



## **INSTRUCTIONS AND INFORMATION FOR CONGREGATIONS DESIRING INCLUSION IN THE NALC'S GROUP INCOME TAX EXEMPTION**

The North American Lutheran Church has obtained Internal Revenue Service ("IRS") recognition that it is exempt from income taxation as an association of churches under Internal Revenue Code Section 501(c)(3). The NALC also has obtained a group exemption letter for local congregations affiliated with the NALC. To be included in this group exemption, congregations must file with the NALC a written application and request for inclusion, and meet certain requirements established by the IRS.

Inclusion in the NALC's group exemption may provide certain benefits to congregations, including an ability to demonstrate IRS recognition of income tax exemption to donors and other interested parties. Please note that, while churches are not required to obtain a 501(c)(3) determination from the IRS to achieve tax-exempt status, and individual churches that qualify under Section 501(c)(3) are exempt from federal income taxation without being included under the NALC's group exemption letter, the NALC is not able to provide such congregations with a certification of exempt status until and unless the congregation has provided written authorization to NALC (complete with certain certifications).

In order for a congregation to be included in the NALC's group exemption, Internal Revenue Service regulations require that the congregation certify that it is under the "general supervision and control" of the NALC. The NALC has made available a model church constitution which may be used by member congregations, but is not mandatory. However, as you know, whatever form your governing instruments take, those instruments must provide that the congregation subscribes to the constitution of the NALC and will act in accordance with its provisions, including the following: (a) the congregation endorses the Confession of Faith of the NALC, (b) the congregation agrees to call only pastors who are members of the NALC or otherwise authorized by the NALC; and (c) the congregation and its pastor(s) are subject to the disciplinary procedures of the NALC.

Appropriate action to accept the constitution of the NALC and all the provisions contained therein, whether through amendment of the governing instruments of your congregation to contain the required provisions above or otherwise, must be taken in accordance with your church's governing structure. All required approvals (whether of membership, board of directors, board of deacons, board of trustees, etc.) must also be obtained prior to execution of the Authorization and Application for Inclusion.

In addition, the governing documents of the congregation must meet IRS requirements, including a purpose statement that the congregation is organized and operated exclusively for charitable/religious purposes within the meaning of Section 501(c)(3) and a statement that in the event of the dissolution of the congregation, its remaining assets would be distributed for other charitable/religious purposes within the meaning of Section 501(c)(3).

Each church desiring inclusion in the NALC's group exemption must also have an employer identification number ("EIN") (even if you have no paid employees) issued by the IRS. If you do not already have an EIN, you should utilize IRS Form SS-4, Application for Employer Identification Number (available on the IRS website [www.irs.gov](http://www.irs.gov)). This form may be filed electronically and an employer identification number may be requested by telephone.

Finally, to qualify for inclusion in the NALC's group exemption, your congregation must not have previously received an IRS determination letter recognizing your congregation as exempt from federal income taxation. If your congregation has previously been part of another organization's group exemption, such as the ELCA, you do not need to take any action with the IRS or your prior parent organization to be removed from the prior group exemption letter. The IRS will automatically deem the affiliation terminated upon receipt of the NALC's request for inclusion of your congregation in the NALC's group exemption.

**Congregations which desire to be included in the NALC's group exemption should complete the attached Authorization and Application for Inclusion, sign and return it, along with the most recent copy of the congregation's articles of incorporation (for congregations which are incorporated entities) or constitution (for congregations which are not incorporated), by email to [office@thenalc.org](mailto:office@thenalc.org), or by fax to 651-633-4260, with originals to follow by mail to:**

North American Lutheran Church  
Attn: Treasurer  
2655 Innsbruck Drive, Suite A  
New Brighton, MN 55112-9304

Upon receipt of your fully-completed Authorization and Application for Inclusion, we will add your congregation to the NALC's group exemption list. We submit an annual update of that list to the IRS on September 30 of each year, at which time the IRS will update its records to reflect inclusion of your congregation in our group exemption. Please also note that if any amendment to your congregation's articles of incorporation or constitution is required to comply with IRS regulations, we will notify you of that fact.

A copy of the group exemption letter will be provided upon receipt of your congregation's completed Authorization and Application for Inclusion. This letter may thereafter be used as proof of your church's tax-exempt status, which may be requested from time to time by various governmental agencies (such as the U.S. Postal Service in obtaining bulk mailing permits) or persons making gifts to your church who request evidence that your church is indeed a tax-exempt organization.

If you have any questions, please contact Anne Gleason at [agleason@thenalc.org](mailto:agleason@thenalc.org) or 651-633-9353.



**AUTHORIZATION AND APPLICATION FOR INCLUSION UNDER  
THE NORTH AMERICAN LUTHERAN CHURCH GROUP INCOME TAX EXEMPTION  
AS A SUBORDINATE ORGANIZATION**

Congregation Name: \_\_\_\_\_

Street Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

Federal EIN: \_\_\_\_\_ Fiscal Year End: \_\_\_\_\_

[Note: If none, please obtain from the IRS using Form SS-4]

Does your congregation have any paid employees? \_\_\_ Yes \_\_\_ No

To Whom It May Concern:

The undersigned hereby certify, acknowledge and affirm the following and, by so affirming, hereby request the North American Lutheran Church ("NALC") to include the congregation identified above (the "Congregation") in NALC's listing of subordinate organizations for recognition of federal income tax exempt status under Internal Revenue Code Section 501(c)(3):

1. The Congregation meets regularly and in accordance with the doctrines of the NALC and has been received into membership in the NALC.
2. The Congregation's constitution, bylaws or other internal governance documents provide as follows: (a) the Congregation is a member of the NALC; and (b) the Congregation subscribes to the constitution of the NALC and will act in accordance with its provisions, including the following: (i) the Congregation endorses the Confession of Faith of the NALC, (ii) the Congregation agrees to call only pastors who are members of the NALC or otherwise authorized by the NALC; and (iii) the Congregation and its pastor(s) are subject to the disciplinary procedures of the NALC.
3. The Congregation's governing documents include a purpose statement in compliance with IRS regulations that the congregation is organized and operated exclusively for exempt purposes within the meaning of Internal Revenue Code Section 501(c)(3), and a clause stating that, upon dissolution, its property shall be distributed in accord with Section 501(c)(3) of the Internal Revenue Code. No part of the net earnings of the Congregation inures to the benefit of any private individual or entity.
4. The Congregation is not a private foundation as defined by Internal Revenue Code Section 509(a).
5. The Congregation is associated with the NALC and is subject to its general supervision and control, including ecclesiastical control pertaining to religious doctrine and verification to the Internal Revenue Service that, as a subordinate organization, the Congregation is organized for and operated under one or more purposes as stated in Internal Revenue Code Section 501(c)(3).
6. The Congregation's governing body has authorized the undersigned to request inclusion of the Congregation in the group listing of the NALC's subordinate organizations for purposes of obtaining recognition of federal tax exempt status.

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**THIS APPLICATION IS A REQUEST ONLY AND IS NOT TO BE CONSTRUED AS PROOF OF IRS  
RECOGNITION OF 501(c)(3) TAX EXEMPT STATUS.**