

## Congregational Closing Guidelines

We, the Pacific Southwest District, acknowledge that closing a church and ending a ministry are painful for both the congregation and the district. In an attempt to minister to the congregation, avoid additional pain and expedite transfer of ownership, the following guidelines have been established

(The 2001 Polity was substituted for the 1989 Polity)

Denominational polity (*III The District, II. E. 2001 ed.*) states:

*“E. DISORGANIZING CONGREGATIONS: Requests for disorganization of a congregation shall be made to the district board. The board shall appoint a committee to consider the request. This committee shall examine the circumstances of this request, consider carefully the spiritual welfare of all involved, and report their findings to the board. Upon receiving this report, the board shall determine the advisability of such disorganization and make a recommendation to district conference. If the recommendation is approved by the conference, the district board shall arrange for a transfer of membership of the then remaining members of the congregation. The district board shall also recommend to district conference a plan for the use or disposition of the property of the disorganizing congregation according to guidelines in this manual (Chapter VI: Property Holdings and Financial Resources.)*

*Special care shall be taken to ensure that the official records of the congregation as listed above are transferred to the district. In addition, related information on the life of the disorganizing congregation, if available, should be transferred to the district. Such information may include. . .*

- 1. photographs taken in connection with special events or collected from members;*
- 2. newspaper and periodical articles documenting church activities;*
- 3. manuscript histories of the congregation or any of its subunits or activities;*
- 4. information about special achievements or honors attained by the pastor or lay members;*
- 5. biographical material on the minister and other church leaders;*
- 6. artifacts connected with the history of the church.”*

### Congregation

#### I. PREPARING FOR AN ENDING:

- A. A congregational vote is needed to close a church and a date needs to be set for closure and the district board notified.
- B. Hold group discussions on the experience/feelings/attitudes of having to close. Could be led by someone from the District.
- C. Plan and publicize a special worship service to acknowledge the history, accomplishments, and ministry of the church in the past. This can be a service of "good-bye" to the church for both the congregation and district. The best time is either the last Sunday or next to the last Sunday of holding services.
- D. Encourage members to begin thinking of what to do with their church membership. Distribute to members a list of the closest Church of the Brethren congregations. Work with the District in handling membership transfers and providing membership lists.

#### II. LEGAL DOCUMENTS-Provide for the District

- A. Provide a copy of the deed for all real property. The District will work with the church on transfer to the district.
- B. List all cash assets (checking, savings, time deposit accounts) including bank and account number. Work with district on closing accounts.
- C. List all investment accounts (bonds, stocks, etc.).
- D. Provide tax ID number and incorporation papers. DO NOT sign a Dissolution paper. Leave this to the District.
- E. List all designated funds and plans or instructions for their dissolution.

- 1 F. List and provide copies of all loans or legal obligations/agreements.
- 2 1. All tenants and lessees should be listed with copies of contracts and contact persons.
- 3 2. Itemize any monies owed the pastor and other employees with copies of
- 4 contracts/agreements agreed upon by the church. Have any verbal agreements made into
- 5 written agreements.
- 6 3. List contracts and service providers with copies of contracts and agreements i.e. lawn
- 7 service, cleaning service.
- 8 4. List occasional service providers: piano tuner, sound system, heat/air, fire extinguisher,
- 9 plumbing, etc.
- 10 5. Inform district of phone service/directory listing agreements
- 11 6. Insurance contracts and agents including type of insurance, coverage, fees, and renewal
- 12 date.
- 13 7. Copies of property tax exemption filings.
- 14 8. Copies of permits (fire, use, etc.--varies by municipality)
- 15 9. Copies of easements on deed or other reciprocal arrangements with neighbors.

16 III. MATERIALS IN THE BUILDING:

- 17 A. Decide what to do with the Christian Education materials.
- 18 B. Work with District to make an inventory listing items and fixtures in the church property.
- 19 1. Kitchen supplies
- 20 2. Office equipment and supplies
- 21 3. Worship supplies (hymnals, Love Feast materials, sanctuary decoration materials,
- 22 Bibles, sound system, etc.)
- 23 4. Fixtures such as pews, pianos, tables, chairs, etc.
- 24 5. Parsonage furnishings
- 25 C. Memorial Gifts - work with the District and convey any pertinent information.
- 26 D. Arrange to transfer all historical items such as photographs, newspaper clippings, and records
- 27 to the district office.
- 28 E. Blueprints of the building should be transferred to the district office.
- 29 F. Turn all keys over to the district office.

30 IV. FINANCES:

- 31 A. Treasurer should arrange to have all bills paid up to the time of closure.
- 32 B. Treasurer should complete and provide copies to district of all tax related forms such as W2s
- 33 for employees, etc.
- 34 C. Congregational representative should work with the district on transfer of utilities, assets,
- 35 ownership, etc., including change of billing / mailing address
- 36 D. Congregation and district walk-through the facility to establish baseline for maintenance and
- 37 condition of facilities.
- 38

39 **District**

- 40 I. The District Board will appoint a committee to examine a request to dissolve a congregation. They
- 41 will:
- 42 A. Examine the circumstances of the request.
- 43 B. Consider carefully the spiritual welfare of all involved.
- 44 C. Report findings to the board. Board will recommend an action to District Conference.
- 45 D. Work, in conjunction with the district board, office, and the congregation on:
- 46 1. Spiritual support.
- 47 2. Transfer of membership(district office to provide list of nearby congregations).
- 48 3. Congregational discussions on feelings and attitudes.

- 1 4. Setting a closure service
- 2 5. Communication with district (liaison between congregation and district).
- 3 II. Membership:
- 4 A. Get a final membership list that itemizes transfers.
- 5 B. Send a letter to all churches in area introducing the members of church to be closed.
- 6 C. Remind Brethren ministers of need for membership transfer from closed churches.
- 7 III. Guidelines on transfer of property.
- 8 A. **Use legal counsel on property matters.**
- 9 1. Legal procedure for disincorporation.
- 10 2. Tax status / transfer of deeds and title, and other assets.
- 11 3. Property Tax Exemption filing.
- 12 B. Other transfers.
- 13 1. All tenants and lessees should be notified in writing of change in ownership and district
- 14 contact person. Review any contracts/agreements.
- 15 2. District office maintain itemized list of any monies owed the pastor and other employees
- 16 with copies of contracts / agreements agreed upon by the church.
- 17 3. Transfer utilities, phone service and directory listing, if wanted.
- 18 4. Guidelines on transfer of insurance.
- 19 a. Get copies of current church insurance and change the name and mailing address
- 20 of the insured.
- 21 b. Have our insurance company evaluate the insurance situation, adding this property
- 22 to our existing policy, if that costs less.
- 23 c. Verify that the activities of current tenants and lessees are properly insured.
- 24 C. Property management plans after the transfer should be clearly stated for district, congregation
- 25 and tenants.
- 26 D. Other property considerations.
- 27 1. All PSWD grants should be researched in minutes.
- 28 2. Easements on deed and other reciprocal agreements with neighbors.
- 29 3. Permits: Fire, Use, etc. (varies by principality)
- 30 4. Blueprints and plans should be kept by the district.
- 31 5. Archival items and photos should be stored by the district or the University of La Verne
- 32 E. Walk-through with the congregation to establish baseline for maintenance and condition of
- 33 facilities.
- 34 F. Re-key all locks on the buildings.
- 35 IV. Asset evaluation:
- 36 A. List all cash assets of the church and include in district books.
- 37 B. List and value all other assets, including: bonds, stocks, etc.
- 38 C. Establish procedure, if none exists, to properly disburse any remaining designated funds,
- 39 honoring the intentions of the donors.
- 40 D. Do an inventory of all items and fixtures on the church property.
- 41 E. Establish policy on the disposition of memorial gifts and other property, bearing in mind IRS
- 42 regulations.
- 43 F. District office maintain a list of records, leases, obligations, agreements, contracts, guarantees,
- 44 use permits, service providers, warranties (roof, parking lot, fixtures, etc.)
- 45 G. District office maintain records of loans and other obligations of the church.