

# STEPS IN THE DISSOLUTION OF A CONGREGATION

## The Plan

1. Schedule a consultation between the congregation and the synod to collaboratively develop a written plan for the dissolution process. During the entire process, the congregation and synod should consult regularly and the synod should be available to assist with this process.
2. Consult with legal counsel to ensure all necessary legal provisions are followed in relation to plan of dissolution of a church corporation.
3. As part of the plan, provide for the pastoral care of the members of the closing congregation, and for the transfer of their membership to other congregations.
4. As part of the plan, determine the future of the building(s):
  - a. Will the building(s) be sold to a third party, transferred to the synod, destroyed, moved, or otherwise disposed of?
  - b. Ensure that insurance coverage (fire, windstorm, theft, vandalism) will be maintained until disposition of the property, and identify who will maintain it.
  - c. Ensure that the building is being maintained until its disposition, and identify who will maintain it.
  - d. If the building is to be sold, identify who is responsible for selling it, e.g., will the congregation sell it before dissolution, or will the building be transferred to the synod for sale?
  - e. If the building is to be destroyed or moved, identify a specific date by which the building will be destroyed or moved, and identify who will pay for same.
  - f. What will be done with the building's furnishings and other congregation personal property?
5. *Optional:* As part of the plan, determine what will be done with the assets of the congregation (including the building or proceeds from its sale) after payment of debts and liabilities:
  - a. Will the assets be transferred to the synod?
  - b. Will they be designated for specific uses or charities (whether inside or outside the synod)?
  - c. Or some combination of a. and b.?
  - d. Note: In determining disposition of congregation property, take note of any restricted gifts or assets. Some property may revert to donors or donors' heirs or another charity. Consultation with donors may be necessary.
  - e. Note: Upon dissolution, any remaining assets of congregation can only be transferred to 501(c)(3) religious, educational, or charitable organizations, or governmental entities. The assets cannot be given to individuals or non-charitable organizations.

- f. Note: Absent a specific plan, the remaining assets of the congregation, after payment of debts and liabilities, will pass to the synod.
6. *If necessary:* As part of the plan, provide for the care and upkeep of the cemetery, including determination of clear title of land involved, completion of any corporate details, selection of directors, and disposition of any excess land.
7. Consider any additional matters related to special circumstances in the dissolution of a particular congregation, such as a congregation that was part of a multi-point parish.
8. Plan special service of celebration and thanksgiving for the years of ministry of the congregation.

## **The Meeting**

*(Again, consult with legal counsel to ensure that the proper steps are followed and that the resolution of dissolution contains the necessary requirements in accordance with state law and the congregation's constitution.)*

9. Convene a special meeting of the congregation, properly called in accordance with the requirements for such a special meeting, as specified in the congregation's constitution and in the state corporation statute, for the purpose of dissolving the congregation.
10. Adopt a resolution to dissolve, which shall be approved by the required majority of voting members present at the special meeting of the congregation called for that purpose.
  - a. Make sure that a quorum is present under the congregation's constitution.
  - b. Consult state law as to the appropriate vote required to dissolve, e.g., simple majority, two-thirds, etc.
11. The resolution to dissolve shall include:
  - a. The stated effective date of the dissolution;
  - b. Provision for payment of debts and liabilities;
  - c. Authorization to the appropriate officers to carry out the proper transfer of title or disposition of the real and personal property; and
  - d. Provision for dissolution of the corporation.

## **After the Meeting**

12. Gather and transfer historical information, insurance documents, financial records, legal materials, parochial records, and other appropriate congregation records to the synod or appropriate archives for the archival record of disbanded congregations.
13. Conduct special service of celebration and thanksgiving for the years of ministry of the congregation.

14. Carry out promptly, before the effective date of dissolution of the congregation, payment of all debts and liabilities of the congregation. Note: this includes addressing any outstanding service contracts or leases.
15. Carry out promptly before the effective date of dissolution of the congregation,
  - a. The transfer of title to real estate to the appropriate successor in title (such as the synod);
  - b. Transfer of title or ownership of furnishing or other personal property of the congregation;
  - c. Transfer or closure (as appropriate) of all bank accounts, trusts, endowments, or other assets to the appropriate recipients (such as the synod);
  - d. Change mailing address and give neighbors and police information on a contact name if building is still owned but not occupied.
16. Upon completion of the above tasks, file the necessary documents with government authorities to dissolve the corporate status of the congregation.
17. Formally notify the synod that all these steps have been properly completed and provide documentation of same.
18. The synod office officially notifies the Secretary of the Evangelical Lutheran Church in America of the date of dissolution of the congregation.