

# Covenant Commission: Amalgamating - Steps for Beginning Well

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## Regional Councils

**Antler River Watershed**

**Horseshoe Falls**

**Western Ontario Waterways**

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## Amalgamation – What is it?

Amalgamation is like a marriage – two congregations commit to becoming one, with promises exchanged, sharing of assets, setting new goals and learning how to blend their separate lives into a new shared existence. It is not a merger, or simply one congregation being blended into another. Instead it is the birth of a new congregation, a new identity, formed by joining two communities of faith together. While communities of faith may decide to amalgamate for many reasons, often one or both has discerned that they simply cannot continue to carry out their ministry alone. It is time to do something new.

## When is it Time?

Like all living things, congregations experience a life cycle, with a birth, a middle and an end. These changes may happen slowly over centuries or much faster. Sometimes it can be difficult to identify the reasons why a congregation may be struggling in its ministry, but often it is due to changes in the surrounding area, such as shifting demographics, social trends, escalating maintenance costs, fewer volunteers and dwindling finances. When a community of faith discerns that it can no longer carry out its ministry alone, or the way it has in the past, it may be time to consider whether to disband and close, pursue a covenant of cooperation with other local churches, or amalgamate with another community of faith.

The decision to amalgamate is often difficult and emotional. It is important to remember that the work of amalgamating well, is a special type of ministry. Those who find themselves carrying out this work are called to oversee the faithful starting of something new that brings together the history and legacy of one or more communities of faith. This is a special and very important aspect of congregational ministry.

Although no one wants to make decisions pre-maturely, leaving it too late can lead to rushed decisions and missed opportunities. Regularly reviewing a congregation's financial viability, volunteer strength, energy levels, and sense of purpose (living faith story) helps identify when it may be time to start preparing to disband, amalgamate with another congregation or explore re-development options.

## Why Amalgamate?

There are many reasons why communities of faith may decide to amalgamate rather than disband. For example:

- all members become part of the new congregation, and retain their sense of community and connection with one another;
- if the two congregations are located fairly close together, this maintains a United Church presence in the area;

- according to the Region's property policy, all the assets of the original communities of faith become the property of the newly formed congregation
- all the property is reviewed to determine what is "surplus" or unneeded, such as duplicate buildings, furnishings, musical instruments, office equipment. The items that are best suited to the ongoing ministry are kept and the surplus items are sold. (this is similar to the experience of a couple setting up house with items from two separate households) The money from the sale of such items generally remains with the new congregation.

## What Happens If We Amalgamate?

- A NEW community of faith is created based on an amalgamation agreement
- All members of both congregations become members of the new community of faith
- All staff, property and investments for both congregations are brought into the new community of faith, and then, in conjunction with the region, decisions are made about what is needed and what is surplus
- Surplus property is sold or donated to other United Church ministries
- Some employees and ministry personnel may be given notice
- A new historic roll is started, previous records are sent to archives
- A name is chosen for the new community of faith
- A governance model is chosen and people are elected to fill positions
- Trustees are elected for the new community of faith
- Information and signing authority is updated for banking, Revenue Canada, investments etc.
- Deeds are updated with new name (if applicable)

## Initial Conversations - Dating

1. A community of faith should reach out to neighbouring congregations to determine interest in amalgamation. This could be done by the community of faith or by asking the covenant commission to facilitate a conversation about possibilities.
2. It is important to determine what you have in common and if both or all the congregations are interested in amalgamating.

## Getting Serious

1. The governing bodies, or the designated working group, from each congregations meet together to complete a "proposal to amalgamate" or "amalgamation agreement". See an example here: [Amalgamation Agreement](#)

## Deciding to Amalgamate as a Congregation

1. The proposal to amalgamate is distributed to the members of all congregations involved.
2. Each congregation meets separately to make a decision on a proposal to amalgamate. Notice of the meeting, and its purpose, is read during public worship for two Sundays. The meeting may take place the next day (Monday) or any time after that.

### Quorum for the meeting:

A meeting of the congregation or pastoral charge may take place only if a minimum number of full members is present, as follows:

- a) for congregations or pastoral charges with 100 or more full members, at least 20 full members must be present;
  - b) for congregations or pastoral charges with between 30 and 99 full members, at least 10 full members must be present; and
  - c) for congregations or pastoral charges with fewer than 30 full members, at least 1/3 of the full membership must be present. (Manual 2019, B.5.5)
3. If the decision for all congregations involved is affirmative, the governing bodies contact the covenant commission of the regional council. Representatives of the covenant commission hold separate meetings with each congregation to hear their opinions on the proposed amalgamation.
  4. The covenant commission of the regional council makes a decision on whether to approve the amalgamation and an amalgamation date is set. (see Things to do Before the Amalgamation Day below)
  5. A congregation's life does not end when it amalgamates with another congregation. Rather, the congregation continues to exist in ministry as the new amalgamated congregation.
  6. The regional council and the amalgamated congregation enter into a new covenantal relationship.
  7. Consultation with the Regional Council and Covenant Commission is encouraged throughout the amalgamating process. Your Minister for Congregational Support and Mission is the staff person who can assist you.

## Property of the Congregations – Setting up House

When congregations amalgamate, the result is often an excess of equipment, furnishings and even buildings. Decisions need to be made about which items are needed the ministry of the amalgamated congregation, and what can be declared surplus.

The regional council consults with the congregations on the property needs of the new amalgamated congregation. A congregation may ask its governing body to represent it in this consultation.

- a. The regional council may decide that some of the congregations' property will not be needed for the new amalgamated congregation. Any property that will not be needed is called "surplus property."
- b. The regional council is responsible for all surplus property after the amalgamation and decides how to use the surplus property for the benefit of the United Church. In general, the net proceeds from the sale of real property and/or major asset shall be invested in a restricted fund with the interest to be used at the discretion of the community of faith. The community of faith may also submit proposals to the covenant commission at any time, requesting access to the restricted funds for a specific ministry initiative.
- c. Before an amalgamation, the trustees of a congregation hold all property for that congregation. After an amalgamation, the trustees:
  - i) hold the surplus property for the United Church, to be used as the regional council decides; and
  - ii) hold all other property for the new amalgamated congregation.

This change is automatic when the amalgamation takes place.

## What to do with Gifts and Bequests

Gifts made to the previous congregations automatically go to the new amalgamated congregation, even if the gift document refers to the congregation by its former (pre-amalgamation) name. "Gifts" include bequests made in a person's will.

There are resources about amalgamations to assist congregations and regional councils. See the [Congregational Board of Trustees Handbook](#)

## Things to do Before the Amalgamation Date

### Decisions to be Made

1. Determine staffing needs for the amalgamated community of faith
2. Set a date for the last service of each congregation to be held
3. Agree upon the name of the amalgamated congregation
4. Determine where the new congregation will meet
5. Discern the Living Faith Story (ministry vision) for the amalgamated congregation

### Honour Your History:

- Set the date for the last worship service for each congregation. Consider who you might invite, special music, reception details etc.
- Plan a celebration honouring the years of faithful ministry, or hold a series of special events in the time leading up to the final service.

- Arrange for registers (baptism, wedding, burial, historic roll), minutes and other documents to be sent to the archives. (see resources for more information)

### Care for your Members:

- Communicate with all members about the amalgamation, letting them know that their membership will be carried into the new community of faith.
- Ensure members and adherents are notified about the amalgamation and know when and where the community of faith will be gathering for worship. Provide updated contact information.

### Care for your Staff:

- Arrange appropriate severance packages for lay staff as needed. Remember that 90 days notice is the standard used in the United Church. Consult with a lawyer if needed.
- Give proper notice (90 days) to all ministry personnel, called or appointed as needed
- Give proper notice to ADP
- Fill out Record of Employment forms, final tax documents etc.

### Care for your Finances:

- Arrange for the final charitable tax return to be filed for each congregation.
- Arrange to have Canada Post forward all mail to the new address for one year to ensure nothing gets missed.
- Determine what charitable number will be used for the amalgamated congregation and notify CRA of the changes
- Update the church name on any investments and accounts
- Update signing authorities

### Care for your Property:

- If you have a cemetery, make arrangements for ongoing management
- Consult with the regional council about the future of the land and buildings. If the decision is to sell the building, follow the appropriate steps for this process. (See [Congregational Property Transactions](#))
- Sort through all the furnishings and items belonging to the congregations. See if other United Churches have a need for anything, such as hymn books, laptops, chairs, banners etc. While remembering that trustees are responsible for ensuring fair market value is received, you may choose to have a silent auction for items that do not have a high resale value which will no longer be needed. Remember that items donated to the church cannot be given back to donor families, (CRA rules) but they are welcome to purchase them if they are for sale. Items may also be donated to other United Church congregations and ministries.

- For any item with a higher retail value, such as a grand piano, solid silver or brass items etc. it is best to seek an appraisal and consult with the covenant commission before selling.

A detailed check list is provided in the Trustees Handbook

### Things to Do After Amalgamation:

- Start with a celebration service
- Consider ways to help people get to know one another, for example name tags, small group activities, fun gatherings, or a directory. Enroll in Fresh Start workshops to help build a healthy congregation
- Communicate well and often to keep people informed
- Consider starting a new tradition that represents the new congregation
- Be gentle with one another

### Amalgamations Involving More Than One Regional Council

If the amalgamation involves congregations that are within the bounds of more than one regional council, the regional councils involved must

- a) each approve the amalgamation as a change in the covenantal relationship between that regional council and the applicable congregation;
- b) agree on any conditions to be included; and
- c) get the approval of the General Council. The General Council may make adjustments to the boundaries of the regional councils involved as a result of the amalgamation.

## **Additional Resources**

[The United Church Manual 2019](#)

[Trustees Handbook](#)

[Archives](#) (for information on what to archive and how to send it)

[Service for Closing a Church](#)

[Disbanding: Steps for Closing Well](#)

Considering Redevelopment (coming soon)

## **Antler River Watershed Regional Council**

[Minister for Congregational Support and Mission](#)

[ARW Property Policy](#)

[ARW Congregational Property Transactions](#)

## **Horseshoe Falls Regional Council**

[Minister for Congregational Support and Mission](#)

[HF Property Policy](#)

[HF Congregational Property Transactions](#)

## **Western Ontario Waterways Regional Council**

[Minister for Congregational Support and Mission](#)

[WOW Property Policy](#)

[WOW Congregational Property Transactions](#)

## Proposed Agreement of Amalgamation

between

ABC United Church, XYZ United Church

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### Name

The name of the new Community of Faith shall be \_\_\_\_\_ United Church, \_\_\_\_\_ Pastoral Charge.

### Date

The effective date of amalgamation shall be \_\_\_\_\_.

### Mission and Vision

The Mission of Hope United Church shall be "To worship and work to God's Glory".

It is the Vision of Hope United Church that we will:

1. Be a Community of Hope.
2. Be A Community which is Accepting, Welcoming and Sharing.
3. Share our faith story with all, especially our children and youth.
4. Take special care of our elders.

### Governance

The governing body of Hope United Church shall be a Church Council, which shall meet not less than quarterly. Quorum shall be one third of the eligible members (6)

It shall consist of:

1. Officers: Chair, Secretary, Treasurer (3)
2. The Board of Trustees (4).
3. Representative to the Ministry and Personnel Committee of the Community of Faith (2)
4. The covenanted ministry personnel and/or the Presbytery Supervisor. (1)
5. Representatives from groups responsible for Worship and Spiritual Care (2) and Faith Formation (2), Stewardship and Finance (2), Property (2)
6. Representative to Regional Council (1)

Total: 19

There shall be working groups for Worship and Spiritual Care, Faith Formation, Stewardship and Finance, and Property.

Each working group shall have two lead members who are representatives to the Church Council. Working groups are not limited in numbers of members.

There shall be a Nominating Committee consisting of the Chair and a representative of each working group.

Terms of Office shall normally be four years. There shall be a sabbatical year before re-nomination to the Church Council for another term. The Treasurer shall be exempt from this term limit.

The Chair, Secretary, Treasurer, one Ministry & Personnel Committee Representative and the Regional Representative shall represent Hope United Church to the Official Board of the Pastoral Charge. (5)

## Real Property

The Real Property of both congregations shall be combined for the use of Hope United Church and held by the Trustees of Hope United Church.

The portions of the Sale of the Manse shall be combined and the interest continue to be provided to the treasurer of the pastoral charge for the support of the salary of the ministry personnel. Other congregational investments shall be combined for the benefit of Hope United Church, respecting any directions from the original donor, if any. (List of Investments to be attached)

## Consent for Sale of XYZ church

Consent shall be requested by the congregation of XYZ United Church of \_\_\_\_\_ Regional Council to sell the building and property currently occupied by XYZ United Church known as *[legal description of property]*, and the proceeds from the sale after expenses be applied to the work of Hope United Church.

## Proposed Amalgamation Schedule - Subject to Regional Approval

March 5 & 12	Announcement of Congregational Meetings
March 19, Noon	Congregational Meeting of XYZ. Quorum 10 Full Members
March 26, Noon	Congregational Meeting of ABC. Quorum 10 Full Members
April 4 7:00 PM	Presentation and Request for Concurrence of Amalgamation and Sale of Property by Official Board
April 25	Presentation and Request for Concurrence of Amalgamation and Sale of Property by Covenant Commission of _____ Regional Council
May 21 9:45 AM	Service of Closing, XYZ United Church
May 28 9:45 AM	Service of Closing, ABC Church, Keady
June 4 10:30 AM	Service of Constitution of Hope United Church. Joint Pastoral Charge service including Communion