

Churches Under Christ Newsletter

April 1, 2022

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List of March, 2022 Ministry publications

1. [The Rules and Regulations that Come with Church IRS Code Sections 501\(c\)\(3\) and 508\(c\)\(1\)\(A\) Tax-Exempt Status](#);
2. Revised [Policies, Procedures, Guidelines and Additional Educational Materials](#)

To listen to the **501(c)(3) Song**:

<https://www.youtube.com/watch?v=2Ob135YjeUU&feature=youtu.be>

Highlighted March, 2022 Ministry Activities

Note. Only the most important ministry activities, and activities which deal with important matters concerning Bible trust operation, are included below. [Click here for links to archived Churches under Christ ministry Newsletters](#).

Mar 1 Published [March 1, 2022 Ministry Newsletter](#).

Mar 1 Email inquiry from a trustee (and pastor) of a trust established years ago about updating the trust documents. I replied, "Call anytime. If you get a VM, leave a message and I will return your call asap. God bless. Brother Jerald"

Feb 26, through March 30: Received inquiry from a church interested in exploring organizing a church according to New Testament church doctrine. I sent him links to [Study Lessons/Bible \(Common Law\) Trust: Principles and Application](#) and [Ministry Newsletters and Announcements](#). On **Mar 28** he emailed: "My pastor (CC'd) and I have been studying the notes/articles that you shared with us, thank you again as they have been helpful. We are praying

and planning toward making a trip down to you in [Amarillo], are you open to meeting with us for a few days if we come to you? We would like to discuss questions we have, verifying our understanding is correct and next steps towards implementing the Bible Trust. Below is a link to our church's constitution and bylaws if you need. Calvary Baptist Church of Bloomington Constitution and Bylaws [].

I replied

"... The first step is an initial mailing, which includes Questionnaire 1. After Q1 is completed and sent to me, I review it and reply with any questions raised. We then talk about it over the phone. The next step is to complete Questionnaire 2. Once that is done and discussed, we can begin the transition process. That is the point at which a visit from you will be appropriate. At that point I will know all I need to know before beginning the process of transition. Everything is done proactively. For example, examination of all corporate docs, property tax exemption law, titles, etc. You don't just adopt trust documents without first dealing with all matters in advance of doing so. Let me know if you wish me to prepare an initial mailing and email it to you. ..."

He replied in agreement and asked that I send the initial mailing.

This was added March 3. On Feb 28 Received an email asking, "Are you aware that Florida requires a Dec of trust be filed with a \$350 filing fee?" The following links were on that email: [Florida Statutes](#) the following: [Title XXXVI \(Business Organizations\), Chapter 609 \(Common Law Declarations of Trust\)](#).

I replied:

"When doing a DOT, I look at the trust law of the state. You cite from Florida Statutes, "BUSINESS ORGANIZATIONS Florida Statutes. I copied and pasted sections from Chapter 609 Below. It does not apply to the common law trusts we help churches establish, as a reading of the statute, the sections of which are below, make clear.

Applicable is [Florida Trust Code. Part I. General Provisions and Definitions, Section 736.0106](#) which states: Common law of trusts; principles of equity.—The common law of trusts and principles of equity supplement this code, except to the extent modified by this code or another law of this state.

I am already aware that Business Trusts are statutory. The common law trust is not statutory. It, by definition, cannot be. Every state I have looked at, recognizes the common law trust. ... If you want to discuss this further, give me a call. God bless."

There is no filing fee in Florida for a common law trust; common law trusts are not statutory, as stated above. Florida law requires a filing fee of \$350 for a statutory trust.

Mar 4 Received an inquiry asking if I knew of a church organized according to the principles of the New Testament in the Temple TX area. I replied that I did not.

Mar 3 Received a forwarded email from a believer in Ontario, Canada. The email stated, "The Lord has been speaking to me about detangling from government. I happened to fall upon [your] website and listened to the video called Satan's plan to destroy the Lords church. My eyes are so opened to what God is showing me. Jesus wants His rightful place as being the head of the church. I'm not sure if you would have any information or any affiliation as to how you would go about detangling the church from government here in Canada, if so it would be greatly appreciated as God has laid this heavy on my heart. ..."

Mar 4 I replied:

"Dear [REDACTED],

"The principles for New Testament church organization remain true no matter the nation. However, man's law varies. In North Korea, Christians are either killed on the spot or imprisoned if their Christianity is found out by government officials. Just possessing a Gospel tract or a Bible can mean death. In China, churches who refuse the government approval and control have to go underground. Etc.

"We saw what happened to a pastor who refused to bow down to the Covid mandates in Canada. Trudeau has made clear that Canada is implementing the great reset, the New World Order. There is no room in that end time system for believers or churches who want to do things God's way. However, I do not know how Canadian law now treats authentic New Testament churches. Nonetheless, churches in Canada can choose to do things God's way, but I do not know how Canadian law and government will respond.

"Feel free to give me a call. 512-785-8445. If you get a VM, leave a message. We may have to play phone tag.

"Here is the link to a webpage which explains the Bible/common law trust used by churches who wish to glorify God: [Study Lessons/Bible \(Common Law\) Trust: Principles and Application](#). Here is a link to the page for those who wish the help of this ministry: <https://jeraldfinney.com/posts/need-help/>. God bless. ..."

Mar 7 VM from [REDACTED]. Said he completed trust paperwork and wants me to look at it. I returned call. He said we talked about a year ago. He said he has done the paperwork and wants me to look at it. He and I held fundamental differences on Biblical matters. However, we talked for a long time. Explained to him the difference between the "church" and the "individual." We communicated with a humble Christian spirit and he said he would apply what we discussed.

Mar 7-present Received an email from a pastor I have been working with for some time on the matter of the marriage of Christ and His churches. We also discussed Biblical marriage of a man and woman. The church completed questionnaire 1. I reviewed it and returned the Questionnaire with my comments. We also discussed it over the phone. ON March 30, I sent them Questionnaire 2 for completion.

Mar 11-17 Received the following email inquiry: "I'm interested in getting out of a 501c3. We tried two years ago but w it was so confusing we didn't go any further. I talked to you about it at one time and you gave me info but We've moved and not sure where it went. Maybe if my husband and I talked over the phone and you give me the info again we could start there. Thank you would my husband and I be able to call you. It is so hard nobody does this is Indiana. I've asked everybody. Crazy. But we def want out. Thank you so much."

I replied and referred them to the ministry procedures at [Need Help?](#) I added: "Please contact me by phone if you wish to begin the process. If you get a voicemail, leave a message and I will return your call asap."

They replied:

"We are thinking about coming to Texas to get appt with you to discuss getting out of the 501c3. Can you give me a phone number to call you please .

I replied:

"Did you review the webpage I sent you? It would be wise to follow those procedures before coming to TX. If you are wanting to get a church out of 501c3, the ministry may be able to help you. However, I first need to know who the "we" you refer to is. If it is a church, then a lot of other questions need to be answered before we can determine whether to proceed or not. The Questionnaires on the website have been updated, so do not use those. I always, as indicated in the link I sent, send an initial mailing, etc. Read the webpage I sent you. It explains the procedures.

"If you wish to come to TX after going through ministry procedures, that would be great. To do so before that would not be wise. God bless."

Mar 14 Email from a trustee letting me know the bank opened a trust checking account. I replied, "Praise the Lord! I will be looking forward to talking with you, Bro. [REDACTED]. God bless. Brother Jerald"

Mar 17 Drafted and published [The Rules and Regulations that Come with Church IRS Code Sections 501\(c\)\(3\) and 508\(c\)\(1\)\(A\) Tax-Exempt Status](#); Redid [Policies, Procedures, Guidelines and Additional Educational Materials](#).

Mar 17 Updated Questionnaire 2.

Mar 22: Talked with a lady who wanted to do a homeless ministry, not a church. We discussed this, from a Bible perspective, at length.

Mar 23 Received the following email:

Hello Mr. Finney,

"My name is [REDACTED]. I got your name through Mark Taylor's website. My husband and I are in search of a non-government church in our area and we're wondering if you know of one. We live in [REDACTED], TX.... We were active in Gateway Church for 18 years and have witnessed the results of the 501c3. This may be a shot in the dark, but thought we would ask anyway...."

I replied:

"Sadly, I do not know of such a church in that area. There are relatively few churches anymore who are not legal entities operated like businesses. In fact, when out of town, I heard Pastor Robert Morris bragging about the fact that he built Gateway Church on business principles.

"It is good to see that you saw the problems with 501(c)(3). Any type of legal entity status corrupts a church. That includes incorporation, charitable trust, unincorporated association, etc. status. Of course, Gateway was also a large religious corporation.

"I am a Texas Tech graduate (BBA) and also, a UT grad (JD). Grew up in Plainview, now live in Amarillo. The wind is blowing hard right now and has been most days for a while. Could hardly stand up last Sunday.

"Have you considered starting a church, perhaps in someone's home? Of course, you need a pastor which is sometimes the holdup. If you want some help on planting a church according to God's Word, contact me...."

She replied:

"Thank you for sending the ministry website. The thought of starting a church has not occurred to us. We need to pray about that one. We have been visiting around since the first of December. We aren't church hoppers and we were so connected at GW that it was not easy to leave. God had been revealing things that didn't seem right for a good while and we chose obedience over comfort.

"We will read through all the info on the website."

Mar 23 Call from a man who had questions about splitting his church from his denominational association (Methodist) because of differences on homosexuality. The real estate is owned by the association, an incorporated 501c3 religious organization, as is the church. Numerous people on the association board reject the deity of Christ, thus apostate. The church paid for the real estate, but agreed the association should own and control the property in the event it became controlled by those opposed to association views, such as the present church which has not changed its views (40 of 41 have not). We talked for some time, and I offered my opinions, which he agreed with. I mentioned, and he and others are considering starting a home church. I invited him to contact me for any reason, esp. if they decide to plant another church and need help organizing it the Bible way.

Mar 24 Call from a pastor who said he talked to me about 3 years ago, then got cancer, but is back to it now and open to go ahead to unincorporate church. He will be 76 in May and turning church over to music director. I emailed him the following links [STUDY LESSONS/BIBLE \(COMMON LAW\) TRUST: PRINCIPLES AND APPLICATION](#) and [Order information, free PDF, and free online version page for books by Jerald Finney](#) and told him that I will prepare the initial mailing and get it to him in a few days, asap. I emailed the initial mailing to him on March 30.

Mar 29 Received email from a trustee with letter granting property tax exemption attached. He had transferred real estate to the trust estate to be used as a church meetinghouse. We had worked on the property transfer and property tax exemption proactively. He is now working on getting a non-church insurance policy on the real estate. He could not get an agency who insures “church” property to do such a policy. However, he is talking with another company on a policy which will cover the building, sidewalk and \$10,000 for what is in the building. Has already opened a bank account in December. We talked for a long time. See, **Lesson 8b: Obtaining insurance on leased or owned trust real estate** for more on this.

Featured Article

THE RULES AND REGULATIONS THAT COME WITH CHURCH IRS CODE SECTIONS 501(C)(3) AND 508(C)(1)(A) TAX-EXEMPT STATUS

Jerald Finney
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Contents:

1. How a church becomes tax exempt (under man-made federal law) as opposed to non-taxable (Under the First Amendment to the United States Constitution (“First Amendment”).
2. An overview of the fundamental changes which result when a church is granted 501(c)(3) or claims 508(c)(1)(A) status
3. List of rules and regulations which come with tax exempt status.



1. How a church becomes tax exempt (under man-made federal law) as opposed to non-taxable (Under the First Amendment to the United States Constitution).

A First Amendment church—a church who has not applied for and been granted tax exempt status and who has not acted as a legal entity in any way so as to forfeit her status as a church under Christ alone—is non-taxable. The only way a civil government can tax is by law or edict. The First Amendment religion clause forbids federal law taxing churches (religion) in America. The establishment and free exercise clauses of the First Amendment, consistent with the Bible doctrine of separation of church and state, protect those churches who decide to obey God and refuse federal tax-exempt status. The First Amendment religion clause is consistent with the Bible doctrine of separation of church and state. Although 501(c)(3) and 508(c)(1)(A) are laws passed by Congress with violate the religion clause, they do not force churches to become tax exempt; rather, they give churches a choice of whether to be tax exempt as opposed to non-taxable.

CONTRARY TO “CHRISTIAN” PROPAGANDA, 508(c)(1)(A) DOES NOT STATE THAT CHURCH IS AUTOMATICALLY TAX EXEMPT. RATHER, 508(c)(1)(A) STATES THAT “CHURCHES, THEIR INTEGRATED AUXILIARIES, AND CONVENTIONS OR ASSOCIATIONS OF CHURCHES” ARE MANDATORY EXCEPTIONS TO THE REQUIREMENT FOR FILING FOR TAX EXEMPT STATUS UNDER 501(c)(3).

Contrary to “Christian” propaganda, 508(c)(1)(A) does not state that a church is automatically tax exempt. Rather, 508(c)(1)(A) states that “churches, their integrated auxiliaries, and conventions or associations of churches” are mandatory exceptions to the requirement for filing for tax exempt status under 501(c)(3). To mandate automatic church tax exempt status would violate the First Amendment which states, in part, that “Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof.” Both 501(c)(3) and 508(c)(1)(A) are laws passed by Congress which establish a religion and prevent the free exercise

thereof. Because of the First Amendment, churches cannot be forced to become tax exempt.

508(c)(1)(A) churches *who meet the requirements of 501(c)(3)* may claim 508(c)(1)(A) tax exempt status. See, [Church Internal Revenue Code § 508\(c\)\(1\)\(A\) Tax Exempt Status](#) for explanation and links to relevant IRS Regulations. A church can claim 508(c)(1)(A) status by open declaration which includes providing IRS Acknowledgements to donors for tithes, offerings, and gifts (according to IRS Regulations). The real purpose of tax-exempt status is to attract those who give for easy tax deduction claims and not because of their love for the Lord.

508(c)(1)(A) CHURCHES WHO MEET THE REQUIREMENTS OF 501(c)(3) MAY CLAIM 508(c)(1)(A) TAX EXEMPT STATUS. A CHURCH CAN CLAIM 508(c)(1)(A) STATUS BY OPEN DECLARATION WHICH INCLUDES PROVIDING IRS ACKNOWLEDGEMENTS TO DONORS FOR TITHES, OFFERINGS, AND GIFTS (ACCORDING TO IRS REGULATIONS).

If the IRS audits a donor to a 501(c)(3) tax exempt “church,” the church will be on the IRS list and the acknowledgement from the church will verify his giving. If a church claims 508(c)(1)(A) tax exempt status, the IRS may likely require the donor to prove that the donee was a church since the church is not on the IRS list. Internal Revenue Code Section 170 and IRS Regulations deal with

the matter of tax exempt deductions for gifts to non-501(c)(3) or 508(c)(1)(A) churches. A donor concerned about this matter may see, [Separation of Church and State/God's Churches: Spiritual or Legal Entities, Chapter 8, pp. 85-96, "Spurious Rationale for Corporate-501\(c\)\(3\) or 508 Status: Tax Exemption and Tax Deduction for Contributions."](#) Note, the law may have changed since publication of that book. Refer to [IRS Code Section 170](#) for updates and changes in the law.

To become tax exempt (a "501(c)(3) or 508(c)(1)(A)" church), as opposed to non-taxable (a church solely under the protection of the First Amendment to the United States Constitution) a church may apply for Internal Revenue Code Section 501(c)(3) tax exempt status by completing IRS Form 1023 (See [En\[i\]](#) for more information of Form 1023) or claim "508(c)(1)(A)" tax exempt status. A church may claim 508(c)(1)(A) tax exempt status by declaring that tithes, offerings, and gifts are tax exempt and providing IRS acknowledgements to the donors. When the church claims 508(c)(1)(A) status, she is subject to the rules and regulations that come with 501(c)(3); she is now tax exempt as opposed to non-taxable and therefore loses much of her first Amendment protections. See, [Church Internal Revenue Code § 508\(c\)\(1\)\(A\) Tax Exempt Status](#).

Any non-tax-exempt church should inform all givers, in advance, that it is not tax exempt and that it does not give IRS acknowledgements for tithes, offerings and gifts.

2. An overview of the fundamental changes which result when a church is granted 501(c)(3) or claims 508(c)(1)(A) status

A church who is not a legal entity of any kind has the total protection of the First Amendment: She can do things God's way without control or persecution by any civil government, city to national. Corporations (aggregate of sole), unincorporated associations, charitable trusts, business trusts, individuals, and federal tax-exempt organizations are among the list of legal entities.

A non-legal entity is not controlled by civil government. Of course, a tyrannical government can declare that any entity, whether legal or not, is under their control. Korea, for example, persecutes and kills any one caught speaking the name of Jesus in a positive way, possessing a Bible or Gospel tract, holding a church meeting, etc.

Whether or not a civil government can enforce an edict against a believer and a church depends upon the individual or church. A Christian (one who believes in, loves and follows Christ, His commandments and Word as opposed to one who merely "believes in" Christ) will obey God rather than man when obeying man's law requires one to disobey God. American believers and churches do not have to face control and punishment by civil government for loving God, as of yet.

A church who chooses to become a legal entity places herself under the authority, wholly or partially, other than the Lord Jesus Christ. She no longer has all (or maybe, any) of her First Amendment protections. She is no longer a totally First Amendment Church. She is now, as a legal person, a Fourteenth Amendment Church. See, [Corporation: A Human Being with No Soul](#); see also, [Separation of Church and State/God's Churches: Spiritual or Legal Entities?](#) for further explanation of much of what is said in this section.

A church, as a legal entity, can sue, be sued, enter into contracts, pay salaries, be charged with a crime (if she or any of her agents commit crime), hold property and insurance in the name of the church, etc. In other words, she has transformed herself into a worldly enterprise, a business. She is organized like and operates as a business, to one degree or another. She is subject to the laws and accompanying regulations of her creator(s), the state and/or federal government.

As a legal person, a church acts to one degree or another—usually to a greater degree—like a temporal, worldly, fleshly entity ruled by tradition of men and the rudiments of the world as opposed to a spiritual entity ruled by God’s Word. She has a new sovereign or sovereigns; she employs business techniques of organization, operation, and doctrines. Many have become apostate. Their goal is to find out what people want and give it to them rather than finding out what God, in His Word, wants and giving it to Him. They *may* honor the Lord with their tongues, but their heart is far from Him as they keep the commandments of men rather than those of God.

A church who has chosen legal entity status is subject to civil government. She has agreed that the controlling party, in the case of disputes, is the civil government; and she has agreed to follow all rules and regulations contained in the law they agreed to. A church which chooses to become a legal entity such as a corporation has agreed that the controlling party for many purposes is the court of the state of incorporation. Churches who choose to become tax exempt agree that they will follow accompanying rules and regulations.

Many incorporated churches follow none of, or only some of, the rules and procedures in the non-profit corporation law they agreed to when getting the status. Many churches openly violate some or all of the rules and regulations coming with 501(c)(3) or 508(c)(1)(a) status because they know that the IRS does not have the resources to enforce them; by so doing, they dishonor both God (by dishonoring their legal agreement with the federal government) and man (by entering into a legal agreement which dishonors God). Believers who dishonor their agreements, their word, are not “Christians;” and by their actions, they cause men to blaspheme God.

For more information on church 501(c)(3) and 508(c)(1)(A) status, see:

1. **Federal government control of churches through 501(c)(3) tax exemption**(Section VI, Chapter 4 of *God Betrayed*; Chapter 4 of *Separation of Church and State*);
2. **The church incorporation-501(c)(3) control scheme**(Section VI, Chapter 5 of *God Betrayed*; Chapter 5 of *Separation of Church and State*); and
3. **Church Internal Revenue Code § 508(c)(1)(A) Tax Exempt Status.**



3. List of rules and regulations which come with tax exempt status.

Under the terms of 501(c)(3) and 508(c)(1)(A) and IRS interpretation thereof, a church agrees to the rules and regulations that come with the status. The church agrees to abide by the following rules:

- “1. must be organized and operated exclusively for religious, educational, scientific, or other charitable purposes,
- “2. net earnings must not inure to the benefit of any private individual or shareholder,
- “3. no substantial part of its activity may be attempting to influence legislation,
- “4. the organization may not intervene in political activity,
- “5. the organization’s purposes and activities may not be illegal or violate fundamental public policy.”

See, [IRS Publication 1828](#). This and all IRS publications may be accessed at irs.gov. Just mentioning a candidate may violate proscription #4. Detailed guidelines with consequences of violation of proscription #4 given in Pub. 1828. As to proscription #5, public policy is determined by the courts. What is fundamental public policy regarding same-sex marriage? This policy has not been enforced against tax exempt churches, but that may be coming. The real issue is, does church tax exempt or legal status of any kind please God. See also, , [Internal Revenue Code 508\(c\)\(1\)\(A\)](#).

Rules and regulations for 501(c)(3) and 508(c)(1)(A) churches are made by the legislative and executive branch, by the IRS, and by the courts. Rules one through four above are stated in [501\(c\)\(3\)](#). Rule four was added by legislation sponsored by Lyndon Johnson. The last requirement—“may not violate fundamental public policy” was first implemented by the IRS and then upheld by the United States Supreme Court in [Bob Jones University v. United States, 461 U.S. 574 \(1983\)](#). See, PDF of [Separation of Church and State/God’s Churches: Spiritual or Legal Entities?](#) pages 35-37.

501(c)(3) and 508(c)(1)(A) tax exempt status not only come with five government imposed rules, such status also invokes a myriad of regulations. See and read, e.g.,

- [Publication 557 \(01/2019\), Tax-Exempt Status for Your Organization;](#)
- [Application for Recognition of Exemption; Exempt Organizations Treasury Regulations;](#)
- [Charities and Nonprofits A-Z Site Index \(F-J\);](#)
- [Exempt Organization Revenue Rulings; 1828, Tax Guide for Churches and Religious Organizations \(PDF\);](#)
- [Common Tax Law Restrictions on Activities of Exempt Organizations; Exempt Organizations – Ruling and Determinations Lettersr; Exempt Organizations – Private Letter Rulings and Determination Letters; Exempt Organizations Announcements;](#)
- [Annual Filing Requirements for Supporting Organizations; Exempt Organizations Notices;](#)

- [**Public Disclosure and Availability of Exempt Organizations Returns: Copies of Exempt Organizations Tax Documents;**](#)
- [**Exempt Organization Revenue Procedures; Exempt Organizations Update;**](#)
- [**Exempt Organizations – Employment Taxes;**](#)
- [**The Truth About Frivolous Tax Arguments – Section II; Termination of Exempt Organization**](#)(“... Internal Revenue Code Section 6043(b) and Treasury Regulations Section 1.6043-3 establish rules for when a tax-exempt organization must notify the IRS that it has undergone a liquidation, dissolution, termination, or substantial contraction. Generally, most organizations must notify the IRS when they terminate. Among other things, notice to the IRS of a termination will close the organization’s account in IRS records. ...)

The interested believer and church who love the Lord may go directly to those regulations by clicking the links above, if this essay is opened online. Check them out for yourselves and ask yourself, “Does this status glorify and please God?”

En[i] [**Instructions for Form 1023.**](#) On page 2 of the December 2017 Instructions is stated: “Completed Form 1023 required for section 501(c)(3) exemption. Form 1023 is filed by organizations to apply for recognition of exemption from federal income tax under section 501(c)(3). Upon approval, we will issue a determination letter that provides written assurance about the organization’s tax-exempt status, and its qualification to receive tax-deductible charitable contributions. Every organization qualifying for exemption under section 501(c)(3) will also be classified as either a “public charity” or a “private foundation.”

A Bible believer may get much greater understanding of the anti-Christ agreement he is entering into by seeking and obtaining 501(c)(3) status by reading Form 1023 and the instructions as well as by reading Internal Revenue Code § 508(c)(1)(A) which places the church in the same position as 501(c)(3) status. See, . For more information from the IRS on Form 1023, see [**About Form 1023.**](#)

See, [**Basics of the Bible Trust Relationship and How a Church Can Nullify the Trust Relationship**](#)

For an understanding of how a church can organize and operated God’s prescribed way, as a spiritual entity under Christ only, see [**The CUCM Bible Trust.**](#)