



Dear Potential Affiliate;

The following information regarding Group Tax Exemption under World Ministry Fellowship is enclosed. This service is offered to WMF members only. It's important to note that this is a separate membership from your personal membership and has its own set of dues and fees.

1. Organization Classification Form/Checklist
2. Group Tax Exemption Instruction Sheet
3. IRS Wording For Dissolution Clause
4. Incorporation of a Non-Profit Information Sheet
5. SAMPLE ONLY Letter of Authorization

Take care to follow the **World Ministry Fellowship Instruction Sheet** in full. When you file your Form SS-4, be sure to show the date of December 31st in Box #11 on the form. This is World Ministry Fellowship's closing date and your ministry's must be the same.

Because of the complexities involved, we strongly suggest that you seek the services of a professional when forming your Non-Profit Corporation. Laws vary from state to state and it is imperative that your paperwork be in order both to comply with the guidelines of the IRS and World Ministry Fellowship.

Upon completion of all the instructions please send the required paperwork and one time filing fee of \$50.00 to the World Ministry Fellowship International Office in Plano. There is an annual fee of three percent (3%) of your ministry's gross income, not to exceed \$300.00 per year, as well as an annual renewal fee of \$100.00.

If you have any questions, feel free to call the office. May the Lord bless your endeavors for His glory!

Respectfully,

A handwritten signature in blue ink that reads 'Trina Freeman'.

Trina Freeman  
Office Administrator



**WORLD MINISTRY**  
FELLOWSHIP

## Organization Classification Form for Subordinates

Name of WMF Member: \_\_\_\_\_ Date: \_\_\_\_\_

Name of Church/Ministry: \_\_\_\_\_

Church/Ministry Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

Federal EIN No. \_\_\_\_\_ Email: \_\_\_\_\_

Please check the category that describes your Church/Ministry:

- Church
- College/School
- Evangelistic
- Missions
- Other (Explain) \_\_\_\_\_

### Checklist

Please check the category that describes your Church/Ministry:

- Application Fee - \$50.00
- Organization Classification Form
- Articles of Incorporation (stamped file copy)
- Certificate of Filing/Formation of Articles of Incorporation
- Bylaws
- Letter of Authorization
- Employer Identification Number (from IRS)

In your Articles of Incorporation and/or Bylaws, the Dissolution Clause (stating that if you dissolve the corporation, any remaining funds will be given to another non-profit organization) must be included.

Also, either the Articles of Incorporation or the By Laws must include the Statement of Faith.

Please use this checklist to ensure that all REQUIRED documents are received by WMF. If you have any questions, please contact the office at 972.517.3900 or email [wmf@worldministry.com](mailto:wmf@worldministry.com).



# GROUP TAX EXEMPTION INSTRUCTION SHEET

## For Churches & Evangelistic Organizations Seeking Affiliation with World Ministry Fellowship

Preamble: A common misunderstanding occurs concerning application to become an Affiliate Member of WorldMinistry Fellowship. Keep in mind that as you make this application, you need to satisfy the requirements of three different agencies: the **Internal Revenue Service**, your **State Government** and **World Ministry Fellowship**. Often times while completing papers required by the state where your Church or Ministry is being incorporated, you will find that your particular state does not require the same thing that the IRS and/or WMF does. When this is the case, complete the papers for the state as they require, but also complete the information requested by this office before you can be placed under our 501(c)(3) umbrella.

- I. Every member of World Ministry Fellowship is entitled to have their organization brought under the Federal tax shelter of WMF at the time they have met the necessary requirements for approval.

The following are procedures under which recognition from income tax exemption under Section 501(c)(3) of the Code may be obtained on a group basis for subordinate organizations affiliated with WMF, (hereafter referred to as the Central Organization).

World Ministry Fellowship has met the requirements of the IRS and has been issued a group exemption letter recognizing, on a group basis, the exemption under Section 501(c)(3) of the Code of subordinate organizations on whose behalf the Central Organization has applied for recognition of exemption in accordance with the Revenue Procedure 80-27.

- A. A subordinate is a unit of a Central Organization. In this case the Central Organization is WMF and the subordinate is the ministry/church that you are submitting the application for.
  1. The Subordinate unit must be Incorporated in the state where they are located. WMF and the IRS requires that all churches and other non-profit organizations be incorporated. A couple of reasons for this requirement are:
    - a. In most cases, individual board members and pastors will not incur any personal liability under a corporate entity. Under an unincorporated organization individuals may be held personally liable for anything that would happen. Also, people have little fear of bringing a suit for damages against an individual, whereas, they would hesitate to bring suit against a church or non-profit organization that is a corporate entity.
    - b. A corporate entity may hold title to property, both real and personal. In most jurisdictions, real property must be held in trust by persons if the organization is not incorporated.
  2. Your Articles of Incorporation must contain a “dissolution” clause. If they do not, the following wording, required by the IRS, must be adopted as an amendment to the Articles of Incorporation, and filed in accordance with the laws of your state.



IRS required wording for dissolution clause: *“Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.”*

3. A detailed description of the purpose and activities of your church or Evangelistic organization including the source of receipts and the nature of expenditures are to be described in your Articles of Incorporation.

## II. Continuation of Tax Shelter Covering

A. When a church and/or non-church organization is placed under the covering of WMF, that organization will remain covered as long as:

1. All reporting and other requirements of WMF are up to date.
2. The member who is the registered agent with WMF is in good standing and all dues are paid. (Exception - see B & C below).
3. If a church or non-church's covering is dropped for any reason and reinstated three times, it will not be accepted a fourth time.

### B. Church:

In the event that after a church is approved and brought under the tax shelter of WMF, the pastor/member is deceased, or for any other reason replaced, the church/ministry will not immediately lose its covering. The covering will be maintained a reasonable period of time, at least a year if that is needed, to give the church/ministry time to work through the situation. However, the Associate Pastor, if there is one, should become a member of WMF as soon as possible. When a new pastor is installed, then he must become a member of WMF to maintain the covering. It is noted that the covering is issued because of the membership of an individual. Therefore, to maintain the covering, the registered agent must also be a member in WMF.

### C. Non-church:

If the organization is other than a church, such as, and Evangelistic, College, School or other type of ministry, and the person who leads the organization is replaced for any reason, the organization will not immediately lose its covering. The covering will be maintained a reasonable period of time to give the leadership time to work through the situation. However, the Vice President or Vice Chairman placed in charge should become a member of WMF as soon as possible. At the time a new President is elected or appointed, he should become a member of WMF to maintain the covering. It is noted that the covering was issued because of the membership of an individual. Therefore, to maintain the covering, the registered agent must also be a member in WMF.



### III. WMF does not do the following for their subordinates

#### A. State Tax Exemption

If a state gives non-profit organizations an exemption from sales tax, it is the responsibility of the subordinate to obtain this exemption. Contact your State Comptroller's Office on how to apply for this exemption. Each state differs in how they handle this, but most will require a copy of the Determination letter we will supply, as well as a copy of your By-laws.

#### B. Non-Profit Bulk Mail Permit

You must file for this with your local post office. You should have all the information that they will need. If you have a problem, call the WMF office and we will attempt to help you.

#### C. Filing of any forms with the IRS

WMF maintains the subordinate file status with the IRS, but any other contacts/filings with the IRS is the responsibility of the individual church/ministry.

**Example:** Each non-church organization is required to file form 990, 990EZ or 990N with the IRS each year by May 15. (Check with your accountant to determine which report your organization will be required to file.)

#### D. Contributions Received

All contributions received by the organization and/or records concerning these contributions are handled by the individual subordinate. Nothing is sent through WMF's International Office.

**PLEASE SEND THE FOLLOWING TO THE WMF INTERNATIONAL OFFICE:  
P.O. Box 860157 • Plano, TX 75086-0157:**

1. All churches send one copy of the **CONSTITUTION** of your church. **Important information:** Correctly used, the term "constitution" refers to a body of rules that is paramount to the by-laws. Church corporations that differentiate between a constitution and BYLAWS ordinarily do so on the basis of the relative importance of the provisions assigned to either document. Often, more important provisions are assigned to the constitution, which is made more difficult to amend because a greater majority vote is required than for amendments to the BYLAWS.
2. One copy of your **ARTICLES OF INCORPORATION** **Important information:** The Articles of Incorporation are different from the BYLAWS. The Articles of Incorporation rarely contain rules for the internal government of the corporation. Articles must contain the following: name, address, duration, purposes, names and addresses of the initial board of directors with their signatures and date, and dissolution clause. **IMPORTANT - the IRS REQUIRES the dissolution clause be in the Articles of Incorporation. Please refer to Publication 557 on the IRS website.**
3. One copy of the **BYLAWS** **Important information:** One court has observed that "it has been uniformly held that religious organizations have the right to prescribe such rules and regulations as to the conduct of their own affairs as they may think proper, so long as the same are not inconsistent with... the law of the land." Such rules ordinarily are called "bylaws." Technically, the difference in "bylaws" and "constitution or articles of incorporation" is BYLAWS are referring generally to the rules of internal government adapted by the corporation and constitution (articles of incorporation) are referring to the supreme law of a corporation.



4. One copy of the certificate from your state showing your incorporation. This should contain a state seal and the date of your incorporation.
5. If the Articles of Incorporation are ever amended, send one copy of the amendment to the office, but remember this has to be done by board action and signed and dated by the secretary.
6. All subordinates (groups under a 501(c)(3) covering) are required to be on the same accounting period as the Central Organization (WMF) which is January 1 - December 31. Exception: When State or Federal law requires your organization to use a different accounting period, Procedure 80 - 27, Sec. 4.024. In such a case send a letter or other documentation showing this requirement.
7. A letter of authorization from your organization to add your name to our WMF roster. (See enclosed sample.)
8. One copy of the letter that the IRS sends you showing that they have issued you an Employer Identification Number. (EIN) If you do not have an EIN, you can obtain an application on line at [www.irs.gov](http://www.irs.gov). Please fill it out and return it to the IRS office for your area. You may also obtain the number by phone. Once an EIN is issued, you do need to send a copy of the letter you receive from the IRS to our office. We cannot process your application without it.
9. A check made payable to World Ministry Fellowship in the amount of \$50.
10. Your cost for this service is 3% of your gross income per year, along with an annual renewal fee of \$100.00 per year, not to exceed a total of \$400.00 per year.
11. You are required to file with WMF International Office Quarterly and Annual financial reports. These reports are one page long and are self-explanatory. The forms will be mailed to you. No money is due until you receive the quarterly statement.
12. If your ministry is a non-church you are required to file form 990 with the IRS if your gross income is over \$25,000.00, you must file either a 990 or 990EZ. If your income is under \$25,000.00, you are required to file an electronic postcard, form 990N. Check with your accountant about this requirement, they can probably file it for you. Every non-church subordinate will be sent a reminder letter. **ORGANIZATIONS THAT DO NOT FILE THE NOTICE WILL LOSE THEIR TAX-EXEMPT STATUS, (this is an IRS ruling not a WMF ruling)**. A copy of the 990 form (990, 990EZ OR 990-N) that you file with the IRS MUST be sent to the WMF International Office at the same time that you file with the IRS. IMPORTANT! WMF does not file this for you.
14. **Very important:** Please notify the International Office if:
  - A. There is a change in your name or address;
  - B. There are any changes in the purposes, character or method of operation;
  - C. If BYLAWS are amended.



## INCORPORATION OF A NON-PROFIT CORPORATION

Below is a list of things that a group has to do to become incorporated in the state of Texas. Most states adhere to this format, but if you are in another state you can contact your state government offices.

The Texas Non-Profit Corporation Act governs the formation of non-profit corporations. A non-profit corporation is one in which no part of the income is distributable to its members, directors or officers. **The secretary of state does not provide forms for articles of incorporation and, in view of the legal complexities involved, recommends that you consult the attorney of your choice before incorporation.**

To incorporate, you must file articles of incorporation pursuant to article 1396-3.02 of the Texas Non-Profit Corporation Act (Volume 3, Vernon's Texas Civil Statutes). The articles of incorporation must set forth:

1. The name of the corporation.
2. The period of duration, which may be perpetual.
3. A statement that the corporation is a non-profit corporation.
4. A specific statement of a lawful purpose. A lawful purpose may be a charitable, benevolent, religious, patriotic, educational, scientific, fraternal, athletic, or agricultural purpose, or the conduct of a trade association, or a similar purpose as set forth in article 1396-2.01 of the Texas Non-Profit Corporation Act. (The secretary of state will accept the statement of purpose suggested by the Internal Revenue Service.)
5. The street address of the registered office and the name of the registered agent located at such address. (The phrases "registered agent" and "registered office" must be used when setting forth this information in the articles.)
6. If the corporation is to have no members, a statement to that effect must be included in the articles.
7. If the management of the affairs of the corporation will be vested in its members, a statement to that effect must be included in the articles.
8. The number of directors, not less than three, constituting the initial board of directors, and the names and addresses of the persons serving on the initial board of directors, unless the management of the corporation is vested in its members.
9. The name and street or post office address of each incorporator. Any natural person of the age of 18 years or older, without regard to place of residence or domicile, may serve as an incorporator.
10. If the corporation is to be authorized upon its dissolution to distribute its assets in a manner other than described in article 6.02(3) of the Texas Non-Profit Corporation Act (which refers in part to the distribution of assets for tax-exempt purposes to organizations exempt under section 501(c)(3) of the Internal Revenue Code of 1954 or related statutes), a statement describing the manner of distribution of the corporation's assets.
11. **WMF will not accept the short form for Articles of Incorporation that some states and the IRS have put out. They do not include all of our requirements.**



# SAMPLE ONLY

## LETTER OF AUTHORIZATION

Date

World Ministry Fellowship  
P.O. Box 860157  
Plano TX 75086-0157

Gentlemen:

This letter is to authorize you to add (*THE NAME OF YOUR ORGANIZATION*), a (*THE STATE YOUR ORGANIZATION IS INCORPORATED IN*) Non-profit Association, to the roster and general supervision of World Ministry Fellowship, to offer spiritual and business advice as requested. We request that (*THE NAME OF YOUR ORGANIZATION*) be placed under the tax umbrella of World Ministry Fellowship Group Exemption Letter.

Respectfully,

*YOUR NAME*  
*TITLE*  
*NAME OF YOUR MINISTRY*



## IRS REQUIRED WORDING FOR DISSOLUTION CLAUSE

Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.