

***Shining Waters Regional Council
Guidelines to Help Congregations Close Well***

The decision of a congregation or pastoral charge to disband is never easy, and usually, it follows much prayerful deliberation. The following steps are intended to help congregations “close well” by identifying and addressing many of the matters that require particular energy and attention.

PASTORAL SUPPORT TO MEMBERS

- Throughout this process, it is important to remember that this is a sad and difficult time for most people. Being part of a church that is closing is challenging – feelings such as sadness, grief, anger, relief and fatigue may well be present – and it is important to appreciate and understand that these and other emotions can emerge – sometimes in unexpected ways.
- One primary goal of this process is to help everyone find a new church community, and make the transition into it. To this end, it is important to try to ascertain the wishes of all members of the congregation, including those who are non-resident, in a careful and caring way. Formal options include:
 - a. Members may be transferred to another congregation of their choice.
 - b. Members may request a Certificate of Membership that can be presented to another congregation.
 - c. Members who did not respond to the invitation to be transferred or who can no longer be located should be removed from the roll by an action of the Board.
 - d. All membership transfers should be recorded in the Historic Roll before the church closes.

DECIDING TO DISBAND AS A CONGREGATION

1. The governing body decides 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 Communities of Faith Commission 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 commission may propose a future date for the disbanding to come into effect. Otherwise the date of the commission decision becomes the effective date for disbanding.
- 3. Consultation with the regional council is encouraged throughout the disbanding process. The Staff Lead or the Minister for Support to Communities of Faith and Right Relations are the staff who can assist you.
- 4. In circumstances where a congregation no longer has a governing body, the Communities of Faith Commission can make the decision to disband on behalf of a congregation.

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 region approves the change, contact Canada Revenue Agency to have the name change recognized;
- c) Change letterhead, website, etc.

FINANCIAL RECORDS

- Until the effective date of disbanding, the Trustees still take direction from the Board, and the congregation continues to function as a recognized pastoral charge.
- Arrange with Shining Waters Regional Council for the safekeeping of the financial records. Normally, we keep records for seven years. They can be stored at the regional archives.
- File a final charitable status return along with a request for the revocation of the charitable status number. The region can help with questions around this.

PROPERTY-RELATED MATTERS

- 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.
- Canada Revenue Agency rules state that items given to the church as gifts by specific members **cannot** be returned to the individual or family that made the donation and received a tax receipt for it. Doing so would require the original donor to re-file any income tax forms for the year in which such a receipt was received. <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/guidance-016-qualified-donees-consequences-returning-donated-property.html>
- Particular items can be sold for “fair market value.” The price can be determined by a professional evaluator (who can be expensive) or by offering items for sale through a silent auction and/or garage sale.
- 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 before selling.
- It **is** permissible to give specific items (such as organs or other musical instruments) to other **charitable institutions**.
- The congregation should consult with the regional council, through the Communities of Faith Commission, regarding the building and property. The commission may seek the advice of the United Property Resource Corporation and Toronto United Church Council as to the best use of the property to support ongoing ministry within the region.
- If the building and property are not sold by the time a congregation disbands, they become the responsibility of Shining Waters Regional Council. The region looks after the maintenance of the building until it's sold or repurposed, and retains the proceeds from the sale of these assets. The regional policy regarding this can be found here: https://shiningwatersregionalcouncil.ca/wp-content/uploads/2019/03/sw_policies_RC_Executive_Distribution_Proceeds_Sale_Property.pdf
- Shining Waters Regional Council has a property management agreement with Toronto United Church Council. TUCC will manage the transfer of the building and property from the congregation to the Regional Council. After the date of disbanding, the Regional Council (through TUCC) looks after maintaining the building and property until the property is sold or re-purposed. At this time, the Regional Council also appoints a new group of Trustees.

DISTRIBUTION OF ASSETS

- If the decision is to sell the building and property, the congregation may draft a proposal for the distribution of up to 10% of any remaining **financial and property-related assets**. Such assets include:
 - Funds remaining in church bank accounts, and the accounts of specific groups, such as choir, UCW, etc., after all congregational bills and expenses are paid.
 - Any funds held by the trustees.
 - Furnishings that are not part of the building's structure
 - Anticipated proceeds from the sale of the building and property

This is an opportunity for the congregation to consider what its legacy might be.
- Send this proposal to the Communities of Faith Commission of Shining Waters Regional Council for approval as soon as possible.
- The Communities of Faith Commission will consider this request according to the following criteria:
 - Only other registered charities can receive these funds
 - Any non-church organizations receiving such monies must be ones with whom the congregation has had a long and meaningful relationship.
 - The majority of funds need to remain within the United Church of Canada.

PERSONNEL RELATED MATTERS

- Give appropriate notices to all church staff at least two months before the date of disbanding and to ministry personnel three months before the date of disbanding.
- Give proper notice to ADP
- Fill out Record of Employment forms and final tax documents
- Give any existing service contracts to TUCC upon request.

RECORDS AND DOCUMENTS

- The official records of the congregation (Registers of Baptism, Marriage and Burials, Historic Roll and/or any other Membership Rolls; Minutes of Session, Stewards, Congregation, Council, Official Board, Trustees, UCW and any other organization of the congregation belong to the United Church of Canada. Before the church closes, these items should be sorted, and a list of them should be sent to the Regional Archivist. The UCC website has a helpful document containing a checklist to help with this work: https://www.united-church.ca/sites/default/files/handbook_what-archives-want.pdf

CLOSING SERVICES/CELEBRATIONS

- The congregation may want to hold a special worship service to celebrate the congregation's life and work. This is an important ritual and is strongly encouraged. On this occasion:
 - Former members and friends, as well as former ministers, might be invited
 - A special dinner can be held
 - Photographs and items from the congregation's history may be displayed
 - A "de-commissioning" of the building can take place.
- Other activities, such as a special dinner or reunion, can also be organized.

By following these steps, congregational leaders can help ensure that they care for their people, and deal with the church's affairs, compassionately, efficiently and faithfully.

For assistance with any of these steps please contact

Jody Maltby, Staff Lead: Support to the Region and Communities of Faith

jmaltby@united-church.ca, 416-231-7680 or toll free 1-800-268-3781, ext 6226

or

Kim Uyede-Kai, Minister, Communities of Faith Support and Right Relations

kuyedekai@united-church.ca, 416-231-7680 or toll free 1-800-268-3781, ext 6173

To submit information to the Communities of Faith Commission for consideration, including:

- *A decision to disband*
- *A plan for the disposition of up to 10% of financial assets*
- *A change of name for a pastoral charge*

Or to make arrangements for the safe-keeping of financial records, please contact Rachael Howes, Executive Assistant

rhowes@united-church.ca, 416-231-7680 or toll free 1-800-268-3781, ext. 6144

Please see the following pages for excerpt from the United Church Manual, 2019

The Manual, 2019

G.1.5 Ending

A congregation ceases to exist when the regional council makes a decision to disband it as a recognized community of faith.

The process for disbanding is set out below. The congregation and regional council are each responsible for the steps assigned to them.

G.1.5.1 Decision by Congregation

The congregation decides to end its ministry as a community of faith. It asks the regional council to make a decision to disband it as a recognized community of faith.

G.1.5.2 Decision by Regional Council

The regional council makes a decision on whether to approve the disbanding of the congregation as a recognized community of faith.

In extraordinary circumstances, the regional council may also decide to disband the congregation as a recognized community of faith on its own initiative, without a decision by the congregation.

G.1.5.3 Effective Date

When the regional council makes a decision to approve the disbanding of the congregation as a recognized community of faith, it may specify a future date that the disbanding will come into effect. If not, the disbanding comes into effect on the date that the regional council makes the decision.

The regional council makes the decision to disband the congregation as a recognized community of faith when it passes a motion approving the disbanding.

The disbanding of the community of faith ends the covenantal relationship between the congregation and the regional council.

G.1.5.4 Property

Section G.1.5.4 applies before the disbanding comes into effect. It applies if the regional council has not yet made the decision to approve the disbanding or if the regional council has made the decision and specified a future effective date for the disbanding of the congregation.

The congregation makes a proposal to the regional council for dealing with the congregation's property, which must be used for the mission of the congregation or the wider United Church. The regional council makes a decision on the proposal. Both must follow the requirements for dealing with congregational property.

The regional council may decide to approve the congregation's proposal as presented, it may approve the proposal with changes, or it may decide to deal with the congregation's property in some other way than as set out in the proposal.

The requirements for dealing with congregational property are set out in section G.2 below.

G.1.5.5 Transfer of Members

The congregation helps its members to transfer to other congregations as they choose.

The faith life of the people in the congregation continues after the disbanding through other congregations or communities of faith or in other ways.

G.1.5.6 Records

The congregation gives its records to the appropriate archives.

G.1.5.7 Remaining Property

Section G.1.5.7 applies after the disbanding comes into effect. See section G.1.5.3 above.

If there is any remaining congregational property after the disbanding is effective, the regional council is responsible for this remaining property. It is up to the regional council to decide how to use that property for the benefit of the United Church.

The General Council may not change the regional council's responsibility for remaining property without the regional council's approval.

There are resources about disbanding to assist congregations and regional councils. See the Congregational Board of Trustees Handbook available from the General Council Office.