



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

	1. Should a consultation lead to the development of a tentative plan for two or more congregations to merge or amalgamate, the congregational council of each congregation involved will pass a motion to create a steering committee for this purpose, authorizing its participation and appointing the persons representing it on the steering committee.
	2. Each congregation represented on the steering committee will be responsible for collecting and sharing a clear and honest picture of the congregation’s profile they represent. This could be the same profile document used for the call process but should include an accurate membership list (which could include details of baptized, voting, shut-in and responsibility lists) as well as a clear accounting of assets and liabilities.
	3. The primary mandate of the steering committee is to explore, investigate and determine the purpose, vision and hoped-for outcomes of the ministry for the merged or amalgamated congregation. Input and feedback from each congregation’s members will be integral for a successful and healthy process.
	4. The steering committee would initially clarify as to which route of merger or amalgamation would be followed. In some situations where three or more congregations are involved, both a merger and an amalgamation may be occurring depending upon the pre-existing organizational status (e.g. an incorporated congregation) of each congregation.
	5. The steering committee will create a communication strategy in order to keep members of all congregations informed; this will include sufficient details of possible directions so that the congregations will be able to make informed decisions.
	6. The steering committee (or each congregation involved) will provide regular progress reports to the Bishop or his/her designate.
	7. The steering committee will explore areas where conversations are needed (e.g. properties, finances, etc.) and prepare some possible recommendations and suggestions.

Along the Way

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| | 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

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| | 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. (<i>see under Decision Making, item 3c</i>) |
| | 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

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| | 1. The steering committee will prepare a final report and recommendations for presentation at congregational meetings. |
| | 2. Convene special congregational meetings of the congregations (in accordance with procedures as specified in their Constitution and Bylaws). Each congregation will adopt resolutions which shall be approved by voting members present and voting. Be sure that each motion of the congregation mirrors those of the other congregation. The resolutions for the individual congregational meetings shall include: <ol style="list-style-type: none">approval and authorization to proceed with merger/amalgamation (two-thirds approval);affirmation of purpose/outline of shared ministry plan (majority approval);if not already decided, affirm the merged congregation's name, or the amalgamation's new name (majority approval);if needed, provision for amalgamation of corporations (majority approval);the intended date of merger/amalgamation (majority approval); (<i>see item 3c below</i>)provision for disposal of assets and liabilities (majority approval);authorization for the appropriate officers to carry out the proper transfer of titles or disposition of properties (majority approval). |
| | 3. Convene a special meeting of the new congregational entity for the following resolutions: <ol style="list-style-type: none">if appropriate, calling of rostered leader(s) (two-thirds approval);the election of the new congregational council (majority approval);requesting approval of Synod Council for the merger/amalgamation (<i>as per Eastern Synod Constitution Article VI, Section 4 and Eastern Synod Bylaw Part II, Section 1.a</i>) (majority approval). Consider the timeline of Synod Council meetings for approval vis-à-vis the anticipated date of beginning the new congregational entity; and for amalgamating congregations, that Synod Council approval is dependent upon the prior approval of the Constitution and Bylaws). |
| | 4. Provide formal notice to the full memberships of the merging/amalgamating congregations about the above congregational actions. |

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.

	<ol style="list-style-type: none"> 1. Contact the Canada Revenue Agency (CRA): <ol style="list-style-type: none"> a. 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); b. in the case of an amalgamation, to determine the preferred business number (aka charitable registration number) to be transferred to the (new) congregation; c. to carry out any voluntary revocation of business numbers no longer required. <p>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.</p>
	<ol style="list-style-type: none"> 2. Contact synod office to confirm: <ol style="list-style-type: none"> 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; (<i>see under Decision-Making, items 2e, 3c</i>) d. the CRA business number; (<i>see item 1b above</i>) and e. the information regarding how benevolence receipts will be recorded.
	<ol style="list-style-type: none"> 3. Establish a plan, effective upon merger/amalgamation, for the transfer of members from the merging/amalgamating congregation(s) to the new congregational entity.
	<ol style="list-style-type: none"> 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.
	<ol style="list-style-type: none"> 5. Where appropriate, file the necessary documents with government authorities to confirm the corporate status of the congregation.

Transition

	1. Bring about the transition of remunerated/volunteer leadership and staff (outgoing, incoming) with appropriate acknowledgement; familiarize new leadership/staff with practices and procedures as the merged/amalgamated congregation settles into its new identity.
	2. As the new congregation begins to function, carry out a process, ideally, for person to person connections with all members (e.g. baptized, voting, shut-in and responsibility lists) to help them begin identifying and claiming their own place in the new congregation.
	3. Gather and appropriately store historical materials and congregational records. Consideration could be given to transfer some of these materials, via the synod, for deposit at Laurier Archives.
	4. Liturgical acknowledgements: Plan a special service of celebration and thanksgiving for the years of ministry of the former congregation(s) and a celebration of the beginning of ministry with the newly merged congregation / new amalgamated congregation.

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