

PROCESS FOR DISSOLUTION OF A PARTICULAR CHURCH

Adapted for use by the Presbytery of New Covenant (April, 2007)

from a document published by the Office of Constitutional Services (CM-Note 1-Dec. '96).

One of the painful responsibilities of a presbytery is the closure of a congregation.

After the leaders of a congregation (pastor/session) have counseled with representatives of the presbytery about the future of their church, a motion to request dissolution may be proposed in a duly called meeting of the congregation. If the vote is in the affirmative, the presbytery will be asked to take action to concur with this decision and to support it in the following ways.

I. It is normally best for a presbytery to create an Administrative Commission to aid with the process. This approach is suggested since many of the legal consequences and processes will require action by the presbytery and it best for all if the same group can stay with the process from beginning to end.

A. It is most often helpful if an elder from the dissolving congregation can be made a member of this commission to assure input from the remaining members throughout the process. If there is a minister of the presbytery who is in some way related, include her/him as well.

II. A careful, specific motion creating such a Commission is essential to a "successful" dissolution.

- a. Any such motion should include at least the following provisions:
- b. Presbytery approves the dissolution of the _____ Presbyterian Church, effective __/__/__.
- c. Assign Commission to assist the pastor and/or session to wind up the affairs of the church, transfer of remaining members, plan worship, thanks to God for the ministry of the congregation.
- d. Authorize the Stated Clerk to receive Session Records (list all the records), retain records to wind up affairs, deposit with the Stated Clerk of the Presbytery, who will then forward to Presbyterian Historical Society.
- e. Authorize the Stated Clerk to grant letters of dismissal to members whose names are still on the roll. Ordinarily the time limit recommended for this is one year, to encourage movement in finding new church homes.
- f. RECITE: Under Form of Government, Chapter VII, Section 2 and Section 4 (G-_____ 8.0200, and G-8.0400) all property of the _____ Presbyterian Church is held in trust for the Presbyterian Church (U.S.A.). The Administrative Commission of _____ presbytery, elected __/__/__, is authorized to take possession of all real and personal property, financial records, inventories of equipment, (list other assets if there are others) and arrange for transfer of title to the Presbytery of all accounts and real property known to be in the possession of _____ Presbyterian Church.
- g. Authorize the Commission to consult with the session regarding requests the congregation may have relating to the disposition of equipment and memorials and other property of the _____ Presbyterian Church, and from the date of the action to approve the disposition of property or to arrange for its retention and storage for future use at the direction of the presbytery.
- h. Authorize the Commission (and/or officers of the presbytery corporation) to assert claim of the presbytery to any property of the _____ Presbyterian Church not known at this time or property which may come to the

_____ Presbyterian Church as the beneficiary of a will or trust not known at this time.

The claim of authority over the property of a dissolved church is based on the Presbyterian Church (U.S.A.) *Constitution* and this must be understood by those who make these decisions.

III. Once formed, the Commission tends to pastoral issues first.

- a. Normally, the session retains control over as much of the day-to-day responsibilities as they are willing and able to do.
- b. Commissions should normally defer to the session on deciding on a workable time-line for closure.
- c. The Commission should encourage the session to continue to have responsibility for worship for as much of this period as the session is willing.
- d. As noted above, the Commission ordinarily defers to the session as to where particular pieces of personal property should go.
- e. The Commission, as one of its first acts if no pastor is present, should help the session provide for pastoral care of the remaining members -- (Funerals, Weddings, Baptisms, Hospital Visits, Counseling)
- f. The Commission should encourage the session to transfer members to other area churches. (In the best of all possible worlds this can be done before session dissolves.)
- g. The session should be primarily responsible for deciding on the type of closure service that will be most meaningful for the remaining members. The Commission should provide assistance and presbytery support in this. The Commission should encourage the session to plan a service of celebration, if at all appropriate. The Commission needs to balance the remaining members' need to have some private time "for us" with participation from the at-large presbytery such services.
- h. In all the above steps, the Commission should work WITH the session, helping when requested or necessary.

IV. Once the pastoral issues are dealt with, then the Commission needs to work on the legal issues surrounding a dissolution.

- a. The Commission will confirm the final church roll (those who have not found new congregations by dissolution date), transferring it to the Stated Clerk, who keeps this roll, and who will be the responsible party if such members are still on the roll when the Commission is dissolved.
- b. Dissolving the Corporation. This is normally done by filing Articles of Dissolution with the State Secretary of State or comparable state official. (Commission will consult a local attorney to determine process for dissolving not-for-profit corporations in the state of Texas.) Recommended alternative is described in D.1 below.
- c. Deciding what to do with the Real Estate.
 - i. If sold to third party, it is the Commission that normally signs the deed and handles the sale (including hiring professionals - Attorney, Real Estate Persons, Appraisers, etc)
 - ii. If the real estate is going to be retained by the presbytery (i.e. NCD folks think may someday be good site to start a new congregation, the commission needs to see that the title to the property is put in the _____ presbytery's

name. It is probably better to have the session do this as one of its final acts. However if that doesn't happen, the

Commission can do it, so long as it has been given the power.

- d. The Commission will need to make sure that all the congregation's personal property not distributed by the session is transferred to the presbytery's name (Bank Accounts, Stocks, Trusts, etc)
- e. The Commission needs to take care that some asset (most often a trust) might lapse if the corporation is ended. If a congregation has such an asset (used to be common in trusts arising out of wills), the Commission may then want to transfer the Corporation into the presbytery, naming presbytery corporate officers as the Corporate officers.
- f. The Commission needs to make sure that the presbytery is the successor in interest to any and all present and future assets. The clause described in II.A.7. above should be executed.
- g. The Commission should make sure that the presbytery's insurance policy will cover the assets of the dissolving church. The Commission needs to beware of any possible lapse in coverage from the congregation's policy to the presbytery's policy, and ensure that does not happen.

V. As its final act the Commission needs to draw up a final report on the dissolution.

- a. It is helpful for the Commission to recite briefly the congregation's history, lifting up the highlights and giving Thanks to God and the generations of the congregation for the ministry.
- b. Next the report needs to describe the process and actions the Commission has taken (including the action making the presbytery the "successor in interest" to the congregation).
- c. Finally the report needs to give a full accounting of the transfer of members (and listing those remaining on the roll so Stated Clerk can thereafter keep the roll) and of the distribution of the assets.

June, 2007