



Steps to Closing a Church

Whether you are closing a church and disposing of assets or closing a church in order to “merge” with another congregation, there are a number of important steps to take.

This document will attempt to outline some of the necessary steps. However, it is important to remember that government regulations and laws change and can vary by province.

As it relates to your specific situation, it is important that you seek the necessary LEGAL COUNSEL.

As well, the Canadian Council of Christian Charities is a valuable resource and has answers to all of the questions. Check out: https://www.cccc.org/cart/view_item/charities_handbook_ebook You can purchase the CCCC Charities Handbook (\$75 in 2020) that will answer all of your questions. **This is an invaluable resource and the most important first step!**

Frequently Asked Questions:

#1: When is the best time of year to close or merge a church?

The recommendation is that the merger take effect January 1 of a given year. The church will need to complete the CRA Annual Report (T3010) for the previous year and possibly for the current year as well.

#2: What about issues related to our CRA charitable number and other issues related to the Canadian Revenue Agency?

If at a Church business meeting the decision is to move forward with the closure/merger you will need to notify the *Charities Directorate of the CRA*. Their phone number is 800-267-2384. They will require the church to convey all of its assets to another registered charity **within one year of ceasing operations**. They will have documentation that will need to be completed in that regard.

Once this is done, the church is no longer a non-profit. It has **12 months** to dispose of the assets before being subject to property tax. If there is no purchaser for the property, it is possible for the church to notify the Atlantic Baptist Mission Board. The Board can “declare the church to have lost visibility”, which simply means that they are closed and the Board claims title of the church property. This will protect the church from property tax.



In the case of a “merger”, failure to notify the *Charities Directorate* could result in non-compliance with other requirements of the *Income Tax Act* that could lead to penalties or revocation of its charitable status (of the church/charitable registration that remains open.)

#3: What should be done with the contents of the church building?

Please contact Mrs. Patricia Townsend, Head Archivist of the Baptist Collection at Acadia University. (patricia.townsend@acadiau.ca) She will receive record books and other memorabilia of the Church once it has been closed. Please note: once items have been donated to the Church they are the property of the Church and so they cannot be given back to the donors. It would be acceptable for the Church to auction off items and so the original donors could receive items when they are the successful bidders.

#4. What if a special restriction has been placed by the donor on a gift made to either charity prior to the merger?

Care must be taken to retain and segregate these gifts from all other funds unless written permission to commingle was granted by the donor and is permitted under provincial law. The gifts will still require separate tracking and reporting after the merger.

#5: Our church constitution requires a quorum for a vote. We have very few members left who attend. Some perhaps are deceased or have moved. We are unaware of where some of the members are. If we are unable to reach a quorum what can we do?

An attempt should be made to contact all Members of the Congregation, active and inactive, either by phone or letter. Also, it would be good to post a notice of meeting in the local paper requesting the attendance of all Church Members. This notice should be posted at least two times prior to the date of the meeting. If, after having done all that and you still do not have the required number for a quorum, you can still move forward with the necessary motions. By attempting to contact the Members you will have performed due diligence.

#6: When the final decision is made to close the church who else should we communicate with?

The decision to close the church should be communicated to the CBAC Association of which the church is a part. As well, the main office of the CBAC should be informed of the decision. Any historical records should be sent to the Baptist Archives at Acadia University.



#7: There is a cemetery connected to the church property, what should be done with that?

If there is a cemetery on the church property, the building can be sold, removed or demolished; however title to the property should be conveyed to a Community Cemetery Committee or Corporation along with a trust fund so that perpetual care can be administered by the Cemetery Committee or Corporation.