

Why a New Church Needs Legal Counsel

Hiring experienced legal counsel enables a new church to start well, with a solid legal foundation. From the outset, a church needs corporate protection from potential liability. In addition, a church must comply with applicable IRS and state nonprofit laws and be able to operate effectively.

A new church can be viewed as a “legal person.” Using this analogy, a new church faces the following key legal considerations:

1. **Gestation.** What are we doing, and why?
2. **Birth.** Should we form a nonprofit corporation (typically, yes), and if so, then how do we comply with applicable legal requirements?
3. **Movement.** How do we structure the church’s governance document (usually known as the bylaws), particularly with respect to leadership, legal compliance, and “best practices”?
4. **First Steps.** How do we act officially as a nonprofit with respect to initial corporate activities?
5. **Taxes.** What do we need to do, if anything, for IRS compliance as a tax-exempt organization? What other tax privileges are available?
6. **Willing workers.** What do we need to comply with applicable employment laws (including tax and special clergy matters)? What about volunteers?
7. **Stewardship.** How do we protect church resources?
8. **Home life.** Where will we operate, and what else is needed?

Nonprofit law is complex, and errors at the initial stages may be costly to correct later. Accordingly, while someone else may be able to complete paperwork through websites or from other resources, using a knowledgeable attorney is critical to avoiding later trouble as the church grows. In addition, although templates may be helpful in certain respects, there is no “one size fits all” for a new church’s legal needs.

A church attorney can help guide a new church’s leaders carefully through initial questions and development measures. The results? The church should be well positioned for effective governance, cost-efficient legal compliance, future development, and protection against potential legal problems.