

Who Owns Your Church?

All nonprofit organizations, including churches, do not have owners. Members do not own the congregation or the congregation's assets. If you are filling out an application for a Paycheck Protection Program loan, you can respond to the ownership question with "Nonprofit," "501(c)(3)," "Not Applicable," or some combination. The application is a one size fits all/actually fits none form that was produced in a hurry by an agency that does not typically deal with nonprofits. Any authorized officer can complete the application on behalf of the congregation. Your church's bylaws should specify the authority granted to officers. Sometimes bylaws require congregational approval to borrow money. If in doubt, ask the congregation to authorize the borrowing and the individuals to represent the church.

Nonprofit assets belong to the public. If a church closes, assets have to be transferred to another 501(c)(3) organization. 501(c)(3) is reference to the provision in the Tax Code that exempts churches and other nonprofits from paying income taxes and that allows donors to claim a charitable gift deduction for donations.