

Guide to Closing a Church

Preamble

Jesus said that he would *build his church and even the gates of Hades will not prevail against it*. While we know that the Church of Jesus Christ will last it does not mean that every congregation will last. Scripture records some remarkable local churches that history tells us no longer exist. The Church of Jesus Christ is not an organization, it is a living organism; the body of Christ. Organisms do not live forever, they are born, mature, and (most often) procreate and eventually die. Providentially some churches experience a form of death and re-birth and flourish in mission and ministry in the contemporary context. For various reasons, many outside of our control, other churches experience a natural life cycle that comes to an end.

Discerning the voice of God regarding the cessation of a church needs to be entered with reflective humility. Personal agenda and pride should be set aside and a dependence on the Spirit's leading should guide the process.

This guide is designed to help you in the discerning process. It is not meant to be exhaustive or definitive. It is designed to help you ask and answer the majority of questions that you need to address. CBOQ personnel are available for coaching beyond this guide.

Should you reach the conclusion that it is necessary for your congregation to make the difficult decision to close. This guide is designed to guide you through that process.

There will be three sections to this guide.

1. Discerning if you should close.
2. Pastoral considerations in closing.
3. Legal, ethical and process considerations in closing.

Discerning If You Should Close

It has been rightly suggested that unless a church will die to itself it will die by itself. It is possible for churches to experience a re-birth in their mission and ministry and experience transformation. This almost always involves letting go of our past experience of church and joining God in continued faithfulness in a new way for an ever changing context. CBOQ personnel can help you determine if this is a plausible response for you. CBOQ may also be able to provide you with a small grant to empower the process of ongoing transformation. (baptist.ca/grants)

Another option is to work with CBOQ and your Association to determine if there are any other viable options. It may be that there are other CBOQ ministries that you could partner with. We are here to provide support and assistance as necessary.

Timing

Experience has shown that some churches ignore trends and fiscal and numeric realities and carry on their work until they are left with no choice but to close. At that time there is often not enough human and fiscal resources to fulfill the legal and moral obligations of the church. Another danger is closing too early when there are adequate resources to experience the transforming work of discerning and participating in the mission of God. Real wisdom is needed not just about what decision you make, but when you make it. Some churches have realized that their mission and ministry is completed long before they run out of resources and they endeavor to finish well and bless others with their remaining resources. Other churches wait too long to close and end up not having enough resources left to respond legally and morally to their obligations. Should it be requested, CBOQ personnel would be pleased to offer guidance on the issue of timing.

Pastoral Considerations in Closing

Should you discern that it is time to honor the past mission and ministry of your church and close then these are the Pastoral considerations you should process.

When churches close it is, in a real sense, a funeral. It should be treated as such. For many parishioners this involves a loss of identify and family history. It may also cause anxiety and confusion about their future mission and worship life. For those that have been involved in pastoral and lay leadership there are often feelings of guilt and failure over the church closing on their watch.

In light of this please consider the following steps:

- 1. Look for a new spiritual family for that your church has been involved in mission to.**

It is assumed that your church has been active in mission in your local and global community. As appropriate, make sure that these people are connected to a local church family that shares our CBOQ vision and values.

2. Look for a new spiritual family for parishioners.

Scripture reminds us to *do good to all people, especially to those who belong to the family of believers*. Make sure that remaining members and adherents of your church are connected to a local church family that shares our CBOQ vision and values.

3. Allow time for the church to grieve and celebrate.

When the decision is made to close it is advised to give an adequate window of time between the decision to close and the actual close. If the announcement and closing are too quick then people don't have time to grieve and process. There may also be former members that you may want to contact and give them adequate time to join in a final service.

4. Plan a celebration service.

Just as a funeral service provides closure and a celebration of the life (hopefully) well lived. A celebration service can bring the same needed gift to a hurting faith community. If you don't have a pastor to lead through that service then CBOQ could recommend someone for this.

5. Provide appropriate transitional remuneration for staff.

A pastoral item to consider is sensitivity to an existing pastor during this time of transition. There are legal obligations considered below. Beyond that it is appropriate to make sure they are cared for and provided for in this time of transition.

Legal/Ethical/Process Considerations in Closing

1. Communication is important

- Take your time.
- Remember to communicate with members who are no longer attending
- Remember to communicate with those who have been a part of your congregation but are not members

2. Facilitation Team

- Choose a group of people to manage the process locally. You may already have Trustees who could be part of this group.

3. Motion to Close

- In order for the decision to be legal, it is required to be made at a duly called congregational meeting. This decision involves decisions about the congregation's assets. At least two weeks' notice should be allowed prior to the meeting. Verbal announcements from the pulpit and letters to members and adherents inviting attendance may be required. Check your church's constitution to see if there are any special requirements.
- Set a date when the closure is effective.
- Provide a copy of the church's motion including the effective date to CBOQ.

4. The Pastor and staff

- If the church has a pastor and/or other staff at the time of closure, severance must be considered.
- Contact CBOQ for guidance with respect to Pension and Benefits for any staff.
- Provide an opportunity for an exit interview for each of the staff.
- Make sure that the pastor is affirmed in his/her ministry.

5. Assets

- Additional meetings may be required to complete the disposition of Assets
- Under Income Tax Act rules, a charity may transfer assets to another charity with like charitable purposes. This needs careful consideration. For instance, a neighbouring church, CBOQ or a mission agency would qualify; the cancer society, a hospital or local school would not qualify.
- Land and Building(s): This is likely the largest asset owned by the congregation.
 - Some considerations:
 - It may be possible to plant a new church – contact CBOQ to determine if this is a possibility
 - There may be another congregation looking for a building – again contact CBOQ to see if this is a possibility
 - The property could be sold either by the trustees, the transition team or turned over to CBOQ to sell.
 - The church's deed should also be review to ensure any reversionary clauses are identified for the congregation.
 - If there is a house or parsonage included in the church's assets, it could be manage as part of the disposition of the church building, or as a separate real estate transaction.
- Investments: These can include bequests, endowment funds, GIC's and the like
 - Special care is required in the case of bequests, particularly when there are specific restrictions (either as to time or purpose). A copy of the will should accompany the transfer to ensure that the receiving charity is able to manage the funds in accordance with the donor's wishes.
 - Certain investments (i.e. GIOC's) may have restriction, or penalties for cashing out early. It may take some time, therefore, before all assets can be effectively transferred.

- Memorial gifts and other non-fixed assets
 - These include furnishings, bibles etc. Depending on what decision is made regarding the building, some items could stay, or be included in the sale (such as a piano or other furnishings).
 - Other items acquired over time might include pictures and plaques that have significance for you and your congregation, but not necessarily a purchaser or another group acquiring the building.
 - If these items have no market value, they may be valuable for historical preservation and sent to the Canadian Baptist Archives or a local Historical Society, if the item has some local significance.
 - Some items do have a market value. These might include a piano, good quality office furniture, antiques or audio visual equipment. All of these could be gifted to another charity or appraised and sold accordingly.
 - Other equipment – remember that regardless of what decision is made regarding the property, there are a number of items that are need to be disposed of in some way. Some may be worth donating. However, broken items, old hymn books, nursery furniture that no longer meets code and the like, should be disposed of rather than donated.

6. Church Records

It is important that church records be sorted and disposed of carefully.

- Membership records: The church clerk should write to each member on the membership roll advising them of the decision to close and let them know that they will continue on the membership roll for one year while they look for a new church home. After that time, the membership records should be forwarded to the Canadian Baptist Archives and they will provide confirmation of membership as required.
- Church minutes: minutes for Major Boards/committee and congregational Business Meeting are important and should be sent to the Canadian Baptist Archives. It is not necessary to keep minutes of smaller committees.
- Financial Records: Financial records must be kept for seven years. These should be kept locally. Please let CBOQ know where they are in the even we need to provide information to Canada Revenue Agency. Financial records include:
 - Annual financial statements
 - General ledger listings
 - Bank statements and cancelled cheques
 - Deposit slips, invoices and cheque requisitions
 - Financial secretary's records
 - Information returns (T3010A)

7. Charitable Status

The process to revoke the church's charitable status can take a year or two. The process will begin either by checking the appropriate box on the T3010A or writing specifically to Canada Revenue Agency. CBOQ will act as the mailing address and will complete the necessary forms on behalf of the church once notification of closure has been provided to CRA.

8. Contact Information

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DISCLAIMER: This guide is provided for information purposes only and is not intended as legal advice to the local church. Information is current only as of the date that the guide was prepared. Readers are advised to seek professional advice for their particular situation.