

## POSITION PAPERS

22nd General Assembly, 22-70, p. 258.

3. That the General Assembly adopt the position paper, "The Relationship of Agencies to the General Assembly, Presbyterian Church in America," as amended

*Adopted*

### **THE RELATIONSHIP OF AGENCIES TO THE GENERAL ASSEMBLY PRESBYTERIAN CHURCH IN AMERICA**

Adopted as Amended June 10, 1994

From time to time questions arise regarding the relationship of committees and agencies of the General Assembly to the General Assembly of the Presbyterian Church in America. The issue may be rephrased differently: Does the General Assembly have authority over the committees and agencies which it erects for the ongoing conduct of the business of the General Assembly? Is a committee or agency accountable to the General Assembly? And may the General Assembly require a legal audit of its organizations, including its committees and agencies?

The answer to all of these questions is a decided yes.

#### **I. THE AUTHORITY OF THE GENERAL ASSEMBLY**

When the PCA was organized in 1973 it took a very clear position regarding the authority of the General Assembly in writing the *Book of Church Order*. The General Assembly constitutes the denomination, both spiritually and civilly when it is in session. The *BCO* spells out how the General Assembly will perform the various duties it desires to perform. Some of these duties will be done through action of the General Assembly itself, some will be done through its duly elected officers, some will be done through committees, some will be done through committees of commissioners, and some will be done through separate corporations.

The *BCO* is part of the Constitution of the PCA (*BCO*, Preface III). The following quotations gives a very clear picture of the authority of the General Assembly over its committees and agencies.

*BCO* 14 on "The General Assembly" says:

"The work of the Church as set forth in the Great Commission is one work, being implemented at the General Assembly level through equally essential committees" [*BCO* 14-1 (3) emphasis added].

"The Assembly's Committees are to serve and not to direct any Church judicatories. They are not to establish policy, but rather execute policy established by the General Assembly." [BCO 14-1 (7) Emphasis added.]

Furthermore, *BCO* 14-6 specifies that the General Assembly has certain powers: including (f) which states "to institute and superintend the agencies necessary in the general work of evangelization." And then again, *BCO* 14-6 (i) clearly states "to superintend the affairs of the whole Church". (Emphasis added.)

The corporate documents specify the civil authority of the General Assembly. The corporate Bylaws state in Article II, section 1:

"The members of the corporation shall be those duly ordained Teaching Elders (Ministers) enrolled in a Presbytery affiliated with the Presbyterian Church in America, and those Ruling Elders representing local congregations, which congregations are affiliated with Presbyteries affiliated with the Presbyterian Church in America who have been designated or commissioned to attend the next General Assembly of the Presbyterian Church in America. ... Such individuals shall be members of the corporation until the next meeting of the General Assembly..."

The "Certificate of Incorporation" (also known as the Charter of Incorporation) states in article Sixth:

"The directors need not be members of the corporation unless so required by the Bylaws. The board of directors shall be elected by the members at the annual meeting of the corporation to be held on such date as the Bylaws may provide, and shall hold office until their successors are respectively elected and qualified. ... The board of directors may, by resolution or resolutions, passed by a majority of the whole board, designate one or more committees, which to the extent provided in said resolution or resolutions or in the Bylaws of the corporation shall have and may exercise all the powers of the board of directors in the management of the activities and affairs of the corporation and may have power to authorize the seal of the corporation to be affixed to all papers which may require it..."

Clearly the *BCO* and the corporate documents reflect the concept that committees and agencies are fully responsible and accountable to the General Assembly while doing the work of the General Assembly.

## II. HISTORICAL BACKGROUND

In order to appreciate the PCA position, a brief historical background of the various options will prove helpful.

In the 19th century, James Henley Thornwell of the Southern Presbyterian Church and Charles A. Hodge of Princeton Theological Seminary carried on an extensive discussion in correspondence and theological journals on the question of the relationship of "boards" and "committees" to the General Assembly. There was also considerable debate on the floor of the General Assembly of the Presbyterian Church in 1860. Dr. Morton H. Smith summarizes Thornwell's views and the actions of the 1861 General Assembly of the PCUS as follows:

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"The question was whether the Church should appoint Boards to carry on its work or not. Thornwell maintained that such Boards were, in effect, new Church courts, and had no Scriptural authority. It was his proposal that the Church must itself carry on its work, using committees of a temporary nature, but not permanent Boards, which acted independently of the Church Courts, and without being responsible to the Courts. Though Princeton thought prevailed in 1860, Thornwell's view was adopted by the Southern Presbyterian Church in 1861, when the Assembly appointed Committees on Foreign Missions, and Home Missions, etc."<sup>77</sup>

The distinction is further elucidated by J. A. Hodge, in *What is Presbyterian Law*. He gave the following answer to the question "What is the difference between a Standing or Permanent Committee and a Board?":

"A committee, standing or permanent, is "bound in all cases to act according to the instructions of the Assembly, and is under the necessity of receiving its sanction to all the measures which it may propose." A Board has "full powers to transact all the business of the missionary cause, only requiring the Board to report annually to the General Assembly." It can carry on its work with vigor and unity of design, and enjoy the benefit of the advice and counsel of the Assembly."<sup>2</sup>

Several examples will suffice to illustrate the differences: In the early 20th century, the Board of Foreign Missions of the PCUSA (the Northern Presbyterian Church) was sending liberal missionaries who knew nothing of the evangelical gospel of Jesus Christ. Repeated efforts had been made by the vast majority of evangelical ministers in the PCUSA to have these missionaries recalled but to no avail. The General Assembly was either unwilling or unable to overrule the Board of Foreign Missions.

By 1934, J. Gresham Machen established the Independent Board for Presbyterian Foreign Missions both in protest as well as to insure that the gospel of Jesus Christ with all of its purity and authority from the Word would be proclaimed. In accordance with its name, it was independent of any ecclesiastical oversight, controlled by a self-perpetuating board. The General Assembly turned on the men who were on the IBPFM requiring them to cease and desist their operations. When they refused, they were brought to trial and ousted from the PCUSA in 1936. This resulted in the formation of the Presbyterian Church of America (later changing its name to Orthodox Presbyterian Church).

In 1937 the OPC established committees completely under the control of the General Assembly, rather than boards for carrying out the various tasks of missions and Christian education.

Likewise, the Southern Presbyterian Church by the mid 20th century had moved away from Thornwell's position by establishing Boards for carrying out the task of the Church.

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<sup>77</sup> Morton H. Smith, *Studies in Southern Presbyterian Theology*, page 174, Presbyterian Reformed Publishing Company, 1987)

<sup>2</sup> J. Aspinwall Hodge, *What Is Presbyterian Law*, 5th Edition, 1884, Presbyterian Board of Publishers

Thus, the Board of Christian Education (PCUS) took a leading role in rewriting the "Covenant Life Curriculum" for Sunday School classes. This curriculum was saturated with unbiblical neoorthodox theology. This kind of problem in the Southern Presbyterian Church culminated eventually in the formation of the National Presbyterian Church in 1973 (later Presbyterian Church in America).

In 1982, the PCA received the Reformed Presbyterian Church, Evangelical Synod through the process of joining and receiving. The RPCES had as one of its roots, the Bible Presbyterian Church (which broke away from the Orthodox Presbyterian Church in 1937) as well as the Reformed Presbyterian Church (which had its roots in Scotland as far back as 1774). Early on, the Bible Presbyterian Church supported the Independent Board for Presbyterian Foreign Missions and also became a strong advocate of independent boards not under the control of the General Synod. This went to the extreme of total independency.

However, after two or three decades of independency, by the time the RPCES was formed in 1965, it had begun to have boards, erected by the General Synod, thus bringing a tangible degree of oversight and control into play. They had a measure of freedom, nevertheless the General Synod elected members of the boards of agencies, required accountability from them, reviewed their minutes, received reports, and gave instructions for actions or policies.

The PCA has recognized the legitimate place of independent agencies. For example, there are many highly respected institutions with no corporate links to the denomination. Some of these are: Reformed Theological Seminary, Westminster Theological Seminary, the Presbyterian Evangelistic Fellowship, Quarryville Presbyterian Home, to name a few.

As a matter of fact, as late as 1989, the General Assembly took a strong position that some institutions should probably be totally independent. The following recommendation was adopted:

"That the 17th General Assembly encourage churches and presbyteries considering the development of specialized ministries, such as retirement homes and conference centers, to obtain competent legal counsel in order to organize and operate a corporation separate from the church.

**GROUNDs:** (1) A specialized ministry, such as a retirement home or a conference center, involves many additional areas of exposure to liability that it warrants a separate corporation. Although such an institution may legitimately be a part of the church's ministry, the many risks involved could needlessly place the church's assets at risk if the retirement home were included in the church's corporation. Suits for such matters as personal injury and financial improprieties would place the church's assets in jeopardy.

(2) A separate corporation with a separate Board of Directors would not only mean more legal protection for the church, a separate corporate structure would also mean that the retirement home would have more effective oversight and preservation of its own assets than if it were lumped in with all of the church's other ministries." (M17GA, p.132).

By contrast, the committees and agencies of the PCA General Assembly are not independent. The PCA has taken a very strong position in many respects similar to Thornwell's

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position that "the Church must itself carry on its work using committees of a temporary nature but not permanent boards which acted independently of the church courts and without being responsible to the courts".

### **III. CONSTITUTIONAL AND CORPORATE DOCUMENTS**

#### **A. BOOK OF CHURCH ORDER**

Earlier, the *Book of Church Order* which is a part of the constitution of the Presbyterian Church in America according to *BCO* Preface III was quoted. For the sake of ease, it will be well to repeat the relevant portions of the *BCO* specifically from *BCO* 14 regarding "The General Assembly":

"14-1. The General Assembly is the highest court of this Church, and represents in one body all the churches thereof. It bears the title of The General Assembly of the Presbyterian Church in America, and constitutes the bond of union, peace and correspondence among all its congregations and courts.

"Principles for the Organization of the Assembly

"3. The work of the Church as set forth in the Great Commission is one work, being implemented at the General Assembly level through equally essential committees.

"7. The Assembly's committees are to serve and not to direct any Church judicatories. They are not to establish policy, but rather execute policy established by the General Assembly."

1) **The Administrative Committee:**

"12. The Administrative Committee of General Assembly shall consist of twenty (20) members:

a. Eleven members in classes elected through the standard nomination and election procedure,

b. One member each from the following program committees or agencies:" (The list abbreviated includes: CE&P, Cov. Col., CTS, IAR, IFBD, MNA, MTW, PCAF, RH)

It should be noted that the Corporate Bylaws III, Section 2 stipulates that the Administrative Committee serves also as the Board of Directors of the Corporation. See comments about the composition under Board of Directors in the Bylaws below.

2) **The Power of the General Assembly:**

*BCO* 14-6. "The General Assembly shall have power: ...

"f. To institute and superintend the agencies necessary in the general work of evangelization; to appoint ministers of such labors as fall under its jurisdiction; ...

"g. To suppress schismatical contentions and disputations, according to the rules provided therefor; ...

"i. To superintend the affairs of the whole Church;"  
(Emphasis added.)

It is clear from the above, that the committees and agencies that are erected by the General Assembly are under its supervision and control. The committees and agencies that are thus erected are under its control and thus are responsible and accountable to the General Assembly for the work that has been entrusted to them.

## B. RULES OF ASSEMBLY OPERATION

The position stated above is further supported by the Rules of Assembly Operation (RAO) and the Corporate Bylaws. By having these two separate documents, the PCA recognized a development in the civil legal system since the turn of the century, namely, the development of non-profit legal corporations. To a certain degree, distinctions of the past between "boards" and "committees" were largely semantic. The use of a non-profit corporation raised the possibility of legal distinctions.

The Rules of Assembly Operation set out rules to govern the ecclesiastical operations of the General Assembly. Significant for our purpose are the following rules:

### "RAO IV. Committees and Agencies

"4-1. The affairs and programs of the General Assembly shall be conducted primarily through its Permanent Committees and Agencies.

"4-2. The Permanent Committees are those specifically created by the *Book of Church Order*:

Administrative Committee (AC)  
Christian Education and Publications (CE&P)  
Mission to the World (MTW)  
Mission to North America (MNA)

"The Administrative Committee shall function as a service committee to the General Assembly and the denomination. The Committees on Christian Education, Mission to North America and Mission to the World shall be known as Program Committees.

"4-3. The agencies are:

Covenant Theological Seminary  
Covenant College  
Ridge Haven Conference Center  
Insurance, Annuities and Relief  
Investors Fund for Building and Development  
PCA Foundation

"The relationship of the Agencies to the Assembly remains as a committee although they may be incorporated separately for civil purposes.

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The composition and responsibilities of the Agencies are set forth in the Bylaws." (Emphasis added.)

"13-1. All business shall ordinarily come to the floor of the Assembly for final action through Committee of Commissioners....."

The oversight that General Assembly has over the committees is also expressed in RAO 13, "Committee of Commissioners", which identifies both the committees and the agencies which report to the General Assembly through committee of commissioners. The committees of commissioners are responsible to the General Assembly for reviewing (actions, minutes, budgets, reports, etc.), evaluating, auditing the committees and agencies, and for reporting to the General Assembly. In doing these tasks they serve the General Assembly, by asking "Is their ministry and work that which has been approved by the General Assembly?" This can be put positively, "Is this committee or agency doing what has been assigned to them by the General Assembly?" and negatively, "Is this committee or agency doing something that has not been assigned?" All of this points to the full responsibility and accountability of the agencies as well as the committees under the authority of the General Assembly.

### C. THE CORPORATE BYLAWS

The Corporate Bylaws specifies the members of the Presbyterian Church in America (A corporation) in Article II, Section 1:

"The members of the corporation shall be those duly ordained Teaching Elders (Ministers) enrolled in a Presbytery affiliated with the Presbyterian Church in America, and those Ruling Elders representing local congregations, which congregations are affiliated with Presbyteries affiliated with the Presbyterian Church in America who have been designated or commissioned to attend the next General Assembly of the Presbyterian Church in America."

**The Board of Directors:** The Corporate Bylaws further identifies the Board of Directors in Article III, Section 2:

"The Board of Directors shall consist of the members of the Administrative Committee of General Assembly."

As noted above, the Administrative Committee currently is composed of twenty members, eleven members elected at large from the General Assembly and one member from each of the program committees and agencies (see *BCO* 14-1,(12) and note above).

It would be well to note that originally there were only three program committees and no agencies. Hence, the Board of Directors/Committee on Administration (as it was known) included six members not elected by General Assembly directly, two each from the three program committees. This was changed by the General Assembly in 1990 in the RAO and included in the BCO in 1991 after the Ad Interim Committee on General Assembly Structure realized that none of the agencies had representation on the Board of Directors. In making these amendments, the Ad Interim Committee and the General Assembly recognized that there was a vital connection of all the committees and agencies and the General Assembly with its Board of Directors.

**Permanent Committees:** Article V speaks of The Particular Permanent Committees:

"A. The Administrative Committee of General Assembly.

"The business affairs of the Corporation as distinguished from the ecclesiastical matters, and those not specifically assigned to one of the other permanent committees by these Bylaws or an act of the General Assembly, shall be managed by the Administrative Committee, which serves as the Board of Directors provided in the Charter of Incorporation, subject to such rules and regulations as may be prescribed by the General Assembly, including all applicable provisions of the *Book of Church Order*.

"E. Other Committees

"The Assembly may elect or appoint other committees of either a permanent or temporary character to handle particular matters of business as designated by the Assembly. The business handled by such committees shall be limited to those matters assigned by the Assembly.

**Boards of Agencies:** Article V also speaks to the erection of agencies and their relationship to the General Assembly.

"F. Boards of Agencies

"When it is necessary for the handling of civil matters, the General Assembly may authorize one of its committees or agencies to incorporate and to form a board. The relationship of the board to the Assembly remains as a committee, and the provisions of the corporation charter and bylaws shall be in conformity with the constitution of the Church."

Article VI, Other Boards and Agencies states:

"The Assembly has authority to make exceptions to the above guidelines for some boards, agencies and committees not specifically covered by the BCO, by making amendments to these bylaws spelling out the specific exceptions, as well as approving corporation bylaws in conformity with these exceptions." (Emphasis added.)

Again, it is explicit that the relationship of the agencies to the Assembly remains as responsible and accountable as any committee of the General Assembly. Only when the General Assembly approved bylaws spell out specific exceptions, may those agencies act in a different manner from what has already been spelled out either in the RAO or in the Bylaws.

Finally, Article VIII, Ecclesiastical Matters states:

"Section 1. The ecclesiastical Constitution of the Church is defined in the Book of Church Order, Preface III. The provisions of the Constitution shall control over any provisions of these Bylaws that may be in conflict therewith." (Emphasis added.)

**D. THE CERTIFICATE OF INCORPORATION**

The Certificate of Incorporation (sometimes referred to as the Charter of the Corporation) designates the Board of Directors of the Corporation to manage the affairs of the corporation as follows:

"SIXTH. -- The civil activities and affairs of the corporation shall be managed by a board of directors. The number of directors which shall constitute the whole board shall be such as from time to time shall be fixed by, or in the manner provided in, the

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By-Laws, but in no case shall the number be less than three. ... The board of directors may, by resolution or resolutions, passed by a majority of the whole board, designate one or more committees, which to the extent provided in said resolution or resolutions or in the Bylaws of the corporation shall have and may exercise all the powers of the board of directors in the management of the activities and affairs of the corporation and may have power to authorize the seal of the corporation to be affixed to all papers which may require it; ..."

In summary, the relationship of the four permanent committees to the General Assembly is directly tied to the Presbyterian Church in America (A Corporation), and the Board of Directors of the Presbyterian Church in America (A Corporation) has authority to manage the civil affairs of the Corporation between meetings of the General Assembly. (See also Bylaws, III.1 and V.A.)

The relationship of the boards of agencies to the Presbyterian Church in America (A Corporation) and to the General Assembly is also "as a committee", under the authority of and responsible to the General Assembly. The General Assembly has created the agencies, allowing them to incorporate so that they may have the benefit of being a civil entity, but they remain as an affiliate of the Presbyterian Church in America (A Corporation). The agencies which were received by the Joining and Receiving of the RPCES have the same relationship to the General Assembly. It should be clear that the General Assembly has "power" to erect separate corporations or agencies which are to be treated as though they are committees of the General Assembly. This constitutes an "agreement" or "understanding" between the General Assembly and the separate non-profit corporations that they can be called to account to the General Assembly.

Thus, the relationship of agencies to the General Assembly as described above is evident by the following facts which includes but is not limited to them: (1) The General Assembly acting in its civil capacity has power to establish corporations and to elect the members of the boards of the corporations. (2) As committees they are responsible to General Assembly and are required to report to the General Assembly every year. (3) The budgets of each agency must be adopted by the General Assembly. (4) The General Assembly must approve the financial auditors. (5) The General Assembly reviews the minutes of the agencies as it does those of the committees. (6) General Assembly has power to grant or to revoke specific tasks for the agencies as it does for the committees.

### **IV. CONTRAST WITH RELATION OF PRESBYTERIES AND SESSIONS TO GENERAL ASSEMBLY**

Some have mistakenly tried to apply the principle of the separate civil relationship between General Assembly and the other courts of the church, i.e. presbyteries and sessions, to the relationship of the General Assembly to its committees and agencies.

As a matter of fact, the committees of the General Assembly are not separate entities but are separate representatives of the General Assembly that have been authorized to take certain action for and on behalf of the General Assembly. At the same time, while the separate corporations are separate legal entities, insofar as their relationship with the General Assembly is concerned they are not to be treated as separate corporations but as committees. Accordingly the committees and agencies (separate corporations) are completely subject to the General Assembly from both the spiritual as well as the civil standpoint. They have such duties, powers

and authority as is vested in them by the General Assembly and, since they are acting for and on behalf of the General Assembly (even though some may be separately incorporated and may take certain action with third parties that are binding upon the parties even though the action is not specifically authorized by the General Assembly) they are, as between the parties, subject to the orders and instructions given them by the General Assembly.

This relationship is to be contrasted with the relationship between the General Assembly, on the one hand, and the presbyteries or local congregations, on the other hand. The presbyteries and local congregations are organized as separate legal entities by virtue of the action of their members and not by any action of the General Assembly. They constitute separate and distinct legal entities from the General Assembly. However, by virtue of these separate legal entities being accepted as part of the denomination they then recognize their subjection to the spiritual oversight of the General Assembly. All of this is set forth in the *BCO*.

In June 1986, the 14th General Assembly clarified this position by adopting a paper entitled "The Philosophical and Theological Basis for Our PCA Structure". The relationship of the General Assembly with regard to the courts of the church is stated succinctly in the following paragraph:

"The courts of the PCA have a spiritual/moral relationship with one another with regard to their separate responsibilities, authority, and accountability, but they have *no civil* authority, responsibility, or accountability toward one another even though each of them does have a civil relationship with the state with regard to their property, charters of incorporation, and other state and/or federal laws. The higher courts may not proceed in such a way that would constitute civil action on behalf of the congregation without a formal vote of the congregation. In order to be effective, any such civil action must be with the consent or approval of the congregation, which consent or approval is given in accordance with the civil laws under which the congregation is organized."<sup>3</sup>

Thus, it would be a mistake to equate the relationship of the General Assembly to other church courts with the relationship of the Assembly with its own committees and agencies.

## V. SUMMARY

The position of the PCA regarding the authority of the General Assembly over its committees and agencies and the relationship of those committees and agencies to the General Assembly may be summarized as follows.

1. The General Assembly of the Presbyterian Church in America composed of its commissioners are the corporation which legally is identified as Presbyterian Church in America, (A Corporation). The General Assembly at times acts in an ecclesiastical capacity, at times it acts in its civil corporate capacity.

2. At times the General Assembly acts through its board of directors. The civil affairs of the corporation are managed, as authorized by the General Assembly, by the board of

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<sup>3</sup> *Minutes of the 14th General Assembly*, PCA, page 104, See Attachment 1, "Defining the Philosophical and Theological Basis for our PCA Structure" (*M14GA*, pp. 427-437).

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directors which have powers and duties as set forth in the Charter of the Corporation and the Bylaws.

3. General Assembly has the authority to erect committees or agencies (separate corporations) which are authorized to handle particular matters of business as designated by the General Assembly. Furthermore, when it is necessary for a committee to have the benefit of a civil entity, the General Assembly may authorize one of its committees to incorporate which is then designated an agency. Nevertheless, the relationship of the board of such agency to the Assembly remains as a committee. The provisions of each corporation, charter and bylaws must be in conformity with the constitution of the church.

4. The General Assembly has authority and the responsibility as an ecclesiastical and as a civil entity to require accountability from its committees and agencies. This is evident from the power to review the actions and activities of the committees and agencies through Committee of Commissioners. This includes a review of their minutes, the approval of budgets, the appointing of financial auditors, the granting or revoking of specific tasks for the committees or agencies, the power to elect committee or board members, etc.

5. The relationship of the committees and agencies to the General Assembly is that they are under the control and authority of the General Assembly in contrast to the relationship of the General Assembly to the courts of the church (presbyteries and sessions) which clearly distinguishes the civil responsibilities of presbyteries and sessions in contradistinction to the ecclesiastical connectionism of the courts of the church (cf. *M14GA*, pp. 427-437).

### BIBLIOGRAPHY

- "Exhibit A: Defining the Philosophical and Theological Basis for our PCA Structure," *M14GA*, pp. 427-437, 1986.
- "Attachment K: Plan for General Assembly Reorganization," *M11GA*, pp. 106-110, 1983.