



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

1. What does it mean to be a Foursquare Covenant church? Are there any significant differences in the way Covenant churches and Charter churches relate to the Foursquare denomination?

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; manage its own finances; and own/control property held in the name of the local church. The only functional differences between Foursquare Charter and Covenant churches relate to the acquisition, operation and/or disposal of local church property. 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 of 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 church comparison chart is available to review the detailed list of services and benefits provided to each category. [Click here to view comparison chart.](#) The only benefit you will not be able to access is the Foursquare insurance products. 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 my church have to incorporate 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 prior to 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 next steps.

4. Are preferred vendors available to help a church incorporate?

Yes, special pricing has been arranged with www.Startchurch.com (1-844-549-4506), a company specializing in church incorporation.

- a. Startchurch.com understands the Foursquare structure and covenant agreement and will prepare articles of incorporation and bylaws that have been vetted by the Foursquare legal department.
- b. 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.

5. **How do churches obtain the special pricing with Startchurch.com?**
To obtain the Foursquare discount and receive the incorporation documents for a Foursquare Covenant church, mention that you are part of the “Foursquare group.” Startchurch.com has associates who speak English and Spanish.
6. **Is a Covenant church applicant required to use Startchurch.com to form the local church corporation?** No, a church may use the services of a local attorney to incorporate within its state; however, Foursquare recommends using Startchurch. Foursquare has worked closely with StartChurch on the development of the articles of incorporation and bylaws, which makes them the most cost effective option. If the church chooses to use an attorney, please have them call the Foursquare legal department prior to forming the corporation.
7. **Is a Covenant church required to use StartChurch or an attorney to begin a corporation.** Yes, churches must use Startchurch or an attorney to form a corporation.
8. **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 IRS 501(c)(3) exemption, the church will keep this exemption and will not be included under ICFG’s group exemption.
9. **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 church?** No, if the church does not already have 501(c)(3) exempt status from the IRS, the church will be included in Foursquare’s group exemption. This will qualify the church as an exempt organization with the IRS.

This exemption is effective the date the board approves the Covenant church.

10. **How will our church become a Covenant church if we maintain our own separate corporation?** 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, this requires 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. The ICFG board also maintains the right to terminate the Covenant agreement.
11. **If our church owns property, will we be asked to transfer our property into ICFG?** No, this is one of the primary benefits of the Covenant relationship. It allows a local church to retain ownership of its property and still become a Foursquare church.
12. **Can our church continue to lease or purchase property according to our existing bylaws?** By signing the Covenant church agreement you have agreed

to follow the Foursquare bylaws, which includes provisions setting forth a process for Covenant church property transactions.

- 13. If our church purchases property after joining Foursquare will the ICFG board be involved in that transaction?** Yes, if the local church after joining Foursquare purchases new property, a reversionary clause will be placed on the property deed by the ICFG board.
- 14. What is a reversionary clause?** A reversionary clause is a provision in a deed that states that if the Covenant Agreement between a Covenant church and ICFG is ended, for any reason, the property will revert back to ICFG.
- 15. What is the length of the reversionary clause?** The reversionary clause is intended to continue into perpetuity, however, there may be legal time limits on a reversionary clause depending on state laws.
- 16. What real property of an incoming Covenant church is subject to a reversionary clause?** Any property purchased after becoming Foursquare will be subject to a reversionary clause.
- 17. Why was a reversionary clause instituted?** A reversionary clause was instituted to recognize the ongoing collective stewardship that all Foursquare churches, and the ICFG board of directors, have in common toward the advancement of the Gospel as part of the Foursquare denomination. Ongoing support from donors over the life of the church was given to acquire/maintain the property intended for use in forwarding the Foursquare gospel.
- 18. If the church purchases property in the future, is it subject to a reversionary clause?** Yes
- 19. If an incoming Covenant church sells the property brought into Foursquare and doesn't purchase property right away, will our church hold the funds?** If property is sold and they are not immediately reinvested into another property, the church will hold the funds.
- 20. When new property is purchased, and those funds are used, will the property require a reversionary clause?** If the property purchase price is more than the proceeds from the previous sale, the property will be subject to a reversionary clause. If it is not, the property will not be subject to a reversionary clause. Please contact the district when purchasing property to discuss the reversionary clause.
- 21. If the Foursquare board involvement is required to sell our property, what involvement will the Foursquare board have in this?** As long as the property

proceeds are being used for other property or held in an FFSLF restricted account, there would be minimal involvement.

- 22. Will the reversionary clause affect our ability to lease our property?** The local church will be able to lease property without any involvement by the Foursquare board.
- 23. What triggers a reversionary clause?** A reversionary clause is triggered if the covenant agreement is terminated or the expiration of the reversionary clause time limit.
- 24. What happens when a reversionary clause is triggered?** The local church property upon separation from Foursquare will revert back to the Foursquare denomination for furtherance of the Foursquare mission.
- 25. Will our church be expected to tithe to Foursquare as a Covenant church?** Yes, by signing the Covenant agreement, a local church is also agreeing to adopt the Foursquare bylaws, declaration of faith and operational policies as their own. These policies include full participation in the Foursquare extension tithe as our movement's chosen funding model.
- 26. Can my church retain its existing legal name?** Yes, the church may retain 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 legally change their name to include Foursquare. The name change would require additional work to amend the articles of incorporation and, therefore, delay the Covenant process. You may want to consider filing for a fictitious business name instead of a formal name change to your corporation if you want to include Foursquare in your church's name.
- 27. Our church has a school, preschool and/or daycare that is part of our nonprofit corporation. Will our school, preschool and/or daycare be required to adhere to the ICFG policies and procedures for Foursquare schools, preschools and/or daycares?** The Foursquare Church does not oversee schools, preschools or daycares. These ministries should maximize local accountability. Foursquare recommends schools obtain accreditation to establish and continue high educational standards.
- 28. Once our church becomes a Covenant church, do we need to continue our corporation?** Yes, the church must retain its own separate corporation as long as it remains a Foursquare Covenant church. The church must continue in good standing with the state(s) the corporation is registered in, maintain required state filings, and conduct proper board meetings documented with board meeting minutes.

- 29. 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 purposes of maintaining the corporation and satisfying local state requirements. For all other matters, in accordance with the Covenant agreement and Foursquare bylaws, the church board would be considered the church council and would operate according to the Foursquare bylaws.
- 30. 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 must maintain a current credential. As the church begins the Covenant church process, the senior pastor will be asked to begin the credentialing process. The senior pastor is expected to complete the credentialing process by the time the Covenant church application is approved.
- 31. Since our senior pastor already has ministerial credentials, can our senior pastor obtain Foursquare credentials through a reciprocal agreement?** No. 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.
- 32. May our pastor maintain ministerial credentials with another organization after receiving Foursquare ministerial credentials?** Foursquare allows ministers to hold dual credentials 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 would like to keep their existing ministerial credential even after they have obtained a Foursquare credential. If the minister requests to keep both credentials, the district office will submit a request to the ICFG board.
- 33. Are there any required insurance coverage types or minimum coverage limits that a Covenant church must have and maintain?** The insurance requirements 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 section, "Information for Securing Insurance with a Carrier other than through Foursquare Insurance Services."

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.
- Farmers Insurance Co.

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

34. Is a Covenant church eligible to participate in the Foursquare retirement plan? Yes.

35. 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, there is a lower expense structure that is passed on to each participant. In addition, the Foursquare Retirement Plan has a skilled investment committee to steward the plan along with a retirement department available to answer questions for plan participants. Finally, this program credits an amount based on the church's Foursquare Extension Tithe as contributions for employees of the church. The church council determines which of its employees is eligible to receive this contribution and in what amount.

36. Our church has its own 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 continue to maintain both retirement plans. However, if the church continues both plans, the church will need to monitor the annual contribution limits (the combination of all employer contributions and employee elective deferrals) to all retirement plans in order to avoid adverse tax implications.

37. If my church becomes a Foursquare Covenant church and we later decide we do not wish 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.

38. 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.

- 39. Are there any specific steps we need to take if our church operates a school, daycare or preschool?** If the church, school or daycare operates under the same corporation as the church, then the church, school, daycare need to follow the Foursquare bylaws, policies and procedures, etc. If the school, daycare or preschool operates under a different corporation, then it is not governed by Foursquare bylaws, policies or procedures.
- 40. Does the Covenant church need to register with the Foursquare Corporate Secretaries office?** If the Covenant church had and maintained their own 501(c)(3) status, then the church does not need to contact them. If they did not and are sharing in ICFG's 501(c)(3) status then they need to contact them for adherence to the nondiscrimination policy requirements to keep their tax exemption.