

How to Apply for Inclusion in the SBC Group Tax Exemption

In order to qualify for the SBC umbrella tax exemption the church must:

1. Send a donation to the Cooperative Program through the Baptist Convention of New England.
2. Approximately 30 days later the church should send a letter on church letterhead to the SBC Executive Committee, 901 Commerce Street, Nashville, TN 37203, informing the SBC Executive Committee that they are affiliated with the BCNE and would like to be added to the SBC group exemption. There is no additional fee, as the church's contribution to the Cooperative Program through the BCNE makes them eligible.
3. The SBC Executive Committee will contact the BCNE to verify the church is a cooperating church.
4. The BCNE will make that verification, typically via email within 24-48 hours that the inquiry from the SBC Executive Committee arrives.
5. The SBC Executive Committee will mail a copy of the group exemption to the church, along with a second letter verifying they are now included in that group.
6. That letter will be valid so long as the church remains in good standing with the Baptist Convention of New England and makes a contribution to the Cooperative Program each calendar year.

Alternative Way to Get a Tax Exempt Letter from the IRS:

If a church wanted to get their own exemption letter directly from the IRS instead of going through the SBC:

1. They must fill out an 80-page application. Though a lawyer is not required, most people find the application too complicated to complete on their own and end up hiring a lawyer to complete it. The cost for the lawyer is between \$1,500 and \$2,500.
2. Pay a fee to the IRS. If the church receipts are less than \$10,000 a year, the fee is \$400. If the church receipts are more than \$10,000 a year, the fee is \$800.
3. Due to the fees and complexity of the application, most churches aligned with the BCNE choose to get a group exemption from the SBC instead of a letter of their own directly from the IRS.

There is no difference in the tax exempt status regardless of the route taken. However, in some rare situations certain foundations will only give a grant to a church if it has their own letter instead of the group letter. But this is a rare situation the typical church is not likely to face. In the unlikely event it does come up, there is almost always a way to find a third party charity in the community, such as a business development group, that has their own letter, which the grant can be routed through.