**Church Leadership Team – Defining “Arm’s Length”**

Regarding members who are related to each other by blood, marriage, common-law partnership, or adoption:

While the PAOC Local Church Constitution & Bylaws does not speak to being related (the term is “arm’s length”) on a Church Leadership Team, there is a Canada Revenue Agency requirement for charities regarding structure that must be followed - "more than 50% of their directors, trustees, or like officials (must) deal with each other at arm's length."

Here's what the Canada Revenue Agency says about "arm's length":

"The questions in this section deal with the tax concept of at arm's length. This concept describes a relationship where two parties act independently of each other and are not related. The opposite, not at arm's length, refers to people who are related or who are acting jointly without separate interests."

"Related persons are individuals who are related to each other by blood, marriage, common-law partnership, or adoption. Examples of blood relatives include grandparents, parents, brothers, sisters, and children (including adopted children). Examples of persons related by spousal relationship include the grandparents of a spouse, the parents of a spouse, the brothers and sisters of a spouse, the spouse of a child, and the spouse of a grandchild. Nieces, nephews, aunts, and uncles are generally considered to be not related for purposes of the Income Tax Act."

So, on a Church Leadership Team, more than 50% must not be related as defined above.

How many voting members are on the Board? Based on that number, more than 50% must not be related.

Here are examples...

* If you had 4 voting members (3 board plus pastor), you could not have 2 related - that's 50%.
* If you had 5, two could be related - that's less than 50%.