**Facing the Final Crossroads**

Churches often engage associational or state leaders when revitalization is no longer an option. Some churches, however, are in such a severe crisis that they are facing their final crossroads: the last opportunity to actively leave a lasting legacy for the glory of God and the good of their community. This tool is intended to equip leaders to come alongside a church to recognize the severity of her crisis and take a final decisive step to leave a lasting legacy.

1. **Identifying a Church in Severe Crisis**:
	1. Indicators that a church is at its final crossroads
		1. Facilities evidence significant deferred maintenance and lack strategic location
		2. High average age of the congregation
		3. Extended length of decline
		4. Leadership & Involvement Issues
		5. The community is non-existent or in proximity to a vital church capable of reaching
		6. The culture of the church: distrust, risk-averse, philosophy of ministry (silver bullet hopes such as a new pastor or program)
		7. The financial reality of giving v. expenses indicates survival not stewardship
			1. The amount in the bank is fairly irrelevant here
	2. Gauge the severity of the crisis in the initial explore meeting
		1. Questions to Ask or Data to Request
			1. Finance:
				1. What is your monthly/yearly income? Then share, we know that a church needs a bare minimum of $\_\_\_\_\_\_ to operate and you are already under that threshold.
				2. How much are your offerings down because of Covid? Do you ever see these offering coming back?
				3. {Look at other finance questions in the catalytic tool}
			2. People:
				1. What is your regular attendance? How many are actively involved beyond Sunday service?
				2. How much is attendance down because of Covid? Will they come back in the near future?
				3. What is the average age of the remaining congregation? How many people under 50 years old are in the church?
				4. How many of the members live in the community near the church?
			3. Culture
				1. How likely do you believe the remaining members are to follow the leadership of a new pastor and to ***actively participate*** in the ministry necessary to reach new people?
				2. Ask: do you think this has a chance to come back to its glory days
			4. Facilities:
				1. How much deferred maintenance on the building is there realistically?
				2. To reach young people you will need to have a clean, attractive children’s area. Do you have such an area and are the current members willing to staff the children’s area regularly?
			5. Leadership:
				1. What was the length of service of the last 4 pastors? Why?
				2. How much do you plan to pay a pastor? Do you realize that a person working full time at minimum wage would make around $18,000? Therefore, the chances of you finding a pastor qualified to lead the church to health and growth is very unlikely given your current offerings.
			6. Community:
				1. What is the population within a 3 mile radius of the church? (pertinent for country churches)
				2. What is the ethnic makeup of the community around the church and does it match the ethnicity of the church? (pertinent for urban churches)
		2. Utilize the “Revitalization Calculator” to determine estimated time remaining.
2. **Preparing a Church to Recognize & Respond to Severe Crisis** *[Adjusted Explore & Discovery Process]*
	1. Shepherd the follow-up explore meeting
		1. Acknowledge that revitalization is off the table due to what we already know
			1. Presenting the numbers that indicate they are in the “red zone” (it is very improbable that they can pull out of the nose dive)
		2. Ask: Are you ready to explore radical solutions to leave a lasting legacy?
		3. Ask: What do you believe is the best use of the Lord’s resources?
		4. Lead the church to vote to begin adjusted discovery phase
	2. Discover the depth of the crisis & the possibilities for a lasting legacy
		1. Critical Assessments:
			1. Demographics & Member Map; Finance/Assets/Liabilities; Non-Negotiable Inventory for discerning partnership possibilities (see sample discernment grid from Replant Roadmap, pg. 266); Change Readiness
			2. Host story listening sessions (prepares for final celebration service)
		2. Enter into a season of prayer (potentially a study on finishing well, glory of God, etc.)
		3. Search for Possible Partners (Replant or Repurpose)
			1. If no replant partners or no viable reason to replant,
3. **Presenting to a Church at the Final Crossroads**
	1. Options could include various replant or repurpose approaches
		1. Replant: Merger
		2. Replant: Adoption
		3. Replant: Family Network
		4. Repurpose: Ministry Center
		5. Repurpose: Kingdom Investment
4. **Leading a Church to Repurpose** (Nuts & Bolts of Closure) [adapted from Legacy Churches 81ff)
	1. \*If a church is set on closing, go immediately to this stage
	2. Call the Final Meeting
		1. Check the church’s bylaws to ensure all requirements are performed
		2. Consider how to inform the required members in order to be prepared for the final meeting.
	3. Consult the Principles & Policies for Receiving & Repurposing Properties below.
	4. Conduct the Final Meeting
		1. Start with Devotions and Prayer
		2. Share the reason for the meeting
			1. Have a vote of recommendation from the leadership if possible.
		3. Hold the final vote to close
			1. Include a determination of who is responsible to distribute the assets and file key paperwork. They will need to coordinate the following:
				1. Items with no market value but sentimental value can be distributed to members. Otherwise, these items will need to be disposed of.
				2. The assets with market value must be given to a charitable organization with like purposes

Check for reversion clauses in deeds and Constitution/bylaws.

Otherwise, a decision must be made as to what organization the assets will either be given to or sold with profits donated.

Possibilities: another church, association, state convention, missions organization, or a church plant.

* + - * 1. Official records

Membership Records -- keep these for as long as possible to be able to send letters as members join new churches. (at least three years)

Minutes – “These documents should be protected in order to ensure the integrity of the church’s decisions.” (at least three years)

Financial Records must be kept for seven years for IRS purposes.

* + - * 1. Bank Accounts, Endowments, Memorials, and Specified Gifts

While closing a bank account should be relatively easy, consulting an attorney on other specific funds may be necessary to ensure proper transfer.

* + - * 1. Federal & State Paperwork

Federal – A final form 941 for payroll. “Part 3, question 16 will ask you if this is the final tax return. Follow the instructions on the page. This should close out your E.I.N.”

State – Check with the Secretary of State’s office for what dissolution form needs to be filed.

* + - * 1. Inform Denominational Entities
		1. Plan a Celebration of the Legacy
		2. Close with an opportunity to share stories worth celebrating
	1. Celebrate & Continue the Legacy
		1. Plan a Service to Celebrate the Legacy
			1. Celebrate the Legacy Left
			2. Celebrate the Legacy Continued: How the people and physical resources will be invested in other Kingdom work.

**Principles and Best Practices of Associations for**

**Receiving and Repurposing Church Properties**

The incidence of church’s disbanding and deeding their property back to the state convention or local association has been a rare and occasional event for the last100 years of Baptist history. Sadly, with the demographic trends of smaller, busy families, working moms, no social stigma on non-attenders, fewer attenders in the younger generations and now, Covid 19, a perfect storm has formed which is causing church closures at a greater rate than we have ever experienced. Churches in our Association that we felt had 2 to 4 years of life before needing to close have had their closure hastened by the losses in income and attendance due to Covid. This is precipitating both an opportunity and a challenge for local Associations since many of our church’s constitutions stipulate that in the event of disbanding as a church, the property is to be deeded to the Association. Most Associations have no clear strategy of how they will handle real assets that are given to them. Most Associations have not budgeted for the expenses related to taking on church properties such as lawyer fees for title searches and legal transfer of the property, utilities and other expenses while in their possession. Some churches that close are located in heavily populated areas that may have experienced radical changes in ethnicity from that of remaining members. Some disbanding churches are in areas that have become largely industrial or in areas of shrinking population, such is in small, rural towns. Associations desperately need a strategy for how to handle properties which come to them. They need guiding principles that help them decided how, or even, whether to repurpose a dying church. How do we know when to repurpose and replant a new group within the building of a dead church or whether to sell the property and divert the funds towards more strategic work around the Association?

**Basic Principles for Dealing with Churches That Disband and Their Properties**

1. Churches that disband must deed their property and remaining assets to another 501 C3 charitable organization. This could be a state convention, an association, the SBC, the Missouri Baptist Foundation, another church or charitable organization of their choice. This decision must be made before officially disbanding as an organization if this is not already specified in their governing documents. No church property or assets may be given to any member of the church or person outside the church. I don’t think this means that a member couldn’t take a hymnal or chair donated in years prior by a family member. Money from the sale of assets of the church must also be transferred to another 501C3. Often, a church will approach the Association when it is near closing its doors. As a DOM/AMS you first need to look at their governing documents to see if they have stipulated who gets the property in the event of closure. I find that about half of the churches we encounter have such a clause. If they do not, encourage them to vote and stipulate who they want to receive the building should they close.
2. Our Association has no desire to hold any piece of property deeded to us any longer than necessary. Our goal is to deed it to a church that can reach the neighborhood or to sell it if it’s in an area that has other strong churches or a very small mission field and population density.
3. Our first goal is always to repurpose the church as quickly as possible by placing a church or churches in the closed church that can reach that community and who have adequate resources to maintain the facility and all expenses connected with residing in it.
4. If there is no good church plant or replanting candidate/s for placing in the church, after a reasonable period of time, our Association will sell the property. The monies received from the sale of any church will be placed in a special account. These monies can only be used for supporting church plants or replants and/or covering the expenses incurred from the management and sale of a disbanded church. This money cannot be transferred to any other line item or used for any other purpose than church planting and replanting and covering our costs connected with the disbursement of the property.
5. Don’t overlook the possibility that a larger church may be looking for a building to run a neighborhood mission center out of.
6. It is becoming clear that mergers/adoptions of not only two churches, but perhaps, three or four churches coming together under one roof will not be uncommon in the coming years. When this happens, some church buildings will be vacated to move to the larger building that can accommodate the newly merged congregations. When looking at the possibility of a merger, consider that perhaps other struggling churches should be approached to discuss the merger of more than two churches.
7. The church closing and deeding the building to the Association should have a clear agreement and date with us about when their last day in the building will be. More than once, a church has given their building to the Association with all of the liabilities and expenses only to ask to continue meeting in the building with none of the usual overhead. There must be a clear agreement that once they give the building to the Association they no longer have any claim to the building or right to use the building unless it is otherwise granted by the Association.
8. If the Association DOM/AMS knows of another strategic new work or church needing a facility, and, we know of a church which is near closure that is a strategic location for the new work, you can simply arrange for the closing church to deed their property directly to the new incoming church, thus, keeping the Association from the expense and work of transferring the facility to the new church. We need not become an unnecessary middle man in such cases.
9. Occasionally, you will encounter a church which is ready to disband, but they have a considerable amount of assets or money in the bank. The members are going to join various churches in the area rather than all join another church together. In these cases, it may be necessary to recommend that the church establish a charitable trust with the Missouri Baptist Foundation or your state foundation. The remaining members will decide which ministries/benefactors are a part of the trust and work out the terms of the disbursements and life of the trust with the MBF before disbanding.
10. When placing other new works in a building, you will need to have clear policies about the proper maintenance of the building by the new tenant. Who will clean the building? Who will monitor the thermostats, heating and cooling units? Suggest the best place for them to secure insurance from for fire, vandalism, liability, etc. We handed off a building to a group from a tropical nation once. It was not in their experience to know to keep the heat on in the sub-freezing weather. Their main concern was saving money on utilities. This resulted in a very costly repair of frozen water lines and a flooded basement. Don’t assume that a church knows how to operate and maintain the building. Communicate it clearly and follow up to see that it is being done.
11. When placing new tenants/churches in the building, you need to gain knowledge and assurances of their financial ability to maintain, insure, and cover utilities of the building. If they cannot, we may need to find a second church to share the building and the costs of maintaining and insuring the building. We may need to take the lead in working out an agreement between those two churches about shared responsibilities, building usage times and costs of maintaining the building. This agreement/understanding is essential.
12. When giving or deeding a building to a new church we must insist that their constitution specify that the building be given back to the Association in the event of their closure. This prevents the asset from being moved from SBC/MBC/BR-KC control and ownership and used in ways that would not be compatible with our faith and practice.
13. When a dying church is going to give their building to another church, whether they are joining the new group or not, it may be wise not to dissolve the dying church legally. For instance, if the new adopting church’s name is Life Church and the dying churches name is Calvary Baptist, it may be wise to legally be Calvary Baptist Church doing business as Life Church. Sometimes, legally dissolving a church can open the new church to unwanted and expensive intrusion of county codes and tax assessors office that the dying church was grandfathered from. If you dissolve the old church legally, the new church may be subject to expensive retrofits such as having to install all A.D.A fixtures, sprinkler systems, septic or sewer flow tests, and scrutiny as to what parts of the property are for religious use and which are not, thus subject to property tax. This has happened to two or our BR-KC churches and even after retaining a lawyer, they were not able to keep parts of their property as tax exempt. So, the dying church may simply give their building to the new replant church and the new church will file for a tax exemption and tax number as “Calvary Baptist Church doing business as Life Church”. If would be wise to consult with a lawyer who is familiar with these kinds of transfers of property, such as James Freeman III in KC.