

Legal Issues

Endorsing 3rd Party Products



Evangelical Lutheran Church in America
God's work. Our hands.

Congregations Endorsing or Sponsoring Commercial Third Party Products

From time to time congregations are asked to endorse or promote third party products in return for a fee, rebate or contribution from that third party. Such a venture might be promoting long distance telephone service by members, use of a special credit card or endorsing a certain line of commercial products.^[1]

When a congregation is asked to promote or endorse third party commercial ventures, it is important to seriously consider disadvantages or complications if such a venture is supported.

1. The congregation's mission does not entail promoting commercial secular third party ventures, sales or products.
2. Secular commercial ventures can take away from the true ministry and work of the congregation.
3. Unless congregations have a way of evaluating or rating secular services or products, they should not endorse, sponsor or otherwise promote products merely because they may raise some funds for the congregation.
4. Once the door is open for endorsing, sponsoring or receiving remuneration for a secular commercial venture, it becomes increasingly difficult to say "no" to other requests for church participation.
5. The congregation's reputation and mission can be sullied by a poorly performing product, disputes between the vendor and the purchaser, collection actions, or even injuries involving the sponsored product.
6. When members "contribute" by purchasing products or becoming involved in secular fund raising plans, their commitment to charitable giving may diminish.
7. When a congregation receives outside income from a secular source it will need to take on additional record keeping, tax reporting requirements, and potentially tax payment requirements.
8. If endorsement, promotion or sponsorship is given, it is essential that the congregation have a legal reviewed disclaimer to protect itself from responsibility or liability.
9. Often the funds raised for the congregation are not very significant.
10. If there are two congregation members who are selling or providing the same product, it may create conflict in the congregation if one is chosen over another.

11. If the person selling the product wants to, he or she can certainly contribute a share of the sales directly to the congregation or a share of the sales that come from congregation member business.
12. Depending on the nature of the enterprise, the congregation may face tax, insurance, zoning or similar complications.

Congregations should also be aware of the ELCA position on [commercialism](#).

[1] Different products and services may include toys, books, foodstuffs, health supplements, cleaning products, lawnmowers, home repair and improvements, real estate sales, etc.

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