



Best Practices for Closing a Church

It's a sad time for a congregation when it discerns that it is time to close. Some reasons for making such a prayerful decision might include:

- Not enough members in worship to sustain the ministry.
- Lack of funds available to keep the parish viable.
- Too many years have been spent in survival mode which takes its toll on leaders.
- The parish is unable to adapt to a changing neighborhood.
- Passion for the mission has dwindled.

It's a difficult decision to go ahead and close the doors of the church for many reasons. People have grown up in the church, were baptized, confirmed, married and have had loved ones' funerals there. Many memories and emotions can cause a congregation to hang on longer than perhaps they should. It is a step of faith to close the church and the proceeds to fund other ministries. Tending to the grief of individuals, families and the community as a whole is an important part of this process.

There are a few important things to remember when closing a church. It is the church council's responsibility to deal with matters in an objective way where no one person benefits from the closing. No one should benefit from the closure of a church. This is highly inappropriate and unethical and council members may be held liable for such actions as they serve as the board of directors for the congregation. Church council members have a fiduciary responsibility to the congregation.

When closing a congregation, it is within the power of the congregation to sell the property. According to the model constitution of the NALC (2015), Chapter 5 "Powers of the Congregation," article 5g states that a congregation may, "sell, mortgage, lease, transfer, or otherwise dispose of its property by any lawful means." **A plan for what to do with the proceeds of the sale of any property should be voted on by the congregation before it closes.** The Model Constitution of the NALC has a section, Chapter 7, on property ownership. Check your constitution for a similar section. All assets must be divested according to state laws in your area. If a non-profit will receive proceeds from the closing of the church, ensure they are eligible to receive such gifts.

The IRS (in USA) and the CRA (Canada Revenue Agency in Canada) have no provisions for reporting the closing of a church, unless the church has been filing a Form 990 at the end of each year. (Most churches do not file a form 990 as they are a part of a 501C3 umbrella of the denomination.) However, most states have policies where churches are incorporated by the state and have to file continued existence forms on a periodic basis. Notifying the state may be required. Check state laws for your state.

Make sure that all debts are paid before closing. If they are not, arrange for those to be settled. This step may require legal assistance.

It is important to maintain historic documents such as the church membership book as well as any confidential documents that need to be saved. These documents may be handed over to the NALC for archiving.

A letter shall be sent to the general secretary of the NALC indicating that the congregation is closing and when the last service will be. It is appropriate to hold a special service to close the congregation.