

Steps in a Merger or Amalgamation Process for Eastern Synod, ELCIC Congregations

This document presumes that one or more congregations have contacted synodical leaders to guide a consultation to explore possibilities with respect to organizational ministry. Such a consultation may have considered: a renewed vision for mission and ministry with the existing congregation and site; the exploration of redevelopment options; dissolution; and in particular to this document, a process of merger or amalgamation.

Therefore, this document offers some general steps that two or more congregations would follow who have already been part of conversations and discernment which have led into an intentional process to be part of a merger or amalgamation.

It is acknowledged during this process that many aspects of congregational ministry and practice will be reviewed. Everyone involved in this process is encouraged to practice a posture of prayer, respect and honesty when working with one's own congregation and in partnership with others.

In addition, while beyond the scope of this document, it is also acknowledged that attention needs to be given to the nature of change and to the pastoral care of souls affected by this organizational transformation, which will be happening alongside the steps of the process moving toward merger or amalgamation, and will require their own unique care, focus and management.

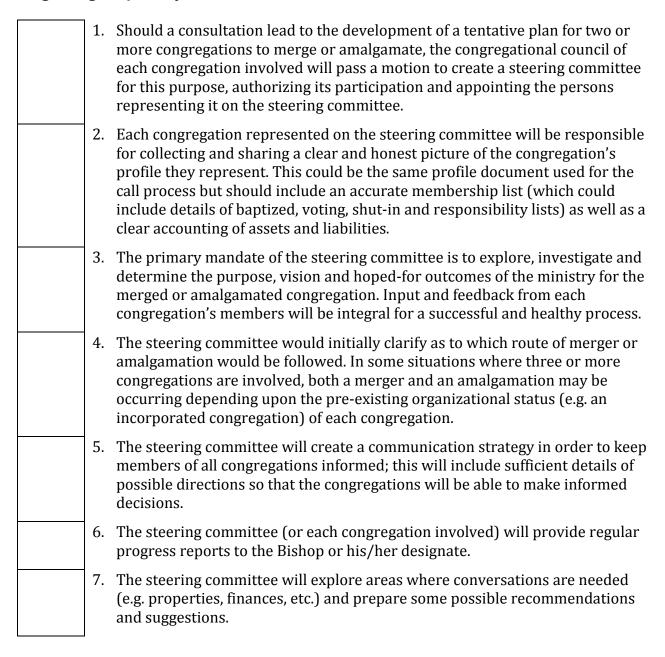
Definitions

A merger or amalgamation is when two or more congregations join to become a single organization. More properly, a *merger* describes the process in which one or more congregations transfer or become integrated into one surviving congregation, the latter normally continuing to operate according to its existing name, status, and structure. An *amalgamation* describes the process where two or more congregations join to become a brand new congregation, resulting in a new name and organizational structure, and an amended corporate status.

Note that because of terminology within our church constitutions and bylaws and in the synodical database administration used for tracking congregations, the term *merger* used in those places includes both situations of mergers and amalgamations.

The following steps and checklist can be used to track progress and items along the discernment and journey. The process as outlined below may be appropriately adjusted according to the local circumstances and context.

Beginning the Journey



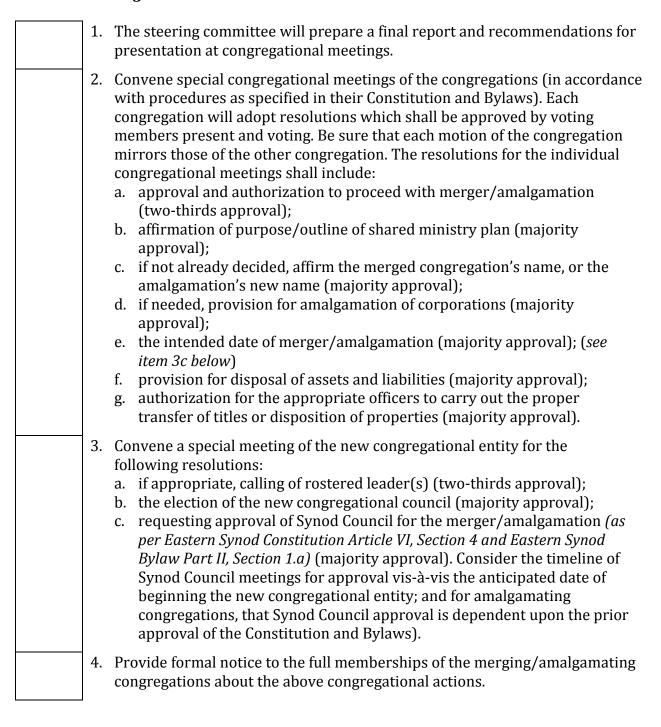
Along the Way

1.	Formal reports of the steering committee will be given to each congregation informing them of the direction and potential outcomes. Feedback from each congregation will be sought and analyzed for potential integration.
2.	Each congregation will then convene a special congregational meeting (in accordance with its procedures as specified in its Constitution and Bylaws). The congregation will vote (a majority vote required) to approve in principle to move forward towards merger/amalgamation.
3.	If the results of the vote from two or more (or all) of the congregations are positive, the steering committee, or sub-units designated by it, will begin to determine details where decisions are needed (e.g. identity and purpose, property, finances, governance, legal, leadership, transition, etc.)

Processes

1. Affirm/determine the: a. name and purposes of the merged congregation; or b. name and purposes of the new amalgamated congregation. 2. Constitution and Bylaws are submitted for Synod Council approval: • if for a merger process amendments are warranted, then recommended for approval by the Congregational Councils for approval by each congregation; or • for an amalgamation process, create a new document, and recommended for approval by the steering committee for approval by each congregation, including, as needed, Letters of Amalgamation; note that this must be completed before a request is made of Synod Council to approve the new amalgamated entity. (see under Decision *Making, item 3c*) 3. Define staffing needs and recommendations (rostered – decision to be made by new congregation; other employed – decision to be made by new congregational council). 4. Resolve issues of property, including: buildings, cemeteries, land, leases, rentals, sale/purchase of property/building, and ownership/title of property. These may include insurance coverage, maintenance, designation and role of trustees, furnishings, chattels, etc. 5. Draft a budget; and explore any issues for the transfer of finances, accounts, investments, assets, etc. 6. The steering committee will provide interim reports for the congregations.

Decision-Making

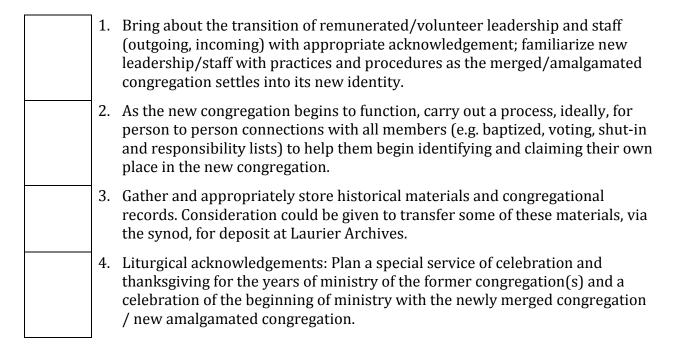


Congregational Approval(s) and Follow-up

Note that the effective date of merger/amalgamation should not occur earlier than: synod council approval; Constitution and Bylaws approval; CRA confirmation of business number; confirmation of ELCIC ID especially with respect to congregational tracking and benevolence recording; the congregation's employer status in order to act and remunerate in its own name; and otherwise make other decisions in its own name and legality.

 Contact the Canada Revenue Agency (CRA): to file any necessary documents with respect to the (new) congregation's status (note that CRA has specific categories for a merger, an amalgamation and a consolidation); in the case of an amalgamation, to determine the preferred business number (aka charitable registration number) to be transferred to the (new) congregation; to carry out any voluntary revocation of business numbers no longer required. Attention should be given to the dates of CRA authorization for any change in the business number, and when the merged/amalgamated congregation may begin to issue receipts.
 2. Contact synod office to confirm: a. the legal congregational name; b. the ELCIC ID number that will be issued by the synod's congregational database; c. the date of merger/amalgamation; (see under Decision-Making, items 2e, 3c) d. the CRA business number; (see item 1b above) and e. the information regarding how benevolence receipts will be recorded.
3. Establish a plan, effective upon merger/amalgamation, for the transfer of members from the merging/amalgamating congregation(s) to the new congregational entity.
4. Carry out with respect to the anticipated date of merger/amalgamation: the transfer of the title to real estate and other assets to the appropriate successor in title; changes to legal status and documents; transfer of assets and liabilities; ensure the continuity of property/liability insurance; completion of any corporate details, and disposition of any assets/property; and where appropriate, the care and upkeep of cemeteries and any other property assets.
5. Where appropriate, file the necessary documents with government authorities to confirm the corporate status of the congregation.

Transition



Resources

- Congregational Resolutions Related to Merger or Amalgamation
- Requesting Voluntary Revocation of a Registered Charity
- Deeming a Congregation Defunct Policy
- Steps in the Dissolution of a Congregation
- Disbursement of Congregational Assets Policy
- Congregational Fixed Asset Distribution Policy
- CRA Amalgamations, Mergers and Consolidations

Approved by: Synod Officers, July 2019