from civil and criminal liability for good faith donations of "apparently wholesome food," defined as meeting "all quality and labeling standards imposed by federal, state and local laws and regulations even though the food may not be readily marketable due to appearance, age, freshness, grade, size, surplus or other condition." Nonprofits can obtain food from food rescue programs as well as food banks (mentioned at 9. above). Food rescue programs typically obtain perishable and prepared foods (such as from restaurants and grocery stores) and distribute it to agencies that feed hungry people, usually later that same day.

Established in 1996, the mission of the Center for Clergy and Church Support is to inspire, train, and connect Christians who seek to bear witness to the Kingdom of God, by creating an environment of support and accountability that continuously moves clergy, churches and faith-based organizations toward excellence. The Center offers a full range of programs and services designed to help the community of faith fulfill its mission today and provides the tools they need to prosper in the future.