

Constituting/Incorporating

Constituting

- Traditional, ecclesiastical, and legal process defining the church's organization and membership.
- Marks the movement of a new congregation from a dependent to an autonomous status.
- Usually involves the writing and adopting of a constitution and bylaws and observing a special service in which the new church is recognized as a member of the family of churches within the association/national convention.

Incorporating

- Incorporating is a legal action.
- Regulations regarding incorporation as a Society under the Companies Act or Societies Act vary from province to province.
- To form a corporate entity that is able to own property.
- To limit the individual risk to members against law suits for actions they undertook on behalf of the church.
- Provides considerable legal protection to persons acting lawfully on behalf of the society.
- **Note:** If a new church is preparing a constitution and bylaws for registration with the Canada Customs and Revenue Agency as a registered charity and plans to incorporate at a later date, care should be taken to ensure that the documents sent to Ottawa will also meet the specific provincial regulations. It is impossible to change some clauses of a constitution once the charity has been registered.

Transfer of property and debt

In traditional settings, sometimes land is purchased and debt is encumbered by the partner church on behalf of the new church. At the time of constitution and incorporation, legal action needs to be taken to transfer the property and debt to the new church.

Miscellaneous

Contracts

The new church may have to deal with a variety of legal contracts - everything from purchasing equipment to leasing space and contracting for certain services. Two words of caution need to be observed. **Make sure who has authority to sign contracts.** Read all contracts carefully and get explanations and/or written clarification on unclear elements of contracts.