

# INSTRUCTIONS FOR DISSOLVING CONGREGATIONS

These instructions are provided to assist bodies of elders and circuit overseers when the dissolution of a congregation is being considered. When more than one circuit is affected, the circuit overseers involved should work together in preparing the recommendation.

## EXAMPLES OF VALID REASONS FOR DISSOLVING A CONGREGATION

- Present publisher growth and potential for growth from the field are minimal.
- Merging with another congregation would result in the better use of a nearby Kingdom Hall. (Consideration should be given to the effect this would have on the distance publishers would need to travel to attend congregation meetings.)
- There is an insufficient number of local publishers or elders to support the congregation.

While the dissolution of a congregation can be an emotionally difficult adjustment for some, many congregations that have merged have experienced improved meeting attendance, higher-quality meetings, and a better distribution of experienced brothers. However, there may be small rural congregations in a circuit that are able to cover their territory and function without problems. Such congregations do not need to be dissolved.

**1. PRELIMINARY LETTER FROM CIRCUIT OVERSEER:** After considering the above factors, the circuit overseer should send a preliminary confidential letter of explanation to the branch office if he recommends the dissolution of a congregation. The letter should answer the following questions:

- Which congregation(s) would be dissolved? Explain the specific reasons for this recommendation.
- What effect would the merger likely have on the spirituality of the publishers?
- Does the congregation that would be dissolved hold title to any real property? For legal reasons, it is preferred that a titleholding congregation not be dissolved. Also, state how the title is held (by trustees, by a local corporation, or by the branch corporation). Will the building continue to be used by a congregation(s)? If it will need to be sold and is not owned by the branch corporation, which congregation should become the new permanent titleholder or own the building until it is sold?
- If the dissolution will result in the sale of a Kingdom Hall property, which one? Does it have an apartment that houses special full-time servants? Is the property used as a literature depot, for convention storage, or for any other organizational purpose?
- Outline which congregation(s) the publishers are expected to attend. Would the Kingdom Hall(s) have sufficient parking and seating to accommodate all the publishers adequately? List the projected publisher figures for each congregation and the seating capacity of each Kingdom Hall involved.

**2. MEETING AND JOINT RECOMMENDATION FOR DISSOLUTION:** If the circuit overseer receives an affirmative written response to his initial letter of explanation, he will be instructed to organize a meeting with the involved bodies of elders to consider the proposed dissolution prayerfully. If the bodies of elders are in agreement with the recommendation, the following items should be discussed and included in a confidential letter of recommendation that is signed by each Congregation Service Committee and circuit overseer involved and sent to the branch office:

- A suggested date for the dissolution to take effect. All dissolutions must take place on the first day of the month. NOTE: A dissolution date cannot be established until any real-property ownership issues have been cared for in harmony with the instructions in the box "Legal and Financial Considerations."
- A list of the steps that have been taken to follow the applicable direction contained in the box "Legal and Financial Considerations."
- A list of the elders and ministerial servants in the congregation to be dissolved and an indication of which congregation each will attend if the dissolution is approved.
- A *Coordinator of the Body of Elders/Secretary Change of Address* (S-29) form for any existing congregation where the information for the coordinator of the body of elders or the secretary is changing.
- A *Territory Adjustment Request* (S-6) for each remaining congregation whose territory boundaries are affected. Since a congregation's name should reflect its territory assignment, please verify that the names of the congregations involved will still be appropriate once the boundaries are adjusted.
- A *Shipping Information* (S-36) form if the dissolution makes it necessary to designate another congregation as the ship-to congregation.

- An indication of which congregation would acquire the confidential file and the accounting records of the dissolved congregation. The accounting records should include the checkbook and up to seven years of banking records.
- 3. NOTIFICATION OF APPROVAL:** If final approval for the dissolution is given, the branch office will send a letter of acknowledgment to the congregations directly involved, along with the S-52 letters acknowledging the reappointment of elders and ministerial servants. The secretary of the congregation to which a pioneer has transferred should make any needed adjustments on the front of the pioneer appointment letter (S-202) and forward it to the branch office. Updated territory assignments will follow later.

## LEGAL AND FINANCIAL CONSIDERATIONS

**Dissolving titleholding congregations:** If preliminary written approval from the branch office has been received for a titleholding congregation to be dissolved, it will be necessary to care for matters pertaining to the property title **before** dissolving the congregation. When any sale or conveyance of property is finalized, the Kingdom Hall Construction Desk (KHCD) should provide the Accounting Department with all needed information so that the branch office's property records can be updated accordingly.

If ownership is through a **trustee arrangement or a local corporation**, the elders should do the following prior to suggesting a dissolution date to the branch office:

- Provide the KHCD with copies of all official documents related to ownership. The KHCD will work in close cooperation with the Service Department, the Accounting Department, and, where available, the Legal Department.

Following receipt of **final** approval from the branch office:

- The KHCD will provide the elders with sample resolutions for eventual congregation approval authorizing the trustees or corporation to sell or convey the property and directing how the proceeds should be distributed if the property is sold. If there is to be a conveyance of title to another congregation, the elders in the receiving congregation should present to the congregation members a resolution accepting the property as a gift.
- In the case of a conveyance, if applicable, the KHCD will assist the new titleholding congregation with the filing of a new real-property tax exemption application with the taxing authority if the building continues to qualify for exemption, which will likely be dependent upon its continued use for qualifying religious purposes.

If ownership is **through a branch-controlled corporation or the property is owned by the branch office's corporation**:

- If property needs to be sold, the KHCD and Legal Department will handle the matter in close cooperation with a KHCD representative or capable local elder experienced in real estate.
- When the Kingdom Hall will continue to be used, the congregation(s) will be directed by the Accounting Department to take a financial survey concerning their monthly contribution toward the use of the hall and its maintenance because of the new circumstances. The branch office should be informed about the amount of the passed resolution.

**Outstanding loans:** If there is an existing loan either from the branch office or from a local source(s), it will be necessary for another titleholding congregation to assume the monthly payments. Appropriate resolutions should be passed both by the congregation to be dissolved and by the congregation that will take responsibility for the loan. New promissory notes may need to be issued. The Accounting Department should be notified as soon as possible regarding the transfer of repayment for any loans from the Kingdom Hall Fund.

**Disposition of congregation funds:** Funds belonging to the congregation to be dissolved that are held by the branch office under the funds-on-deposit arrangement should be withdrawn and reallocated to the congregation(s) that will receive the funds. Any funds in the local congregation account should be addressed similarly. The elders will need to determine how best to care for this, depending upon local circumstances. Thereafter, the congregation bank account should be closed. Funds for a Kingdom Hall Operating Committee account or local building fund that were contributed by the congregation to be dissolved would generally remain in the respective account unless the building is being sold.