



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 without requiring oversight or approval by the Foursquare board of directors. 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 pricing of \$699 (plus state fees) 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. If the church wishes to include a statement of their 501(c)(3) tax exempt status on their year end charitable contribution letters, they must include the date this exemption began.

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. Covenant church property transactions differ from those of a Charter church in that they do not require ICFG board approval, and the property transactions are in the name of the local church corporation and not ICFG.

13. 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.

14. 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.

15. 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? By signing the Covenant agreement, your church agrees to follow the Foursquare bylaws, which includes ICFG oversight of schools, preschools and/or daycares. The National Church Office oversees the compliance to federal regulations and record keeping requirements of Foursquare schools and daycares. Your school, preschool and/or daycare will annually report on their adherence to the Foursquare standards for school, preschool and/or daycare operations.

If your church has a school, preschool and/or daycare, please let the district office know; you will receive an additional application to be completed for the school, preschool and/or daycare.

- 16. Our church has a school, preschool and/or daycare that operates under its own corporation, separate from the church corporation. Will they be required to adhere to the ICFG policies and procedures for Foursquare schools, preschools, and/or daycare's?** No, the school, preschool and/or daycare would continue as a separate organization. The school, preschool and/or daycare would not be subject to the ICFG requirements or oversight and would not be included as part of the Covenant agreement.
- 17. 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.
- 18. 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.
- 19. 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?** 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.
- 20. 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.
- 21. 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.

22. 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. (260) 482-8668
- Guide One Insurance Co. (877) 448-4331
- Church Mutual Insurance Co. (800) 554-2642
- Farmers Insurance Co. (800) 493-4917

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

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

24. 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, non-earmarked Foursquare Missions International offerings and offerings to Foursquare Missions Press 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.

25. 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.

26. 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.

27. 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.