

# **Incorporated Ministries Guidelines**

February 2019



The United Church of Canada/L'Église Unie du Canada

Incorporated Ministries Guidelines (February 2019)

This resource replaces and revises the *Incorporated Ministries Resource Guide* (November 2014).



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# 1. Church Ministry and Incorporation

The first mention of church corporations in *The Manual* was in 1951. The requirement at that time was to obtain approval to become a corporation and use the name of The United Church of Canada, and the majority of the trustees/directors were to be United Church members. The purpose of introducing this to *The Manual* was to “eliminate the indiscriminate use of the name of The United Church of Canada.” In 1964, extension councils and camps were specifically identified as having to comply with certain provisions. In 1971, Appendix IV was introduced, expanding the provisions and including institutions. Changes introduced in 2006 were arguably the most important as they reflect the change in how the United Church works with its incorporated ministries.

A number of factors have contributed to the various changes that have been made, including the emergence of new ways to do ministry. No longer do we “do ministry” as just the United Church. Collaboration with other denominations and community members allows for greater access to and better use of resources, resulting in more effective delivery of services to those in need. Becoming a corporation provides a level of protection between the ministry and the congregation(s), the wider church, and others who may be instrumental in founding the ministry. With liability an ever-increasing concern for many ministries with congregational ties, separating the congregation and the ministry is essential to protect the congregation’s assets. As well, that separate structure provides a vehicle to ensure the work being done can continue separately from the life of the congregation that was part of its beginnings.

Understanding what is and is not an incorporated ministry as defined by section A.8 of *The Manual* and the [Incorporated Ministries Policy](#) is an important place to start to understand this work. Not every ministry with a connection, current or historic, to the United Church is necessarily an incorporated ministry under *The Manual*. Neither is every emerging corporation necessarily going to be a United Church incorporated ministry, with oversight from a council of the church. Other alternatives can be considered to provide ways to do the work of ministry that is emerging. Those all bear consideration as the discussions begin. Congregations, pastoral charges, and missions are not considered corporations.

Section A.8 provides a good starting point for defining what is and what is not a United Church incorporated ministry:

- a) carries on any activities related to United Church activities;
- b) uses the name of The United Church of Canada, in whole or in part;
- c) indicates to others that it is connected to the United Church in some way; or
- d) takes on financial responsibility or any other kind of responsibility that might also create responsibility for the United Church.

Other ministries may develop from the work of United Church congregations or members, but a direct connection to the church may not exist so these may not be church corporations. Only through conversation and a full understanding of the ministry to be undertaken can it be determined where the corporation will fit.

Where congregational property is being used for the ministry, there may exist alternative means to define the relationship between the ministry and the congregation. Every situation must be looked at individually to determine how, or whether, a corporation is the best fit for the ministry that is evolving.

## 2. Relationship between Incorporated Ministries and the Regional Council

The regional council (RC) plays a very specific role in relation to incorporated ministries (IMs). Beyond approving a group to incorporate, their role is to support the IMs—ensuring they are strong, deliver services, and give faithful witness—and to ensure the interests of the church, and the broader community, are protected. It is important to be clear that the role of the regional council is not to tell the incorporated ministry how to operate but to support the ministry in its operations in a way that is consistent with United Church polity and policy.

Oversight is one component of the relationship between the IM and the RC. The oversight relationship should be one that supports and informs the ministry of the IM. How this is achieved will vary not only with the RC but also the IM.

Where a ministry is subject to extensive legislation or a third party for funding, oversight from the RC will focus on the relationship with the church. For others, the oversight may also involve identifying general requirements for operating, including an awareness of and adherence to provincial and federal legislation.

Regardless of the type of IM and how much oversight may be extended, some common elements need to be met, including

- receiving annual reporting information, including financial statements: provides a broad overview of the activities and health of the ministry
- receiving board meeting minutes: provides regular contact and updates on board and operational activity
- ex-officio role of Regional Council Executive Minister: provides a contact and conduit with the governing body

As an ex-officio member of the IM board, the Regional Council Executive Minister (RCEM) is the liaison between the IM and the broader church. Some key areas of communication and support may include

- explaining church policies, standards, and regulations that IMs are expected to meet, including incorporated ministry policy requirements and how to meet them
- identifying resources, information, and other organizations that may be able to assist the board/ministry
- identifying opportunities for collaboration and sharing among IMs

## 3. Establishing New Incorporated Ministries

The primary objectives in creating a new corporation are to create ministries that meet a continuing need, that are sustainable, for whom IM status in the church is the best option, and that are compliant with The United Church of Canada's requirements as identified in the Incorporated Ministry Policy.

To become an incorporated ministry, the body wishing to incorporate must meet the related provincial or federal legislation. To become a United Church IM, they must also meet the requirements as identified in the Incorporated Ministries Policy for The United Church of

Canada. As this process takes time, all parties involved should explore all the available options before taking steps to incorporate. The following is a suggested sequence of discussions about the organization in relation to its fit with the church, and some core questions to explore in the journey toward incorporation:

### **Who/what is this ministry or organization?**

This discussion provides the RC with the opportunity to find out about the organization: who they are, what their ministry is, and why they are pursuing incorporation. At the same time, the IM learns about the IM/church relationship and what that really means. This step may happen in different ways—a phone call, a letter, a meeting—but it will be the beginning of a journey that may or may not result in a new corporation.

The regional council wants to learn from the organization

- its history, programs, scope, committee/board and staff capacity, funding, and costs
- the need for the program and ministry; is there a good fit or potential duplication with other programs serving the same people or church functions?
- the prospects for long-term sustainability, including revenue sources, volunteer and leadership resources, and community support; is there a business plan?
- any limitations on potential funding or program participation from association with The United Church of Canada and the benefits of such association
- current connections with the church, including ministry personnel, congregational buildings or property, fundraising, and use of United Church grants

The organization wants to learn from the church

- the implications of incorporating as a United Church IM, including the church's role in governance and supervision
- the advantages of incorporation for the organization, its clients, and the church

### **Are the objects and mission of the organization in accord with those of The United Church of Canada?**

This is the key question for both parties. Fundamentally, the work of United Church IMs is to genuinely form part of the United Church's participation in God's mission. There will be situations where there is clearly no match with the church's mission and objectives, situations where there is clearly a match, and situations that fall somewhere along the spectrum.

### **Does the organization meet the tests in section A.8 and the incorporated ministries policy?**

Section A.8 defines the criteria that distinguish an emerging corporation as an incorporated ministry of the church.

Understanding the relationship of the corporation to the wider church, the benefits to both as a United Church IM, and the potential liability will assist in answering the questions. This area may require the most discussion, but it provides the opportunity to explore all the options that may be available.

## **Is the organization strong? Is it ready for incorporation?**

The regional council is the church body that approves the request to incorporate. They may approve the request and the organization moves forward with incorporation. Or, they may determine that the organization is not ready—it needs more time to develop so it can clearly articulate its mission.

Once approval to incorporate as a United Church IM has been given, the organization can proceed with the steps to incorporation. The organization, with the assistance of their own legal counsel, begins the process as required by the provincial/federal legislation for their jurisdiction. Before the letters patent and bylaws are submitted to the appropriate government body, they are to be submitted to the regional council for review to ensure the United Church requirements are met.

## **4. Legacy Status**

The decision for a United Church corporation to move to legacy status is not one that should be taken lightly; neither should it be seen as a negative reflection on either the church or the ministry. For some ministries, moving to legacy status is a logical progression. For others, it is a necessary step to retain essential funding. There is no one way for an incorporated ministry to move toward legacy status. Each journey is as unique as the ministry itself.

Legacy status does not mean the incorporated ministry ceases to exist. It can be seen as similar to a child that grows up and moves out—independent and responsible for their decisions and actions.

Although legacy ministry is included in the discussion of United Church incorporated ministries, it is actually a process that incorporated ministries whose roots are with the United Church end the legal relationship with the church. The incorporated ministry and The United Church of Canada reach a mutual decision to change the relationship. They acknowledge the origins and history of the ministry in the church but determine that, in moving forward, the corporation will sever the formal legal relationship with the church. This decision ends any church oversight and involvement in their governance.