



THE UNITED METHODIST CHURCH

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July 11, 2013

Rev. R. Stanley Sutton
Secretary, Board of Trustees
Bay View Association of The United Methodist Church
PO Box 1222
Bay View, MI 49770

RE: Tax Exempt Status of the Bay View Association of The United Methodist Church

Dear Stan,

You asked me to respond to a question you had about the tax exempt status of the Bay View Association of The United Methodist Church (“Association”). Specifically, you asked what impact, if any, would different interpretations of the Association’s Bylaw I.D.5. have on the continued tax exempt status of the Association. (Bylaw I.D.5. requires that leaseholding and associate members of the Association be “of Christian persuasion.”)

As you know, there are several letters from the IRS, beginning more than seventy years ago, confirming the tax exempt status (under what is now Section 501(c)(3) of the tax code) of the various predecessors of the Association (e.g., The Bay View Camp Ground Association and The Bay View Association of The Methodist Episcopal Church). In 2007, the Association requested GCFA to include it in The United Methodist Church Group Tax Exemption (“group exemption”). After the Association amended its bylaws to satisfy the group exemption requirements, we included the Association in the group exemption in September 2007, and it remains included today.

To be included in the group exemption, an organization must first satisfy all the requirements of Section 501(c)(3) of the tax code. The prior letters from the IRS support our conclusion that the Association does indeed satisfy these requirements. But in addition, to be included in the group exemption, an organization must satisfy certain affiliation and control requirements connecting it to The United Methodist Church. These requirements are reflected in the Association’s Bylaws 2, 75-B, and 77-B.

But more to the point, whether Bylaw I.D.5. is interpreted literally or amended to say that the person is “upholding Christian values” is not determinative of whether the organization qualifies

under Section 501(c)(3) or can be included in the group ruling. Said another way, the continued tax exempt status of the Association does not depend on which of these two interpretations or formulations of Bylaw I.D.5. the Association adopts as its official policy. That is solely an internal matter for the Association to decide.

I hope this is helpful,

Sincerely,

A handwritten signature in blue ink, appearing to read "Dan Gray". The signature is written in a cursive style with a large initial "D" and "G".