



Church Closure Process Checklist

Closure is not the end. Resurrection is our faith. The Ministry of the Church continues in different forms as the church lives, through yet again, another transformation/reformation at the present time. How will your church live on? What is the legacy your church will leave, and what kind of ministry will continue after your church's closure?

In order to close or dissolve a local church you may need to file a Certificate of Dissolution with the Ohio Secretary of State: <https://www.ohiosos.gov>

THE PROCESS:

1. Schedule a consultation between the congregation and Association to collaboratively develop a plan for the dissolution process.
2. Consult with legal counsel to ensure all necessary legal provisions are followed in relation to the plan of dissolution of a church corporation.
3. Provide pastoral care to members to transfer of their membership to other congregations.
4. Determine the future of the building(s): There are a few possibilities that a church may consider:
 - Give/Donate: transfer ownership of real estate without sale to a nonprofit for continued ministry and mission
 - Re-Purpose: redevelop its real estate in a manner that advances mission or ministry in a new way
 - Sell: transfer real estate ownership through a sale and designate proceeds in a way that advances mission and ministry
 - Destroy the building
5. Determine your choice: Will the building be sold to a third party, transferred or repurposed?
 - Ensure that the building and insurance coverage (fire, windstorm, theft, vandalism) will be maintained until disposition of the property, and identify who will maintain it.
 - If selling, who is responsible for selling it?
 - 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.
 - What will be done with the building's furnishings and other congregation personal property?
6. 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:
 - Will the assets be transferred to the LWA Association?
It is understood that a percentage of the proceeds from the sale will be gifted to the Association for the continuing ministry and mission of the Association.
 - Will the assets be designated for specific uses for mission, or given to non-profits?

- Please 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.
 - Upon dissolution, any remaining assets of the 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.
 - Absent a specific plan, the remaining assets of the congregation, after payment of debts and liabilities, will pass to the Association.

7. If the church owns a cemetery, 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.

8. Consider any additional matters related to special circumstances

9. Plan special service of celebration and thanksgiving for the years of ministry of the congregation.

CONGREGATIONAL 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. Take clear minutes of the meeting.)

10. Convene a meeting of the congregation, properly called according to the requirements of the congregation's constitution and of the state corporation statute, for the purpose of dissolving the congregation.

11. Adopt a resolution to dissolve, which shall be approved by the required majority of voting members present at the meeting of the congregation called for that purpose.

(Make sure that a quorum is present under the congregation's constitution and consult state law as to the appropriate vote required to dissolve, e.g., simple majority, two-thirds, etc.)

12. The resolution to dissolve shall include:

- The stated effective date of the dissolution
- Provision for payment of debts and liabilities
- Authorization to the appropriate officers to carry out the proper transfer of title or disposition of the real estate and personal property
- Provision for dissolution of the corporation.

FOLLOWING THE MEETING:

13. Gather and transfer historical information, insurance documents, financial records, legal materials, parochial records, and other appropriate congregation records to the appropriate archives for the archival record of disbanded congregations. *See checklist on last page.*

Congregational churches: Historical documents can be sent to Congregational Library and Archives <https://www.congregationallibrary.org>

ENR churches: Historical documents can be sent to the Evangelical Reformed Historical Society <https://erhistoricalsociety.org>

(Note: The only documents that need to be maintained are Financials. Keep financial documents including payroll for 7 years. All other documents can be discarded or sent to appropriate organizations that archive historical records).

14. Conduct special service of celebration and thanksgiving for the years of ministry of the congregation. Ask the Association for resources.

15. 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.*

16. Carry out promptly before the effective date of dissolution of the congregation:

- The transfer of title to real estate to the appropriate successor in title
- Transfer of title or ownership of furnishing or other personal property of the congregation
- Transfer or closure (as appropriate) of all bank accounts, trusts, endowments, or other assets to the appropriate recipients (such as the Association); and
- Change mailing address and give neighbors and police information on a contact name if building is still owned but not occupied

17. Upon completion of the above tasks, file the necessary documents with government authorities, with Ohio Secretary of State, <https://www.ohiosos.gov>, to dissolve the corporate status of the congregation.

18. File for dissolution first with the state, then send the approved dissolution documentation to the IRS. When making the last payment to IRS include a note that the payment is the last. Check with the State Attorney General's office to ensure that the specific procedures and documentation are submitted.

19. Make sure to have a small authorized group in place, who:

- Can make decisions following the filing of necessary documents for questions or concerns that might arise from government agencies, or
- Addresses any ongoing concerns about the property sale or the settlement of legacy assets during the dissolution or following closure.

20. Formally notify the Association that all these steps have been properly completed and provide documentation of same.

21. The Association office officially notifies the National Offices of the United Church of Christ.

See checklist on next page

CHECKLIST

- ✓ Names, addresses, telephone and email contact information for all officers and council members. Copies of all resolutions related to the dissolution of the congregation.
- ✓ Provide tax ID number and incorporation papers.
- ✓ List all cash assets (cash, checking, savings and time deposit accounts) including bank and account number.
- ✓ List all investment accounts (bonds, stocks, etc.).
- ✓ List all designated and restricted funds and assets along with restrictions.
- ✓ List and provide copies of all loans or legal obligations/agreements.
- ✓ All tenants and lessees should be listed with copies of contracts and contact people.
- ✓ Itemize any monies owed the pastor and other employees with copies of contracts/agreements agreed upon by the congregation. Have any verbal agreements made into written agreements.
- ✓ Complete and provide copies of all tax related forms such as W-2s for employees, etc.
- ✓ List contracts and service providers with copies of contracts and agreements, i.e. cleaning service, photocopier service.
- ✓ List occasional service providers: piano tuner, sound system, heat/air, fire extinguisher, plumbing, etc.
- ✓ Inform the Association of phone service/directory listing agreements.
- ✓ List all credit cards and account numbers and balances.
- ✓ Insurance contracts and agents including type of insurance, coverage, fees and renewal date and copies of all former insurance policies.
- ✓ Copies of property tax exemption filings.
- ✓ Copies of permits (fire, use, etc., – varies by municipality).
- ✓ Copies of easements or other reciprocal arrangements with neighbors.
- ✓ Copies of deeds, titles and surveys.
- ✓ Make an inventory listing items and fixtures in the church property. Secure, sell, donate or discard materials as appropriate. Work with the Association and convey pertinent information specifically related to memorial gifts.
- ✓ Change mailing addresses and give neighbors and police information on a contact name.
- ✓ Complete the sale of property and liquidation of all assets. Distribute the mission assets of the congregation in accordance with the decision made by the congregation.