

## **For Churches Being Dissolved -- A Resource from PS&L'S Stated Clerk**

The Presbytery appoints an Administrative Commission (AC) in accordance with G-3.0303e. The AC may assume original jurisdiction over the session of the church being dissolved if it determines the session is unable or unwilling to manage wisely the affairs and facilitate the work of closing the congregation. The AC acts with the full authority of the session, on behalf of the Presbytery, until dismissed by the Presbytery. It is best practice to include a Ruling or Teaching Elder from the former congregation on the Administrative Commission.

### **The AC should do the following:**

- Ensure the Pastoral Care of the Former Congregation:
  - o Work with the former Session to determine the details of the closure as appropriate.
  - o Ensure the provision of pastoral care for the former members of the congregation.
  - o Plan appropriate celebrations of the church's history and ministry, including a final worship service.
  - o Contact community groups (if any) using the building to determine their needs.
  - o Attempt to help those former members find new church homes.
- Deal with Records:
  - o Provide the Stated Clerk with a list of members not transferred to another church after the official date of dissolution.
  - o Obtain all original church records (minutes, rolls and registers) and provide them to the Stated Clerk.
  - o Deliver all historically important documents, photographs, etc. to the Stated Clerk.
- Handle Legal Matters:
  - o As quickly as possible, obtain a Quit Claim Deed from the Trustees of the church to PS&L.
    - This needs to be done while there still are Trustees to sign such a document. If necessary, some, or all, of the AC members can be elected by the last Trustees to be the new Trustees of the church. (Check Alabama law to see if, even after the church corporation is dissolved, the last Trustees remain in office to perform the duties necessary to wind down the corporation.

- Check the Secretary of State's Website to assure the corporation is in good standing (all required filings have been made) and to determine its full, proper corporate name and the names and addresses of the duly elected officers.
- Review any potential sources of legal liability, including known past sexual misconduct, accidents, debts, liens, etc.
- Check the local property records to provide preliminary information about the proper legal title and legal description for the subject church property.
  - This is not the same as a title search but it is necessary minimal due diligence in the event the AC recommends selling the property. Ultimately, the AC may have to obtain a title policy for PS&L to provide the title insurance.
- Dissolve the legal corporation once all property and accounts have been transferred to PS&L.
- Security Matters:
  - Get all passwords, keys, access, etc. to church properties:
    - Church website, computers, email addresses, etc.
      - Place notice on the website, email, answering machine, outdoor signage, etc. of the church's new status
    - Church safe, PO Box, buildings, manse, or other property's keys
    - Contact information for service providers such as grounds keeping, Air Conditioning, utilities, etc.
  - Review all insurance policies - including hazard, liability, flood, and automobile insurance.
  - Get the property of the dissolved congregation onto the Presbytery's insurance then cancel the former congregation's policy.
  - Appoint a property supervisor to check periodically on the building (for break-ins, vandalism, etc.)
  - Determine if all keys have been returned, or if locks should be changed.
- Financial Matters:
  - List items which could be offered to other congregations, new church developments, Living River, the Presbyterian Home for Children, or some other mission entity.
  - List items of nostalgic interest to members of the church

(such as memorials) which could be given to church members.

- List items to be sold to church members.
- List items to be sold to the general public in a yard sale.
- Change bank accounts, investment accounts, etc. to AC control by changing signatories.
- Review all existing contracts-including telephone service, cell phone service, internet service, advertising, yellow pages, lawn service, maintenance contracts, etc. and cancel unneeded services.
- Review finances for leases or other encumbrances that need to be considered prior to the possible sale of the property.
- List all automobiles owned by the church and secure them from use until disposed.
- Gather and review the church's complete financial records.
- Gather all bank accounts, checkbooks, credit card, and other financial statements and records - including those maintained by organizations within the church (Sunday School, Presbyterian Women, etc.).
- Gather all investment account records - including endowment funds, stocks and bonds owned by the church.
- Determine if there are any limitations placed upon the use of funds by terms of bequest.
- Determine if there are any bequests outstanding or in probate.
- Review all debts - including credit cards, lines of credit, automobile loans, loans to church members, etc. and ascertain whether PS&L is liable for any portion of the debt.
- After all bills and debts are paid, transfer all remaining funds to the Presbytery of Sheppards and Lapsley.
- Determine the disposition of the property:
  - Sell the property
    - Propose to the Presbytery the recommendation for the disposition of the property held by or for the church.
  - Form a New Worshiping Community
    - It's a best practice to consult the COM to conduct a mission study of the area.

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    - Consider an environment phase I survey
  - Other uses
    - Unless included in the original powers of the AC, this will likely require the approval of the Presbytery.
    - Consider an environment phase I survey
  - In some cases, also determine the disposition of items like crosses, stained glass, etc.
  - Make arrangements for lawn care.
- If a determination is made to sell the property:
  - Facilitate an appraisal of the property.
  - Evaluate what utilities need to remain turned on until disposition of the building.
- The Trustees advise the Presbytery on how to implement conveyances of real property and/or remaining other property. The Presbytery should be the “successor in interest” to the congregation.
- Once final determinations have been made and the work of the AC is completed, report on the dissolution to the Presbytery, and request the dissolution of the AC. This report may include:
  - A history of the congregation and its ministries
  - Timeline and summary of the actions of the AC
  - The disposition of the real property
- Once dismissed, the AC shall submit its minutes and records to the Stated Clerk for archival.