

Integrated Auxiliary Organizations of a Church

The term *integrated auxiliary of a church* refers to a class of organizations that are related to a church, a denomination, convention, or association of churches, but are not legally exempt organizations themselves. Men's and women's organizations, seminaries, mission societies and youth groups that satisfy the first two requirements below are considered integrated auxiliaries whether or not they meet the internal support requirement. Other organizations may or may not meet the definition of an integrated auxiliary depending on whether or not they can meet the third leg of the test.

In general, the IRS will treat these and other unincorporated organizations as integral parts of the church if they can meet the following three requirements:

- Be described both as an Internal Revenue Code section 501(c)(3) organization and be a public charity under Code section 509(a)(1), (2), or (3),
- Be affiliated with a church or convention or association of churches, and
- Receive financial support primarily from internal church sources as opposed to public or governmental sources.

But many churches sponsor a number of other loosely affiliated programs that meet on their campus, (think Boy Scouts, MOP's, Awana, sports leagues, bible study groups, etc.). Can these groups, if not otherwise formally exempt, be treated as "integrated" auxiliaries and thus benefit from the same rules and exemptions that apply to their sponsoring church?

Perhaps. But much will depend on the amount of oversight and control the church exerts over these groups. Where the organization and its operation is clearly under the control (operations and financial) and leadership of the church board of directors and staff the answer is yes. These organizations are essentially viewed as programs or departments of the church operating to help the church accomplish its exempt purposes. Where such control and leadership cannot be demonstrated, the organization would not be seen as an auxiliary entity in the eyes of the IRS. These organizations must then individually account for their activities separately from the church and may be subject to mandatory reporting and possible taxes.

If it has been awhile since your church has examined the degree of control and leadership it is exercising over its auxiliary organizations this might be a good time to review. For more information on this subject you can check-out [Publication 1828, Tax Guide for Churches and Religious Organizations](#), or contact the CMA office if we can be of any assistance.

DISCLAIMER

This material is presented with the understanding that the author is providing basic information only, and assumes no liability whatsoever in connection with its use. Tax laws are constantly changing, are subject to differing interpretations, and the facts and circumstances in any particular situation may not be the same as those presented here. Therefore, we urge you to do additional research and make sure that you are fully informed and knowledgeable before using the information contained herein.

