



# ABC's of Church Management Newsletter

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This newsletter has been developed to provide compliance guidelines for local congregations concerning state and federal regulations. It is shared as a basic reference newsletter with the understanding that the publisher is not giving legal, financial, or other professional service/advice. The publisher acknowledges that the laws and regulations of each state may vary. If professional assistance is required, the services of a competent professional should be secured.

## Stimulus Check Distributions

There has been much confusion over when individuals will receive the economy stimulus checks. Many thought the funds would be attached to their federal income tax refunds. The IRS has distributed the following distribution schedule. All distributions are based on the last two digits of the individual's Social Security number.

If you had your refund directly deposited to a bank checking or savings account, you will receive your stimulus check:

Last two SSN digits:	Payment will be transmitted:
00 through 20	May 2
21 through 75	May 9
76 through 99	May 16

If you had your refund mailed to you by check, you will receive your stimulus check:

Last two SSN digits:	Payments will be mailed by:
00 through 09	May 16
10 through 18	May 23
19 through 25	May 30
26 through 38	June 6
39 through 51	June 13
52 through 63	June 20
64 through 75	June 27
76 through 87	July 4
88 through 99	July 11

Please keep in mind that this is a tentative schedule that the IRS has posted on their website. This schedule is based on individuals filing their returns by April 15, 2008. If an individual filed after April 15, 2008, the IRS estimates that the stimulus check will be sent approximately two weeks later than the above schedule. Individuals have until October 15, 2008 to file their returns to be able to receive a stimulus check this year.

## Presidential Campaigns and the Church

2008 is the year that the United States will elect a new president as well as many house and senate seats. Many local governor races will be determined this year also. It is essential that the church understand what it is and is not permitted to do regarding involvement in political campaigns.

In IRS Publication 1828, *Tax Guide for Churches and Religious Organizations*, the following is stated:

“Under the Internal Revenue Code, all IRC section 501(c)(3) organizations, including churches and religious organizations, are absolutely prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of (or in opposition to) any candidate for elective public office. Contributions to political campaign funds or public statements of position (verbal or written) made by or on behalf of the organization in favor of or in opposition to any candidate for public office clearly violate the prohibition against political campaign activity. Violations of this prohibition may result in denial or revocation of tax-exempt status and the imposition of certain excise tax.”

The following activities are prohibited by churches (taken from *Church and Clergy Tax Guide 2008*, pp. 599-600):

- Contributions to political campaign funds.
- Public statements of position (verbal or written) in favor of or in opposition to candidates for office – in official church publications and at official church functions.
- A church invites only one candidate in a political campaign to address the congregation.
- A church distributes a voter guide containing questions demonstrating a bias on certain issues.
- The endorsement of candidates.
- Campaign activities by employees within the context of their employment.
- A church fails to “disavow” the campaign activities of persons under “apparent authorization” from the church by repudiating those acts “in a timely manner equal to the original actions” and taking steps “to ensure that such unauthorized actions do not recur.”
- Engaging in fund-raising on behalf of a candidate.
- Newspaper ads urging voters to vote for or against a candidate.
- Church websites that contain information either supporting or opposing candidates for public office.
- Church websites containing a link to candidate-related material, if the facts and circumstances indicate that one or more candidates are being supported or opposed.
- The Sunday before the November election, a minister invites a political candidate to preach to his/her congregation during worship services. During his/her remarks the candidate states, “I am asking not only for your votes, but for your enthusiasm and dedication, for your willingness to go the extra mile to get a very large turnout on election day.” The minister invites no other candidate to address his/her congregation during the campaign.
- A church maintains a website that includes biographies of its ministers, times of services, details of community outreach programs, and activities of members of its congregation. A member of the congregation is running for a seat on the town

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council. Shortly before the election, the church posts the following message on its website: "Lend your support to your fellow parishioner in Tuesday's election for town council."

The following activities are permitted by churches (taken from *Church & Clergy Tax Guide 2008*, pp. 599-600)

- Providing a forum for all candidates to address the church.
- Public comments made by ministers and other church employees in connection with political campaigns, not made at church facilities or in church publications and accompanied by statement that the comments are strictly personal and are not intended to represent the church.
- A church invites all candidates for a political office to address the congregation and informs the congregation before each candidate's speech that the views expressed are those of the candidate and not the church and that the church does not endorse any candidate.
- The church provides an opportunity for a candidate to speak in a non-candidate capacity (for example, as a member of the church, public figure, or expert in a nonpolitical field) without providing equal access to the political candidates for the same office. The church ensures that the candidate speaks in a noncandidate capacity; no reference is made to the person's candidacy; the church mentions the capacity in which the candidate is appearing (without mentioning the person's political candidacy); and no campaign activity occurs.
- A church distributes a compilation of voting records of all members of Congress on major legislative issues involving a wide range of subjects; the publication contains no editorial opinion, and its contents and structure do not imply approval or disapproval of any members or their voting records.
- Neutral voter registration drives.
- A minister who is well-known in the community attends a press conference at a political candidate's campaign headquarters and state that the candidate should be reelected. The minister does not say he is speaking on behalf of his church. His endorsement is reported on the front page of the local newspaper, and he is identified in the article as the minister of his church.

Please keep in mind the following from IRS Publication 1828:

The political campaign activity prohibitions is not intended to restrict free expression on political matters by leaders of churches or religious organizations speaking for themselves, as individuals. Nor are leaders prohibited from speaking about important issues of public policy.

Remember, always clarify that any written or verbal statements regarding candidates are personal and do not represent the opinions of the church. Keep your church safe this highly contested political season.