

CONGREGATIONAL LIFE CYCLES AND LEGACIES, FAITHFUL LIVING:

A Path of History, Discernment, and Fulfillment
with Some Tools for the Journey

Northeastern Pennsylvania Synod
Evangelical Lutheran Church in America

2020

FORWARD

This resource has been developed by a task force of the Northeastern Pennsylvania Synod, Evangelical Lutheran Church in America, to assist congregations as they consider their history, present life, and possible futures.

One of the realities of current church life in the twenty-first century is uncertainty. What should we be doing as a congregation? Can we continue functioning as we have been, or should we change? How? Why?

The uncertainty is highlighted by the fact that in every part of the synod some congregations have closed, merged, or changed in other major ways. This uncertainty has touched congregations that are relatively new as well as congregations that can trace their histories to the 1700s. Just because a congregation has ministered successfully since before the American Revolution is no guarantee that the next two hundred years can be predicted with accuracy.

The resources in this booklet are intended to help congregations discern possible future directions. It becomes especially detailed when a decision is made to bring a congregation to a close. Therefore, this document can be used by a variety of audiences,” and you will find that different sections might apply to you more specifically. Additionally, you may find that you will rearrange different sections to fit your specific situations given your point in the cycle of congregational life.

If you have suggestions to add to this resource, please do so. This is not a finished, published document for all times. It is a work in progress, something to update as other resources are developed and as the circumstances under which we live and minister change. Please feel free to offer your suggestions and questions to the Legacy Task Force, Northeastern Pennsylvania Synod, 2354 Grove Rd., Allentown, PA 18109. Thank you.

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1.0 CONGREGATIONAL VITALITY—LIVING OUT A MISSION

1.1 ELCA VITALITY SURVEY

How is your congregation doing? That common question is usually answered based on two factors only: membership/attendance and money. If the membership is growing—or at least

remaining stable—and if the income is sufficient to pay the bills, then congregations and their leaders are pleased.

But what are congregations really supposed to do, which is certainly more than exist comfortably? And how do we determine how our congregations are “doing” in meeting their higher purpose?

To assist in answering questions such as those, the Evangelical Lutheran Church in America has a Congregational Vitality Project. You can learn about this effort at <http://congregationalvitalitysurvey.com>. There you will learn that congregational vitality is “about relationships with God, one another and our neighbors.”

The key resource in this process is a survey. That website will set you up for the shorter, free version of this tool. As the website explains, “Congregations in the Evangelical Lutheran Church in America may use this website to sign up for a short vitality Online survey. To log in, congregations must use their 5-digit congregation ID and the password provided to complete the annual report. Complete survey Online using the link provided or download the form that suits your needs from the Resource page and ask people to complete it, then enter responses Online.” Every synod has a Director for Evangelical Mission; this person is a key asset in using this tool and, if you wish, a more in-depth version.

The survey will ask you to compare your congregation to various characteristics of a congregation that is healthy in its vitality. For example, “Worship [in your congregation] nurtures people’s faith.” The congregation has “a clear sense of mission.” The congregation is a “positive force in the community.” You may already have used this survey and have discussed its findings. Indeed, one of the greatest values in using this survey is to engage in a frank, serious conversation about how the congregation is “doing,” a conversation that can guide your congregation as you consider your current health as a ministering community and your likely future as a local expression of God’s people the Church.

Have you already used this vitality survey? How recently? What did you learn? Will you use this vitality survey in the near future? When?

1.1a Vitality Norms

Do you know the vitality norms of a congregation set by the ELCA:

Congregational Viability Norms: Norms provide an overall picture of health and viability within a congregation. When a significant number of these norms is lacking, there is good reason to conclude that a congregation has lost the capability for effective self-governance. The Synod has a constitutional duty (S13.24.e.) to expect that each congregation be able to demonstrate the ability to:

1. Gather Weekly for Worship
2. Call a Pastor

3. Hold an Annual Meeting of the Congregation
4. Elect a Congregational Council and Officers as Required by its Constitution and PA Law:
President, Vice-President, Treasurer, Secretary
5. Provide Audited Financial Statements
6. Share in the Fellowship of our Synod & the Evangelical Lutheran Church in America
Provide Financial Mission Support, Attend Synod Assembly
7. Submit an Annual Parochial Report to the Evangelical Lutheran Church in America
8. Maintain the Upkeep and Safety of Buildings and Property
9. Secure Adequate Insurance for Property and Persons
10. Keep Current with Financial Obligations

1.2 LIFE CYCLE OF A CONGREGATION

As you consider your congregation's current health and future prospects for meaningful ministry, you might keep in mind that congregations—like many other biological and organizational entities—have a life cycle.

At some point your congregation came into existence, possibly because an informal group or local persons decided that your community needed a Lutheran church or because a denominational task force determined that your community was a likely spot to “plant” a new congregation.

As your congregation began its life, there was much to do in organizing everything having to do with parish life; and there was probably a great deal of excitement along with the anxiety about whether you could really afford to build or buy a church building and call a pastor. But assuming that all went well, you entered into a period of growth, just like a person grows in many ways from childhood to young adulthood.

At some point, your congregation may have reached a plateau in its growth and activity. Ideally, this is a time of strength and accomplishment as more resources are available for sustaining ministries.

But just like individuals start losing some strength and ability as they move into their later years, it is often the case that congregations can also begin to decline. It may be that the surrounding community has changed; it may be that the congregation's style and ministries are no longer relevant. For whatever reason, congregations can begin to decline and find it ever more difficult to maintain their existing ministries.

Again, you may witness that our biological lives are repeated cycles of creativity, generativity, and decline many times over in various aspects of life before any final decline.

Finally, a congregation may become so depleted in members and other resources that it needs to consider disbanding, just like an individual may need to leave his or her home to move into a retirement setting prior to an inevitable death.

Can congregations break out of this lifecycle and start over? Yes, there are certainly examples to prove that point. But change to an earlier step in the cycle is difficult when the people you have in your congregation are there because they want church life to be just the way it has always been in their understanding and when the financial resources are no longer present to begin anew when the congregation is burdened by building and other costs that are now unsustainable.

Where is your congregation in its lifecycle? Where do you want it to be? Is movement to that ideal state possible? Why or why not?

1.3 GUIDELINES FOR COMMUNICATING WITH CONGREGATION AND SYNOD

As you give serious thought to your congregation's future, you should not feel alone or abandoned.

Your partners include the members of your congregation. Keep them informed and involved. How you do that will depend in large part on the nature of your congregation's membership. Are you the kind of people who enjoy getting together? Do you rely on print media? Are your members engaged in social media to the point that using electronic means of communications will not exclude anyone? In giving consideration to basic issues, it is usually good to have a smaller task force or planning group spearhead the efforts and plan how to proceed, but those efforts should have opportunities for input and discussion by all of a congregation's members.

Another partner in your discussions is your synod, the Northeastern Pennsylvania Synod of the Evangelical Lutheran Church in America. Our synod has a bishop, the Synod Council and its officers, mission district deans, a synod staff, and a number of synodical ministry teams. Probably the best place to begin in dealing with the synod is to contact the staff person working in your mission district.

That is, our synod's roughly 260 congregations are divided into nine local regions called mission districts. Each one is served by an associate of the bishop. The current list of persons serving in that capacity can be found by looking at the synod's website, www.nepasynod.org. Click on "People" and then select "Synod Staff and Officers." Find the person who relates to your district and make contact. If you are not certain about your district, just contact the person you think is correct. He or she can quickly send you in the right direction if you have chosen incorrectly.

One specific person on the synod staff who could be very helpful is the Director for Evangelical Mission. This person is provided to our synod by the Evangelical Lutheran Church in America

to assist congregations in defining and carrying out their mission. Again, the person currently filling that role can be found on the synod's website.

1.4 ASSETS FOR MINISTRY: WHAT DO WE HAVE? WHAT DO WE NEED?

As you consider your current and future life as a congregation, what assets do you already have available to you? What do you feel you need? You might make an inventory of those assets and needs by filling out this chart. You might be surprised at your strengths when you see them listed together.

	WHAT WE HAVE	WHAT WE NEED
PEOPLE RESOURCES 1. Professional staff 2. Volunteer staff 3. Congregational officers 4. Congregational members and their gifts (time and talents)*		
ORGANIZATIONAL RESOURCES 1. Congregational organizations 2. Community and local church resources 3. Synod and regional resources		
FINANCIAL RESOURCES 1. Current fund balances and income 2. Endowment and other special balances and income 3. Your members' personal assets that might be shared with the congregation		
OTHER RESOURCES 1. Buildings/physical resources 2. Faith and spiritual gifts. 3. Our heritage and the strength that heritage brings 4. Others that you think of.		

*If congregational members share their time and talents, the financial needs of the congregation can be reduced.

For further information see Luther Snow's book [Asset Mapping](#) and his website: luthersnow.com.

2.0 DEVELOPING A CONGREGATIONAL LEGACY STATEMENT

2.1 A PROCESS FOR MAKING A CONGREGATIONAL LEGACY STATEMENT

Congregations can become so depleted in members and other resources that they can no longer fulfill the purpose for which they exist. When that day comes, who will make the decisions about whether and when to close the congregation? What will be done with the remaining assets?

The purpose of this resource is to assist congregations—while they are still active and focused on God's mission—to answer these questions so that the burden of closing does not fall so heavily on the few remaining members, who may be well intentioned but paralyzed by uncertainty and unfamiliar with the true purpose of a congregation.

PURPOSE OF A CONGREGATION.

What congregations are supposed to be and do is explained in Chapter 4 of the Evangelical Lutheran Church in America's Model Constitution for Congregations. The very title of this chapter is "Statement of Purpose."

This chapter defines the Church as "a people created by God in Christ, empowered by the Holy Spirit, called and sent to bear witness to God's creative, redeeming, and sanctifying activity in the world." This chapter continues by outlining the missional tasks of every congregation: this congregation as a part of the Church shall

- "worship God,"
- "proclaim God's saving Gospel,"
- "carry out Christ's Great Commission,"
- "serve in response to God's love to meet human needs,"
- "nurture its members in the Word of God," and
- "manifest the unity given to the people of God."

Finally, a list is given of specific activities to be performed, statements are made about congregational organization and mission identification, and reference is made to the involvement that the congregation is meant to have with the synodical and churchwide expressions of the Evangelical Lutheran Church in America.

In short, a congregation is intended to be an active, purposeful body of Christians involved in carrying out the fullness of the mission that Christ has given to his Church.

PROCESS STEPS

A congregation wanting to prepare a Legacy Statement might follow these or similar steps.

1. **DISCUSS THIS ISSUE AS A COUNCIL.** Make everyone on the congregation council aware of the issue of whether or not to make a Legacy Statement concerning the possible closing of the congregation. Naturally, everyone will hope that such an outcome takes place very far in the future, if ever. Nevertheless, it can be very important to have a plan in place for possible eventualities. For example, even young adults are encouraged to have life insurance and wills in case something unforeseen happens.
2. **DECIDE WHO SHOULD DEAL WITH THIS ISSUE.** The council may decide that this matter of developing a Legacy Statement is best referred to an existing committee, or a special task force may be appointed.
3. **DECIDE WHAT THE CONTENT OF YOUR STATEMENT WILL BE.** What specific topics will your statement cover? For example,
 - What are the benchmarks that will suggest to future leaders that it is appropriate for them to close the congregation?
 - What options should be considered in addition to closing, such as merging with another nearby congregation or sharing a building with another congregation?
 - If the decision is made to close the congregation, where should the remaining assets go?
 - If the decision is made to close the congregation, where should the remaining members go?

For example, some congregations decide to close only when all of their financial assets are gone, leaving the synod to dispose of the remaining property or doing so themselves. Other congregations close while they still have significant assets that they can bestow on other ministries, creating a living legacy in institutions better able to utilize the funds (such as the synod, neighboring congregations, ministries such as Bear Creek Camp and the United Lutheran Seminary, and so forth).

Consideration might be given to benchmarks such as the number of remaining members, the financial health of the congregation, and the ability of the congregation to carry out the purpose of congregations as given in the Model Constitution for Congregations.

Whatever happens to the remaining assets, legally they need to be distributed to non-profit causes and institutions, never to private individuals. If the courts become involved in approving the distribution of assets, they will generally want to see that the recipients of funds are closely related to the purpose of the closing congregation in order to preserve the intent of the original donors.

4. **GAIN COUNCIL APPROVAL FOR YOUR ANSWERS.** Once your committee or task force has answers to propose to the basic issues raised above, those answers should be discussed, amended, and approved by the entire council. Your statement will now be ready for any further action, such as by the congregation.
5. **DECIDE HOW TO RECORD YOUR ANSWERS.** You may decide that your Legacy Statement, once approved by the council, should receive further approval by the congregation as a whole. Or the council may consider its decisions to be final.

A big part in knowing how to proceed depends on how you want to preserve your statement:

- as part of the congregation's constitution,

- in your bylaws, or
- as a continuing resolution.

Your constitution will explain the process to be used in your congregation for each of these three possibilities, each of which requires a different level of approval from more stringent (amending your constitution) to less stringent (adopting a continuing resolution).

If you choose to amend your constitution in order to include your proposed Legacy Statement, give the proper notice to your congregation and take your first and second votes. If you choose to amend your bylaws, inform the congregation and schedule that vote. If you choose to adopt a continuing resolution, you normally need do nothing more than approve the recommendations by your council or by the congregation (see your existing constitution for the margins of approval needed). Again, your own constitution will explain the notice that needs to be given before voting on an issue, the number of votes that need to be taken, and the approval levels required.

Please know that any option you choose can be undone by the congregation in the future; you can guide future church leaders but you cannot constrain them. This flexibility regarding the future can be both good and bad. For example, it might be good that future leaders can adjust your answers to a different age and to circumstances that you may not foresee. It would be bad if future leaders make more selfish decisions than you encourage. Yes, there are complex, legal ways by which you could make future changes less easy to accomplish, such as setting up trusts that would require court approval to change; but in most instances such extreme measures are not advisable.

6. **MAKE THE DECISIONS KNOWN.** As you reprint your constitution, bylaws, and/or continuing resolutions, be certain to include your Legacy Statement in the appropriate place so that future leaders are aware of your guidance.

2.2 EXAMPLES OF LEGACY STATEMENTS

If the concept of a Legacy Statement is unclear, perhaps these sample statements can help. You might consider adding the signatures of all members who both attend the meeting that adopts a statement and agree to these final wishes for the congregation.

2.2A A FIRST EXAMPLE OF A LEGACY STATEMENT FOR A CONGREGATION

Our Congregation's Legacy Statement for Our Future

We, the members of NAME Evangelical Lutheran Congregation, wish to share our wishes for the end of our congregation's ministry at LOCATION .

Before the congregation closes, we encourage future leaders

- to take periodic, regular checks of the congregation's vitality;
- to hold conversations with the appropriate representatives of the Northeastern Pennsylvania Synod or its successor;

- to elect and call both lay and ordained leaders who can explore ministry options such as working towards neighborhood ministry development, partnering with other congregations for a time, and opening our building to neighborhood ministry groups;
- to review our membership, worship attendance, and financial status; and
- to considered a variety of options for the congregation to pursue before determining that this congregation does not have a sufficient number of active members or financial strength to pursue any new options.

We encourage future leaders to give serious consideration to closing this congregation when our average attendance falls below NUMBER members in worship.

If a decision is made to close the congregation, we encourage future leaders to

- gather the history of our ministries over our congregation’s life;
- contact the Lutheran Archives Center in Philadelphia (or its successor) and deposit our historical documents and records into their care and make the required financial contribution to cover the processing and care of those documents and records;
- by contributing or selling them, find appropriate homes for the items in our building no longer needed by our congregation so that those items can serve Christ in other settings;
- celebrate the ministry we have provided to our community and world throughout our congregation’s lifetime for the glory of spreading God’s word;
- explore various ways to pass on or sell our property for future ministries in this community and/or through the synod and Evangelical Lutheran Church in America, being cognizant of the fact that the assets of the congregation came from donations intended to support the Lutheran expression of the Church;
- encourage the remaining members to visit neighborhood congregations and consider alternative places to worship;
- plan a closing service to which any former members and community members are invited to join in worship and appreciation of all that God has allowed this congregation to do in this place;
- arrange for a final audit of the congregation’s financial records;
- pass on any financial assets as follows:
 - ___% to the following neighboring congregations with which the congregation has had historic ties or shared ministries: _____
 - ___% to local and regional Lutheran ministries, including _____
 - ___% to the Northeastern Pennsylvania Synod’s Mission Fund
 - ___% to the agencies of the Northeastern Pennsylvania Synod including Bear Creek Camp, the United Lutheran Seminary, and others as listed;
- complete all legal documents as required by the Evangelical Lutheran Church in America and the Commonwealth of Pennsylvania.

2.2B A SECOND EXAMPLE OF A LEGACY STATEMENT FOR A CONGREGATION

Our Congregation’s Legacy Statement for Our Future

We, the members of ____NAME____ Evangelical Lutheran Congregation, wish to share our wishes for the end of our congregation's ministry at ____LOCATION_____.

After having periodically examined our vitality as a congregation and responded thereto, and after having explored other options for its ongoing life and ministry, should this congregation ever come to the point that

(a) for ____NUMBER_____ consecutive years it cannot pay its regular, recurring bills without drawing from its long-term reserves or

(b) its regular attendance at worship drops below an average of _____NUMBER_____ persons per Sunday,

then our congregation's leaders should seriously consider closing this congregation so that its remaining financial and real estate assets can be gifted in percentages to assist (a) neighboring Lutheran congregations with significant ministries and/or (b) the Northeastern Pennsylvania Synod's Mission Fund to assist new and struggling ministries throughout our synod.

3.0 A CARING PROCESS FOR PLANNING AND REVIEW OF THE CONGREGATION

3.1 STEP 1: GATHER CURRENT INFORMATION

Current Snapshot:

Average Sunday Worship Attendance:

Age Distribution of Regular Worshippers: Age 0-18: Age 18-30: Age 30-45:

Age 45-65: Age 65-75: Age 75-85: Age 85 + :

Amount in Current Account:

Amount in Savings/Reserve/Endowment:

List of Debts: (Mortgage(s)/Lien/Judgements/Liabilities)

Amount of Yearly Surplus (Deficit):

Deferred Maintenance Projects:

Names (or number, if over 20) of ELCA Churches within 15 miles:

Historic Snapshot

When did your congregation begin? Why was it located here? Who were the pastors through your history? What was accomplished, and what significant events happened each year? What is your current mission statement? How is your mission statement fulfilled?

Vitality Snapshot

Membership Snapshot

Gather information from the reports that you have filed annually with the synod and Evangelical Lutheran Church in America. If you do not have copies of that information locally, the synod office may be able to help you retrieve what you submitted over the years, which can be found in the ELCA Trend Report. Fill in as many years as you can. You can also create reports on the residency, age, and demographics of your current members. How many members live within 1 mile, 5 miles, or more of the church building?

Year and Pastoral Leadership	Baptized Membership	Confirmed Membership	Avg Worship Attendance	Number of Baptisms performed	Number of Members Added	Number of Members Lost
2020 Pastor						
2019 Pastor						
2018 Pastor						
Prior years						



Financial Snapshot

From your Financial Secretary or other person who keeps the records of contributions, how many contributing households do you have? How many members made no contributions in the last two years? What is the average yearly contribution per household?

From your treasurer, what are the congregation’s sources of income? The total annual budget? The gap or positive gain when comparing income and expenditures?



Facility & Staff Snapshot

What is the current use being made of your building(s)? What do you have currently as a paid staff (full time and part time)? As you consider your facilities, what repairs need to be made, what areas need refreshment, and what areas could be used by other groups?



Members' Perception Snapshot

Ask the members of your congregation—ideally in face-to-face interviews—questions such as these:

1. How long have you been a member of this congregation?
2. What are the assets of your congregation? What excites you to come to worship?
3. Who could you invite to join you in worship?
4. What dreams do you have for the future of the congregation?
5. If this congregation were not here, where would you go to worship?



Neighborhood Snapshot

Identify your neighborhood. What is the area? What does the neighborhood look like? Who lives in your neighborhood?

3.2 STEP 2: ANALYZE THE INFORMATION GATHERED

Gather a group of leaders to review the Snapshots and discuss the following questions. Designate someone to record the group's answers. Together decide with whom you want to share this information.

1. What do the Snapshots say about your congregation?
2. What information surprised you?
3. What information is not surprising to see?
4. What have you learned about your congregation from this review?
5. What are the indications that your congregation needs to take some time to discuss further a specific snapshot of information?
6. Are there enough people and energy to proceed forward?

3.3 STEP 3: REVIEW THE MISSION STATEMENT, CONGREGATIONAL MINISTRY GOALS, AND EXPECTED OUTCOMES

1. Consider whether a new mission statement for your congregation is called for by asking questions such as these: How has your congregation's mission changed from your original mission when the congregation was established? Is your current mission statement still relevant?
2. Look at some Biblical passages such as Joshua 24:24-28, Micah 6:8, Acts 2:42, Luke 6:20 and following, Galatians 6:2, James 1:27, and I Thessalonians 5:11 with an eye to what God's people are encouraged to do.

3. What Bible passages speak to you? How might the passage influence your current mission as a congregation? What is God calling your congregation to do in this place?
4. What options does the congregation potentially have?
 1. Do nothing new; keep functioning the way we are, and maintain our current trajectory.
 2. Explore partnerships with other congregations, both ELCA and those of our ecumenical partners.
 3. What could we do to expand our mission to our membership and in our neighborhood?
 4. What could we do differently?
 5. Do the statistics and reflections indicate that it is time to close our current congregation? Brainstorm all the possible options available to the congregation- Parish, merger, co-op, federation, ecumenical partnering. (List even the ones that sound crazy, they may have potential). Include the dreams from the interviews conducted when gathering information from Members Perception Snapshot.
 6. When considering a future requiring congregational leadership be sure to view the Synod guidelines for compensation.
5. What are some options other congregations have used?

3.4 STEP 4: DEVELOP A PLAN

Care for the congregation is provided by a team which may include the following:

- . . . pastoral care leader (tends to spiritual needs of members),
- . . . overseer/doula (assists in the process),
- . . . archivist (records and collects the history of the congregation),
- . . . family member (representative[s] of the membership of the congregation)
- . . . lawyer/legal aid (handles all legal concerns)

After being identified, this team should gather and work with the brainstorming list above. Depending on the option chosen, the future steps will be developed specific to that option. You may need to develop a plan within the plan.

Develop a detailed plan

What will happen?	When will it happen?	How will it happen?	What resources are needed?	Who will do it?	Date completed?

Do it! Review the plan, firm up the time frame, then take action

5.0 FINANCIAL CONCERNS

Our financial future depends on how much we prepare in the present. This section will help both strong and struggling congregations. Understanding a congregation's financial picture will help present possible steps to take in the near and distant future. While one section speaks directly to congregations going through a dissolution, that sections' idea of downsizing resources can be a step taken by a strong congregation which is changing direction.

5.1 FINANCIAL LIFE EXPECTANCY

Church closing is a reality that we must recognize. All churches experience ebbs and flows of membership and financial resources. Therefore, life expectancy should be part of our own financial planning. Are we, as a church, looking beyond five to ten years of life? Identifying your life expectancy should help improve your attitude on planning for the future. In fact, a true understanding of our life expectancy should inspire us and drive us to do more today.

A Budget Analysis

Does the income generated cover the expenses incurred during fiscal year? Does the projected budget for the upcoming year reflect the true income versus expenses picture of the current fiscal year? Is there projected income from endowments to aid in reaching budget numbers? Are there promising sources of income for years to come, not in reality for the current fiscal year?

Once analysis of finances is complete, a congregation must decide on their projected financial life expectancy. Once this number is identified, the congregation should plan on managing the finances for two years beyond this number. (If 12 years is projected life expectancy, plan to manage financial resources for 14 years). During those 12 years, the congregation's financial picture may shift. Plan to analyze the budget year to year and discuss if financial life expectancy has changed.

B Sources of Income

Has your congregation talked with anyone about planned giving? Do you need to consider partnering with an outside group to share space in your building? Have you considered options in the 4.3 portion of this document?

5.2 HOW TO DOWNSIZE RESOURCES (NON-PROFITS)

Note: We strongly recommend seeking guidance from a lawyer, accountant (regarding final IRS filings), or other professional advisor who has experience with state laws relating to dissolution of tax-exempt organizations and also will be able to guide you through the necessary steps to notify the IRS at the appropriate time that the nonprofit is no longer operating. This does not constitute legal advice.

A. Start with an inventory of assets, then plan which assets will be sold, transferred, or contributed. Some assets may require external appraisals/valuations, while the monetary value of others will be straightforward. Document all transfers and sales, noting the fact that transfers of assets were only to other entities with tax-exempt public charity designation (“501(c)(3)”) or to a government body. You can sell assets to individuals or groups, but they must be sold for a fair market value.

B. Make sure that assets are sold or transferred within the boundaries of your constitution and by-laws.

C. Contact all companies holding contracts with the church. End those contracts and settle the final bill. Contact all donors, benefactors, or other monetary ties with the church about the decision to dispose of assets.

D. Fill-out all required documentation for PA state government. Non-renewal of charitable status, declaration of dissolution, and other documents suggested by legal aid. Contact the Attorney General and Orphans’ Court for permission to distribute the remaining assets of the church. Termination of an Exempt Organization (IRS) <https://www.irs.gov/charities-non-profits/termination-of-an-exempt-organization>

5.3 FINANCIAL AUDITS

One final audit of the books will be in order. You may consider paying for an outside accountant company to handle this final audit of the books. An outside auditing company will range in price. If that final audit (internal or outside) shows discrepancy, perhaps a call to local law enforcement is due. Ask if a forensic audit is in order.

5.4 CARE FOR EMPLOYEES

The dissolution of a church takes a mental toll on all people involved. While the leader should be making sure the members have counselors available, they also need to walk with the employees of the church. On the financial side, the church should ensure that resources exist to pay employees up to the last day of work. Some employees may be employed long after the church building closes. The dissolution process is not quick nor is it easy.

5.5 PROPERTY-ASSET DOCUMENT CHECKLIST

- Three years of financial statements of the property
- Current operating and capital expense budget.
- Capital expenditures for the property for the prior years
- Copies of all service and maintenance agreements.
- Copies of all contracts and warranties and guarantees relating to the maintenance of the property.
- Three years of real estate tax bills and proof of payment
- Two years of utility bills
- Copies of insurance policies for the property
- Heat, HVAC, and roof reports
- Environmental Protection Agency reports- radon and such
- Americans with Disabilities Act (ADA) compliant reports
- Architect's certificate or studies certifying the square footage of the building
- Certificate of occupancy and all licenses for the building
- Seller's policy of title insurance for the property.
- List of notices of violations with any federal, state, municipality concerning code or law violations applying to the property.
- List of all pending and historic litigation against the property, against Seller, or any general partner of the Seller that relates to the property.
- A list of all furniture, equipment and supplies which will be with property after sale

7.0 REAL ESTATE—THE BUILDING, PARSONAGE, CEMETERY

General: Every congregation will have a different path to travel when facing the decisions when a life cycle shifts. Therefore, it will be nearly impossible to list all steps each congregation must take in this process.

7.1 CURRENT NEEDS

Each team of the congregation should be a part of this step in the process. Have a questionnaire developed and sent to each team asking what priorities need to be addressed to have a safe, clean environment in building, parsonage, cemetery, and satellite facilities. Perhaps Council should rank these priorities and discern if they fit into the vision of the congregation and can happen as per Vitality Study results.

7.2 UPDATING THE BUILDING FOR MINISTRY OPTIONS

Once the priorities are set, a frank conversation about resources, energy, and vitality must occur. If upgrading any facility deems to be the correct path, the council should seek to obtain quotes then financing for the work. Synod may be contacted for advice in seeking financing. Other local congregations can be contacted to seek advice about contractors. At this moment, a conversation about partnering may be in order. Potential partners include but are not limited to: other ELCA congregations, other denomination congregations, other faith communities, local agencies.

7.3 MAKING A DECISION TO CLOSE A BUILDING

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.

Consult with legal counsel to ensure all necessary legal provisions are followed in relation to the plan of dissolution of a church corporation.

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 the same. f. What will be done with the building's furnishings and other congregation personal property?

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 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. Assets to acceptable organizations most likely will need to be approved by the Attorney General before dissolution will be granted.

When the 501(c)(3) terminates, it must inform the IRS how it is going to dispose of its funds. When it files its final annual return, Form 990, it must enclose a completed Schedule N detailing

how the assets of the organization were distributed. Schedule N describes all the assets disposed, including cash, as well as detailing any transaction fees and when distribution occurred. The IRS must receive the completed Form 990 and Schedule N within 4 months and 15 days of the dissolution of the 501(c)(3).

Note: Absent a specific plan, the remaining assets of the congregation, after payment of debts and liabilities, will pass to the synod.

A decision to close a building is not dissolving the church. After the conversations about needs and options, a congregation may deem it necessary to release some burden caused by building, parsonage, or cemetery. It may also arise that selling an asset will help maintain other pieces of real estate or will give a ministry a boost through resources. If selling a building or parsonage or cemetery is the best case, sound advice would be to seek the help of a commercial real estate agent. The number of forms to be completed and signed can be daunting. Seek professional help. The congregation should have already walked through steps 4.1 and 4.2. A real estate agent will tell them to do pieces of those steps in order to sell.

If the decision is to close a building, parsonage, or cemetery, then the local code enforcement office needs to be contacted. All utility companies must be notified. Tax agencies must be notified so that land goes back on the tax role. Insurance companies must be contacted. The congregation should seek advice from the insurance company on how to keep property safe from vandalism or suits of negligence.

7.4 SELLING PROPERTY

It would be most beneficial for the congregation to contact a commercial real estate agent to sell property. References should be taken and contacted to check on the integrity and ability of the agent.

A congregational meeting and a resolution to sell real property must be passed to fulfill constitutional responsibilities.

The real estate agent will ask for: all taxes to be current and readily available, utility bills to be readily available, occupancy certificates and operating certificates to be presented (i.e.- elevators, fire and alarm systems, health inspections if applicable, the asking price for the property or they will give recommendations. The agent will help in the Title Search (deeds) for the property.

If sale of property begins negotiation, the lender will ask for: utility bills, title search, about oil tank removal and other EPA concerns, occupancy allotments, parking lot spaces, green space for property, timelines for replacements (roof, heat/cooling systems, fire suppression systems, emergency lighting systems, estimated yearly property expense.

7.5 WORKING WITH AN AGENT AND LAWYER

Again, seek professional help! A list of real estate agents and lawyers would be impossible for the Synod to construct. The Synod may have suggestions for your area. The best way to hire a professional is to complete a reference check. Make the phone calls or send the emails to establish work ethic and integrity of the professional. Either the council or a specially appointed real estate team should be developed. These will be the contact between church and professional. There should be one main contact person on the team to act as liaison between professional and team. All decisions must go to the team then to the council.

8.0 ARCHIVING AND CELEBRATING MEMORIES

Evaluate what was done and celebrate the work completed and your new ministry

8.1 WHAT GOES TO ARCHIVES, COST OF PROCESSING

From our N.E. Pa. web site – using the link> <http://nepasynod.org/lacphila/>
Lutheran Archives Center at Philadelphia is the Northeast Regional Archives (Region 7) for the Evangelical Lutheran Church in America (ELCA). It is a part of a network of nine regional archives programs and a national level (churchwide) archive in the ELCA. Our service area is limited to Eastern Pennsylvania, New Jersey, Upstate New York, Metropolitan New York City, and New England. We carry on the work of our predecessors in the first Lutheran Church organization in America, the Evangelical Lutheran Ministerium of Pennsylvania and Adjacent States, founded on August 15, 1748 by Henry Melchior Muhlenberg. The Archives Center was recognized as a part of the church organization in 1792.

The Archives has been housed on the campus of the Philadelphia Seminary (United Lutheran Seminary, Philadelphia Campus) since 1889 and is located in the undercroft of the new Brossman Learning Center. The Archives collections are now completely contained in a large vault area with compact shelving, now better organized. A reference library room provides books frequently used, as well as space for researchers to work in comfortable surroundings. The Archives office is across the hall. The seminary has provided the new space for the present and the future.

[Or going direct – using this link> <https://www.lacphila.org/> you will find their office hours (as of March 2019) are Tuesdays, Wednesdays, Fridays from 1 to 4 p.m.]

You may call the Lutheran Archives Center at Philadelphia at 215.248.6383 –OR- Fax questions to 215.248.6327

Regarding the responsibilities and processes involved in closing of a congregation with respect to archiving, you will find this information below (current as of March 2019) on their website and downloadable brochure:

“After consultation with the Office of the Synod Bishop and a decision is made to conclude a ministry, the Synod Archivist needs to be informed and invited to visit the congregation to assist in the collection of the parish archives for their eventual preservation at the Lutheran Archives Center. The Synod Archivist is a primary resource in the process of evaluating what needs to be preserved and what can be discarded as a congregation examines its archival history. The parish may wish to pull together a committee to help in this process.”

“The Synod Archivist assists in and is responsible for the transfer of archival materials from closed congregations to the Lutheran Archives Center. Consequently, the closing congregation will want to be in close communication with the Synod Archivist in terms of the preparation and packaging of its materials for delivery to the Archives Center, as well the payment of the fees required for the processing and perpetual care of the parish archives at the Center.”

“What needs to be preserved: The parish registers; parish council, committee, and congregational meeting minutes; official parish correspondence; parish constitution(s), by-laws, and amendments; regular and charter membership lists; records of receptions of new members and transfers; copies of parish newsletters and bulletins; articles of incorporation, and similar materials; histories of the congregation; local newspaper articles on the congregation; mortgages, deeds, titles, blueprints, and leases; photographs; letters of call to all pastors who have served the congregation; treasurers’ reports; current and all previous insurance documents. “

“Fees: We request a tithe (ten percent) from the assets of the closed congregation, or a minimum of \$5000, that goes into an endowment ensuring the preservation of the parish archives for future generations. Congregations may also wish to designate an additional gift to the Lutheran Archives Center as a memorial or legacy gift that can help the continued work of the Center and its work of preserving the heritage of Lutheranism in the Northeastern United States.”

8.2 GATHERING MEMORIES

We often hold in our heads, only those memories which have touched our heart and soul. The whole of scripture, one might say, is humanity’s memory of their relationship with God. And those memories also speak to the living, risen Christ who is always in relationship with humanity, through all the events of our lives. What are the memories of your congregation, which shares with the rest of the world, the relationship your congregation has had with God through the years?

Ways to Gather Memories – through Invitational Worship, Invitational Serving or Fellowship, and Invitational Celebrations. When celebrating Anniversaries, Crossroads and Changes, Openings, Partnerships or Closings; each becomes a way to gather people together and hear and see the parts of the story from each other, which are relevant to that particular event, and most importantly, the relationship with God that supports the community in that particular event and the event’s meaning and message about God, to the wider community.

Where to record and share the Memories: Certainly, the congregational council minutes become a basic way of recording the “*who, what, where, when and why?*” of such an event. And going further can be a beautiful and more detailed way of recording and sharing the memories. So, to accomplish that, begin asking these questions: Do we have or know a scrapbooker? How about a photographer or artist? Anyone with any creative desire becomes one who can share a role in documenting the message of the event, by using their creative gifts. They don’t have to be a professional, just someone who loves God and has ways of taking the message of the event and preserving the way that event impacts the five senses of humanity at the same time they are sharing a message about your relationship with God. How about folks with other skills for

hospitality or caretaking? The more the merrier – many hands make light work – and share the joy and love of God with others, no matter what the event!

The benefit of gathering memories can aid in two key areas of the congregation's existence. One is the benefit of insights drawn from memory gathering, that then help the congregation when "retooling and making changes to rediscover (or reimagine!) their role in the world and with themselves" [*How Do We Remember?* By Deacon G. Travis Woodfield, M.Div., M.A.] as each continually encounters changes around them and in their interactions with the outside world as they do ministry. The second is in celebrating the life of the congregation, even as it makes the decisions toward closing. Woodfield goes on to say, "The world we live in is permeated with the idea that things last forever." The expectation of immortality is not something that applies to the creations of humankind, and only to the creations of God. Yet that expectation along with the matters to be addressed if a congregation decides to move towards closing, are doubly overwhelming, carrying both emotional and practical weight.

8.3 PLANNING A CLOSING WORSHIP AND CELEBRATION

First contact your bishop's office – to notify your bishop and regional associate to the bishop. Communicate with them, your needs and your plans. They will be your best initial source of information and planning.

Then the Book of Occasional Services becomes a resource for the basic liturgy of a closing worship and celebration.

Gather a group of folks to form planning groups and sub-groups as needed for various aspects of the event.

Once you have gotten this far, the overall purpose of the event – as a message to the wider community of sharing, praising and giving thanks to God – as related to the event – becomes the guiding light to what is included in the event.

8.4 WHO SHOULD BE INVITED?

All members, former members, sons/daughters of the congregation who are now rostered, the bishop, current synodical and church staff, former synodical and church staff as implied by important relationships playing key roles in the history of your church.

8.5 WHAT TYPE OF INVITATIONS AND HOW WILL THEY BE COMMUNICATED?

Formal invitations (specially printed paper invitations with RSVP cards and pre-stamped envelopes) can be seen as needed, for an obvious reason, when communicating to folks who are not a regular part of your weekly gatherings. Yet if funds allow, using formal invitations for all folks, that may be the route you choose.

For invitations to folks who are a regular part of the congregation, less formal invitations can be dispersed in multiple ways such as: congregational newsletter, weekly bulletins, posters around the church buildings, verbal announcements at church gatherings and then via multiple computer media of emails, texts and phone voice messaging.

If you desire to invite the broader community outside church membership as well, then such general and casual invitations can use public media such as TV, radio and local news outlets, web page or Facebook.

9.0 RESOURCES

9.1 WHERE TO FIND INFORMATION

Synod Website www.nepasynod.org

ELCA vitality study survey <http://congregationalvitalitysurvey.com>

Archives Center <http://nepasynod.org/lacphila>

Asset Mapping luthersnow.com

IRS ending non-profit

<https://www.irs.gov/charities-non-profits/termination-of-an-exempt-organization>

50-State Guide to Dissolving a 501(c)(3) Corporation (Nolo)

<https://www.nolo.com/legal-encyclopedia/50-state-guide-dissolving-501c3-nonprofit-corporation>

Termination of an Exempt Organization (IRS)

<https://www.irs.gov/charities-non-profits/termination-of-an-exempt-organization>

Life Cycle of a Public Charity (IRS)

<https://www.irs.gov/charities-non-profits/charitable-organizations/life-cycle-of-a-public-charity>

Maintaining 501(c)(3) Tax Exempt Status (IRS)

<https://www.stayexempt.irs.gov/home/existing-organizations/maintaining-501c3-tax-exempt-status>

Nonprofit Dissolution: What to Do When Closing the Doors (Nonprofit Quarterly):

https://nonprofitquarterly.org/2017/08/18/nonprofit-dissolution-what-to-do-when-closing-the-doors/?utm_source=Daily+Newswire&utm_campaign=f774542293-EMAIL_CAMPAIGN_2017_8_18&utm_medium=email&utm_term=0_94063a1d17-f774542293-12271385

9.2 HOW MUCH WILL IT COST AND HOW LONG WILL IT TAKE