

ECORC / COF

Disbanding: Steps for Closing Well

Regional Council

East Central Ontario Regional Council

A **Community of Faith** may experience one or more of the following changes during its lifetime:

Amalgamating with one or more other Communities of Faith;

Becoming a single-point pastoral charge, part of a multi-point pastoral charge, or part of a different multi-point pastoral charge;

Relocating; and

Concluding or disbanding its ministry.

All of these changes require the approval of the Regional Council and a change to the covenant between the congregation and the Regional Council.
(The Manual G.1.3)

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When is it Time?

Like all living things, congregations experience a life cycle, with a birth, a middle and an end. These changes may happen slowly over centuries or much faster. Sometimes it can be difficult to identify the reasons why a congregation may no longer be viable, but often it is due to changes in the surrounding area, such as shifting demographics, social trends, escalating maintenance costs, fewer volunteers and dwindling finances. The decision to disband is often difficult and emotional. It is important to remember that the work of closing well, is a special type of ministry. Those who find themselves carrying out this work are called to oversee the faithful “scattering of seeds” which will be the ongoing legacy of their community of faith. This is a special and very important aspect of congregational ministry.

Although no one wants to close pre-maturely, leaving the decision too late can lead to rushed decisions and missed opportunities. Regularly reviewing a congregation’s financial viability, volunteer strength, energy levels, and sense of purpose (living faith story) helps identify when it may be time to start preparing to disband, amalgamate with another congregation or exploring re-development options. Note that according to the regional council’s property policy, in the case of amalgamation, a congregation will normally take all of its asset into the newly formed congregation. The formula for distribution of assets following disbanding is also detailed in the policy.

Deciding to Disband as a Congregation

1. The governing body makes a decision to call a congregational meeting to consider making a request to disband. Notice of the meeting, and its purpose, is read during public worship for two Sundays. The meeting may take place the next day (Monday) or any time after that.

Quorum for the meeting:

A meeting of the congregation or pastoral charge may take place only if a minimum number of full members is present, as follows:

- a) for congregations or pastoral charges with 100 or more full members, at least 20 full members must be present;
 - b) for congregations or pastoral charges with between 30 and 99 full members, at least 10 full members must be present; and
 - c) for congregations or pastoral charges with fewer than 30 full members, at least 1/3 of the full membership must be present. (Manual 2019, B.5.5)
2. If the congregation decides to disband, a request is sent to the Covenant Leadership Team of the Regional Council. The congregation may propose a date for the disbanding. It is important to leave enough time to complete the work and to celebrate the ministry

of the congregation. If possible, choose a date at the end of the calendar year rather than the beginning to avoid having to file a tax return for an extra year.

If the congregation does not select a date, the Assembly of Elders may propose a future date for the disbanding to come into effect.

Consultation with the Regional Council, the Mission through Property and Finance Team and the Covenant Support, is encouraged throughout the disbanding process. The Pastoral Relations Minister and the Executive Minister are the staff who can assist you.

Pastoral Charge Name:

In a multipoint pastoral charge, where one or more points are remaining open, consideration should be given, in conversation with the remaining points, to the name of the pastoral charge. If the name of the pastoral charge is to be changed then there are a number of things to be done by the remaining points.

- a) Send a copy of the motion for the name change to the Regional Council;
- b) After the Regional Council approves the change, contact Canada Revenue Agency to have the name change recognized;
- c) Change letterhead, website, etc.

Things to do Before the Disbanding Date

Honour Your History:

- Set the date for the last worship service and decommissioning of the building. Consider who you might invite.
- Plan a celebration honouring the years of faithful ministry, or hold a series of special events in the time leading up to the final service.
- Arrange for Registers (baptism, wedding, burial, historic roll), Minutes and other documents to be sent to the Archives. (see resources for more information)

Care for your Members:

- Arrange for each member to receive a certificate of membership for transferring to a new community of faith. Discuss where members will worship after disbanding. Will they go in a group or groups to nearby congregations? Will they each go their own way? Consider visiting other congregations to explore options.
- Consult with members who are unable to make their own arrangements, or their decision makers, to ensure they are transferred to a new congregation for ongoing pastoral care and other aspects of congregational life.

Care for your Staff:

- Arrange appropriate severance packages for all lay staff. Remember that 90 days notice is the standard used in the United Church.

- Give proper notice (90 days) to all ministry personnel, called or appointed.
- Give proper notice to ADP
- Fill out Record of Employment forms, final tax documents etc.

Care for your Finances:

- Ensure there are sufficient funds for all closing costs, for example payroll, celebration, building costs including possible demolition, transfer of records to the archives etc.
- Arrange for the final charitable tax return to be filed.
- Arrange to have Canada Post forward all mail to a designated Trustee for one year to ensure nothing is missed.

Care for your Property:

- If you have a cemetery, make arrangements to transfer management to another organization such as the municipality.
- Consult with the Regional Council about the future of the land and buildings. If the decision is to sell the building, follow the appropriate steps for this process which can be provided by the Mission Through Property and Finance Team.
- Sort through all the furnishings and items belonging to the congregation. See if other United Churches have a need for anything, such as hymn books, laptops, chairs, banners etc. While remembering that trustees are responsible for ensuring fair market value is received, you may choose to have a silent auction for items that do not have a high resale value. You may not simply return items to donor families as this is not permitted by Canada Revenue (see [Consequences of returning donated property](#)).
- For any item with a higher retail value, such as a grand piano, solid silver or brass items etc. it is best to seek an appraisal and consult with the Mission Through Property and Finance Team before selling.

Scatter Your Seeds:

- Upon disbanding, the assets of the congregation are disbursed according to the property policy of the Regional Council. This policy ensures that the resources of the congregation continue to benefit the ministries of the United Church of Canada.
- This can be a joyful experience as you see how the legacy of your congregation will continue to live on in new ways. This can be part of the celebration as you give thanks to God for the years of faithful stewardship that make it possible for the congregation to strengthen a variety of ministries within the United Church.
- Disbanding congregations are invited to make a proposal for the dispersal of a percentage of the total assets by directing them to specific ministries within the United Church of Canada. This includes, among other options: congregations, church camps, outreach ministries and Mission and Service. This is your opportunity to direct a third of the assets toward ministries that reflect the interests and concerns of the congregation.

It should also be noted that: “A congregation may give an amount equal to the percentage of its previous year’s revenue that was donated to a non-United Church registered charity to that charity.” For example:

If, in the previous year, the congregation gave X dollars to the local hospice (a registered charity),

and this was equal to 1% of that year’s revenue,

then they may direct 1% of the closing funds to the same hospice.

This 1% is part of the percentage being directed by the congregation.

- Once the congregation has prepared its proposal for the appropriate percentage of its assets, this request is sent to the Regional Council Mission Through Property and Finance Team for review, consideration and recommendation to the Regional Council.
- Any property that is remaining after the effective disbanding date becomes the responsibility of the Regional Council and the Regional Council will direct the trustees regarding such property.

Additional Resources

The United Church Manual 2019

Trustees Handbook

Archives (for information on what to archive and how to send it)

Service for Closing a Church

Amalgamating – Steps for Beginning Well

East Central Ontario Regional Council Information

Policy Regarding Proceeds from the Sale of Property

Property & Finance MANSE FUNDS POLICY