



THE FOURSQUARE CHURCH

Frequently Asked Questions for Incoming Churches Joining Foursquare via the Covenant Agreement.

Defining the Covenant Relationship

1. **What does it mean to be a Foursquare Covenant Church?** The local church will be considered a Foursquare church (as defined in the Foursquare bylaws) for ecclesiastical, polity, and relational purposes.

A Covenant Church will maintain a separate legal corporation and choose its own corporate directors and officers. It will manage its own finances and have control over property held in the local church's name. Covenant Churches agree, by virtue of the Covenant Agreement, to operate in accordance with all Foursquare policies and procedures.

2. **What benefits will our church be entitled to as a Covenant Church?** A Covenant Church will be entitled to virtually all the same benefits as a Charter church, such as invitations to national and district events, Foursquare retirement services, education websites and resources and property consultation. The only benefit you cannot access is participation in the Foursquare insurance program. However, a Covenant Church may request advice from the Foursquare Insurance Department regarding their insurance needs and meeting the Foursquare board-mandated insurance requirements.
3. **Does the church need to be a corporation to become a Foursquare Covenant Church?** Yes, by nature of the Covenant arrangement, a Foursquare Covenant Church must be registered with its state as a nonprofit corporation before becoming a Covenant Church. If your church is not currently incorporated with the state in which it operates, please contact the district office to discuss the next steps.
4. **How will our church become a Covenant Church?** Through the Covenant Agreement, the local church voluntarily subordinates its bylaws to those of ICFG (except to comply with local state law). For the local church to initiate or terminate the Covenant Agreement, ratification by a $\frac{3}{4}$ supermajority of the congregants and attestation of such through the signatures of the senior pastor and church board members are required. The ICFG board also maintains the right to terminate the Covenant Agreement.
5. **Will our church be expected to tithe to Foursquare as a Covenant Church?** Yes, by signing the Covenant Agreement, a local church also agrees to adopt the Foursquare bylaws, declaration of faith and operational policies as its own. These policies include full participation in the Foursquare extension tithe, our movement's chosen funding model.



THE FOURSQUARE CHURCH

Entity Formation + Incorporation

6. **Are preferred vendors available to help a church incorporate?** Yes. Special pricing has been arranged with www.StartCHURCH.com (1-770-638-3444), a company specializing in church incorporation.
 - a. [StartCHURCH.com](http://www.StartCHURCH.com) understands the ICFG structure and Covenant Agreement and will prepare articles of incorporation and bylaws that the Foursquare legal team has vetted.
 - b. [StartCHURCH.com](http://www.StartCHURCH.com) will also apply for the federal employer identification number (FEIN), provide step-by-step instructions for registering the corporation with the state and prepare initial board meeting minutes.
7. **How do churches obtain special pricing with [StartCHURCH.com](http://www.StartCHURCH.com)?**
When contacting StartCHURCH, provide your pre-authorization letter (from your district office) to receive the Foursquare special pricing and incorporation documents for a Foursquare Covenant Church. [StartCHURCH.com](http://www.StartCHURCH.com) has associates who speak English and Spanish.
8. **Is a Covenant Church applicant required to use [StartCHURCH](http://www.StartCHURCH.com) to form a local church corporation?** No. A church may use the services of a local attorney to incorporate within its state; however, ICFG recommends using StartCHURCH. ICFG has worked closely with StartCHURCH on developing the articles of incorporation and bylaws, making them the most cost-effective option. If the church chooses to use an attorney, please have them call the Foursquare legal team before forming the corporation.
9. **Is a Covenant Church required to use StartCHURCH or an attorney to form a corporation?** Yes.
10. **Can my church retain its existing legal name?** Yes, the church may maintain its existing legal name. Foursquare churches may use the name “Foursquare” (e.g., ‘a Foursquare church’; ‘Any town Foursquare Church’). While the church is encouraged to identify itself as a Foursquare church, Covenant Churches are not required to change their name to include Foursquare legally. The name change would require additional work to amend the articles of incorporation. If you wish to include Foursquare in your church, you may want to consider filing for a fictitious business name instead of a formal name change to your corporation.
11. **Does my church need to end its IRS 501(c)(3) federal exempt status if it already has one?** No, if the church already maintains an IRS 501(c)(3) exemption, the church will keep this exemption.
12. **Does my church need to acquire its own 501(c)(3) federal exempt status if it doesn’t already have one in order to become a Foursquare Covenant**



THE FOURSQUARE CHURCH

Church? No, if the church does not already have 501(c)(3) exempt status from the IRS, it will be included in Foursquare's group exemption, which will qualify the church as an exempt organization with the IRS.

This exemption is effective on the date the board approves the Covenant Church.

- 13. Do we need to continue our corporation once our church becomes a Covenant Church?** Yes, the church must retain its separate corporation as long as it remains a Foursquare Covenant Church. The church must remain in good standing with the state(s) where the corporation is registered, maintain required state filings, and conduct proper board meetings documented with meeting minutes.
- 14. Once our church becomes a Covenant Church, would we dissolve our board?** No, state laws require corporations to have a board of directors and officers. The church board would continue for the purposes of maintaining the corporation and satisfying local state requirements. The church board will serve as the "church council" as outlined in the Foursquare bylaws. As outlined in the Covenant Agreement and Foursquare bylaws, the church board would be considered the church council. It would operate according to the Foursquare bylaws, which likely means the authority the church's board is used to having will decrease, to align with Foursquare's polity.

Real Property Assets

- 15. Can our church continue to lease or purchase property according to our existing bylaws?** By signing the Covenant Church agreement, the church has agreed to follow the Foursquare bylaws, which include provisions setting forth a process for Covenant Church property transactions.
- 16. If our church owns property, will we be asked to transfer it to ICFG?** No. Covenant Church property will remain with the church even if either party terminates the Covenant agreement.
- 17. If our church purchases property after joining Foursquare, will the ICFG board be involved?** No, the ICFG board will not be involved; however, by signing the Covenant Church agreement, the church has agreed to follow the Foursquare bylaws, which include provisions setting forth a process for Covenant Church property transactions.
- 18. If either party terminates the Covenant Agreement, will property purchased after becoming a Covenant Church remain with the local church?** Yes, property purchased after becoming a Covenant Church will remain with the church even if the Covenant agreement is terminated by either party.



THE FOURSQUARE CHURCH

19. **If an incoming Covenant Church sells property and doesn't use those funds immediately for another property purchase, will our church hold the funds? Yes.**

Covenant Church Ministerial Credentials

20. **Our senior pastor already has ministerial credentials from another organization. Does our senior pastor need to obtain a ministerial credential from Foursquare when we become a Foursquare Covenant Church? Yes.**
The church will now be considered a Foursquare church through the Covenant Agreement. The Foursquare bylaws state that a senior pastor of a Foursquare church must be licensed or ordained by ICFG and maintain a current credential. As the church begins the Covenant Church process, the senior pastor will be asked to start the credentialing process. The senior pastor is required to complete the credentialing process by the time the Covenant Church application is approved.
21. **Since our senior pastor already has ministerial credentials, can our senior pastor obtain Foursquare credentials through a reciprocal agreement? No.**
We do not have reciprocal arrangements. Our licensing process is designed to help a ministerial candidate achieve a thorough understanding of Foursquare doctrine and polity, while also forming a relationship with the candidate and becoming familiar with the candidate's practical application of ministry. We believe this approach better informs the senior pastor and, ultimately, the church's decision to join Foursquare.
22. **May our pastor maintain ministerial credentials with another organization after receiving Foursquare ministerial credentials? Maybe.** Foursquare occasionally allows ministers to hold dual credentials. Still, it is only available with permission from the ICFG board, pending a review of a written request explaining the need for dual credentials. During the application process, the district office will ask if the minister wants to keep their existing ministerial credential even after obtaining a Foursquare credential. If the minister requests to maintain both credentials, the district office will submit a request to the ICFG board.

Insurance

23. **Are there any required insurance coverage types or minimum coverage limits that a Covenant Church must have and maintain?**
Yes. The bylaws and ICFG board set forth insurance requirements that are the same for all Foursquare churches. This includes required coverage for property, liability, workers' compensation, sexual misconduct and officers'/directors' insurance. The Foursquare Insurance Department Web page outlines the required minimum coverages in the [Insurance Service Policy Notebook](#) under the



THE FOURSQUARE CHURCH

section, "Information for Securing Insurance with a Carrier other than through Foursquare Insurance Services."

At present, the following insurance carriers are known to provide coverage that satisfies the listed requirements:

- Brotherhood Mutual Insurance Co.
- Guide One Insurance Co.
- Church Mutual Insurance Co.

When contacting these companies, church leaders should ask for an agent referral in their area.

Retirement

24. Is a Covenant Church eligible to participate in the Foursquare retirement plan? Yes.

25. What benefit is there for a church to participate in the Foursquare Retirement Plan? There are many benefits to participating in the Foursquare retirement plan. For example, due to the significant assets held in the fund corpus, a lower expense structure is passed on to each participant. In addition, the Foursquare Retirement Plan has a skilled investment committee to steward the plan and a retirement team available to answer questions for plan participants. Finally, this program credits an amount based on the church's Foursquare Extension Tithe as contributions for church employees, subject to certain requirements. The church council determines which employees are eligible to receive this contribution and in what amount.

26. Our church has its retirement plan. Will our church need to end our retirement plan and join the Foursquare plan when we become a Covenant Church? It is permissible for a Covenant Church to maintain both retirement plans. However, if the church continues with both plans, it will need to monitor the annual contribution limits (the combination of all employer contributions and employee elective deferrals) to all retirement plans to avoid adverse tax implications.

Termination of the Covenant Agreement

27. If my church becomes a Foursquare Covenant Church and we later decide not to continue, is there a provision that allows us to end our Covenant relationship? Yes. The Covenant Agreement outlines the process for ending a Covenant relationship, which includes a $\frac{3}{4}$ supermajority vote of the congregation as stated above. The Foursquare Church is committed to handling disputes through a prayerful and biblically based process.



THE FOURSQUARE CHURCH

28. Can Foursquare end its Covenant relationship with the local church? Yes.

There may be rare instances where the ICFG board determines to end the Covenant relationship with the local church. The Foursquare Church will follow the termination process as outlined in the Covenant Agreement through a prayerful and biblically based process.

Covenant Churches with Schools, Preschools or Daycares

29. If our incoming Covenant Church runs a school, preschool or daycare that is part of a Covenant Church corporation, are they subject to the Foursquare bylaws, policies, and procedures? Yes, if the church, school or daycare operates under the same corporation as the church, then the church, school, or daycare must follow the Foursquare bylaws, policies and procedures, etc. Foursquare requires that all schools, preschools, and daycares that are part of Foursquare churches be registered with the state. The Foursquare Corporate Secretary's Office can provide additional information. If the school, daycare or preschool operates under a different corporation, and is not under the Covenant Church corporation, then it is not governed by Foursquare bylaws, policies or procedures.

30. If our incoming Covenant Church has a school, preschool or daycare, and we want to use Foursquare's 501(c)(3) group tax-exempt status with the IRS, are there any additional steps that must be taken for our school, preschool or daycare's inclusion? Yes, Foursquare schools, preschools and daycares must be in Foursquare's database, and such school ministries must publish a note of their racially nondiscriminatory policy in a general circulation newspaper or the school's website homepage that serves all racial segments of the community. Failure to certify compliance annually and comply with the requirements may be treated as evidence of racial discrimination. The Foursquare Corporate Secretary's office will continue to provide instructions on when and how to provide the information necessary for the IRS report.