

Policy for Mergers Between Congregations

Presbytery of Milwaukee

Approved November 18, 2021

Consequently, you are no longer foreigners and aliens, but fellow citizens with God's people and members of God's household, built on the foundation of the apostles and prophets, with Christ Jesus himself as the chief cornerstone. In him the whole building is joined together and rises to become a holy temple in the Lord. (Ephesians 2:19-21)

As congregations prayerfully discern God's leading into the future, they are often led to consider how best to align their structure and mission and to become more responsive to the needs of their members and the broader community, while still providing a place to meet and minister in the name of Jesus.

Particular congregations may seek new life and renewed ministry through merger with other congregations. Such a merger most often involves two or more congregations joining to form a new entity with a new name, a new roll of members, new mission, and, perhaps, a new location for worship, fellowship, and mission. Whatever conditions originally prompt interest in a possible merger, **the primary rationale for successful mergers is not simply survival but mission.**

The outcome of a particular merger of two or more congregations varies with the specifics of the congregations involved. For example, the congregation resulting from the merger of two or more Presbyterian Church (USA) ("PC(USA)") congregations would be a PC(USA) congregation that is organized, functions, and is governed as any other PC(USA) congregation. However, mergers including PC(USA) congregations and congregations outside the PC(USA) may take the form of either "federated" or "union" congregations whose organization and governance will be determined by the polity of the denominations of the merging congregations (and is not covered by this policy). In either case, mergers may only be completed and the resulting new congregation welcomed into the Presbytery with the consent of the Presbytery.

The formation of any new congregation always carries with it both promise and risk, but mergers also carry a high level of complexity. Such things as custom, history, social networks, institutional practice, denominational engagement, resources, and staff all need to be carefully and pastorally engaged. To be successful, the formation of a congregation by merger must be undertaken with the same intentionality and attention to detail as a new church development.

Definitions

A **merger** is the joining of two or more congregations for the purpose of becoming a new organization. Assets, roles, liabilities, and purpose are shared. For simplicity, this policy refers to the merger of two congregations.

An **assimilation** occurs when one congregation is welcomed into another, usually larger, congregation. Assets and liabilities are absorbed by the larger church. The smaller church dissolves, and the larger one continues with the new members under its original legal structure.

The Timeline

The merger process – from initial discussions to a Presbytery vote – might take a year or more to complete. This time is needed for all parties to give thoughtful consideration to the proposed combination of congregations. A merger should not be viewed as a quick solution to problems faced by the congregations.

The Process

The process includes three phases: the Inquiry Phase, the Exploration Phase, and the Joining Phase.

There are specific points in the process where the Presbytery, Presbytery Council, the Commission on Transitional Ministry, and the Stated Clerk of the Presbytery must be involved in decisions and documents. The most effective process, however, is for the congregations to be in communication with the Presbytery throughout the process rather than waiting until each decision point.

Inquiry Phase

The process begins with informal conversations between the Sessions of the two congregations and will proceed according to the following steps:

- When conversations begin between the Sessions, the Clerks of Session shall initiate a conversation with the Council of the Presbytery of Milwaukee by notice to the Stated Clerk. The conversation with the Council will include whether the situation is a merger or an assimilation. If an assimilation, the process will continue pursuant to the Assimilation Policy.
- If the conversations between the congregations seem worth pursuing, both Sessions shall vote on whether to continue to the Exploration Phase. If both Sessions do not agree, then the process ends. If both Sessions vote in the affirmative, they will each call congregational meetings on the same Sunday to brief the congregations on the conversations to date, inform the congregations of the intent to enter into the Exploration Phase, and brief the congregations on the next steps of the process. The Sessions also should receive nominations for those wishing to serve on the Exploration Committee.
- Following the congregational meetings, each Session will identify a representative team of not more than five people from each congregation to form the Exploration Committee (EC), which will explore the feasibility and desirability of merger. The representative teams from each congregation should be equal in number and representative in composition. The pastor(s) of the congregations may not serve as members of the EC; however, they may staff the EC if requested by the EC.
- The Clerks of Session will send a joint letter to the Stated Clerk of the Presbytery naming the participants of the EC. Council will designate a representative to participate in the process. The Council may involve additional representatives based upon specific needs identified during the process.
- The EC shall contract with a consultant (from a Presbytery-approved list) who will work with the congregations for at least six months to facilitate the merger process. The contract must be approved by the Council prior to incurring costs.

Exploration Phase

During the Exploration Phase, the following steps will be undertaken:

- The EC will develop a three-year strategic mission plan for the proposed merged congregation. This plan will include consideration of:
 - all available data and resources of the Presbytery (e.g., Holy Cow! survey) and the community (questionnaires, census data, interviews, demographic material about the surrounding area) about the context in which the congregations are engaging or could engage in ministry. If one or both congregations have not completed Holy Cow! in the last three years, they will survey the congregation at the beginning of the Exploration Phase;
 - modifications to or discontinuance of existing programs and possible new programs or initiatives for the merged congregation;
 - location and style of worship;
 - use / disposition of existing building(s), including installed fixtures such as stained-glass windows. After the merger, it is expected that the resulting congregation will locate its life and worship in one church building, chosen for its soundness and suitability for ministry, and that the other church building(s) will be sold. Other possibilities include selling all or some of the properties of the merging congregations and buying, renting, or building another site for the new merged congregation,¹
 - use / disposition of worship and ministry items;
 - staffing and pastoral leadership;
 - committees (and their responsibilities) of the proposed merged congregation; and
 - budget.
- Once a month during the Exploration Phase, the congregations will conduct a combined Sunday morning worship service and will participate in a monthly social event (e.g. shared meal, game night). The congregations will alternate leading and hosting these worship experiences and social events.
- Throughout the Exploration Phase, members of the EC will provide opportunities for dialogue and feedback with their respective congregations. When the draft joint strategic mission plan is completed, the EC shall present it to both congregations for comment.
- At the end of the Exploration Phase, the EC will determine by vote whether or not to recommend proceeding to the Joining Phase. The result of this vote will be sent to each Session.
 - If the vote of the EC is negative, the EC will recommend to both Sessions that the committee be dissolved.
 - If the vote is affirmative, the EC will recommend to both Sessions that they proceed to the Joining Phase and will send to them its recommended joint strategic mission plan.

¹ Ordinarily, the assets of a congregation stay with that congregation as long as it is in ministry. When congregations merge, although they form a new entity, they are considered to be continuing in ministry and their assets become the assets of the new entity.

- At a joint meeting of the Sessions, the ruling elders will vote to proceed to the Joining Phase or to dissolve the EC, thus ending the process.
- The results of this vote will be announced to the congregations on the same Sunday, along with the next steps and brief timeline for merger process, if applicable.

Joining Phase

Once the Sessions have voted to enter the Joining Phase, the Exploration Committee will then become the Merger Committee (MC). The representatives from the churches and the Presbytery may remain the same or others may serve on the MC. The following steps should be followed:

- At the beginning of the Joining Phase, the MC will present its final strategic mission plan to the Council. Council may ask the MC to reevaluate or expand on certain elements of the plan.
- Before the merger is complete, the congregations must also develop a Plan of Union with the elements set out below:
 - Mission Strategy. Key points from the joint strategic mission plan created during the Exploration Phase shall be incorporated.
 - Election of Officers. The Plan of Union shall contain the process for the election of officers of the merged congregation (Elders and Deacons) and the appointment of committee moderators. The MC may identify any method from keeping existing officers to electing entirely new officers, remembering that it is very important to have fair and equitable representation from both churches on the Session, the Board of Deacons, and all committees.
 - Church Buildings. The Plan of Union shall include plans for the transfer of all real property and the location of the merged church. All such transfers shall include a reference that all property is held “in trust for the use and benefit of the Presbyterian Church (U.S.A.)” For those mergers that will utilize one, both, or parts of each physical plant, great care needs to be exercised. The MC should seek input from a wide range of members. This is the area that can most profoundly affect the success or failure of a merger.

In addition to the consultant used in the Inquiry Phase, the MC might need to retain appropriate experts (architects, property managers, engineers, etc.), particularly to assess the soundness and suitability for ministry of all the existing church buildings during the Joining Phase. So that cost not be an impediment to the exploration of a possible merger, the Presbytery agrees to advance the approved costs incurred in the retaining of Presbytery-approved consultants and experts for their work in advance of the merger.

It is expected that the Presbytery will be reimbursed for any such expenditures, either at the time of the merger, from the financial resources of the new congregation, or at a later date, from the sale of the properties of the merging congregations.

If the participating congregations decide not to merge, such expenditures will be covered by the Presbytery.

If one or more of the church properties are to be sold, the Council will facilitate that process and assist and advise in the sale of the property according to the Presbytery’s policy regarding the sale

of real property. Sale of property requires approval by the Presbytery. The intended use of proceeds shall be included in the Plan of Union.

- Transfer of Removable Assets. The Plan of Union shall provide for the handling and disposition of all removable property and other assets. As one option, items may continue to be used by the merged congregation. Those items that cannot be used can be shared with other congregations in the Presbytery or donated to other organizations. In any case, the Plan for Union shall address the disposition of such property in a pastoral manner.
- Pastoral Leadership. The Book of Order allows the pastor(s) of the former churches to continue as or become the pastor or pastors of the merged congregation. The Plan of Union shall establish the initial pastoral staffing plan. The MC shall work with the Commission on Transitional Ministries to consider the various options regarding pastoral leadership for the future, including the viability of one or more of the present pastors continuing.
- Financial Review. The Plan of Union shall provide for some mechanism of financial review. There should be an opportunity for a financial review of all church accounting and statements to insure the smooth combination of funds. The contents of safe deposit boxes should be included in the review. Plans for stocks, bonds and ongoing endowment funds should also be addressed. The Plan of Union shall also state that the new congregation is the successor in interest to both of the original churches, so that any testimonial, trust, or foundational gifts can be received by the successor congregation. Appropriate evaluation and documentation of outstanding obligations should be reviewed in case there are liens or unsettled items in the combination of church assets.
- Articles of Incorporation, By-laws, and Manual of Operations. The Plan of Union shall carefully describe the organizational structure of the merged church. The key is a balance between sufficient detail and binding the future without adequate knowledge of future structural needs. The MC shall determine how a name for the merged church will be chosen. It is advisable to involve as many people as possible from both congregations to ensure a wider ownership and better adoption of the new name.

The Plan of Union shall empower the Session, or some other group, to create a new corporation with Articles of Incorporation and By-laws and register the corporation with the State of Wisconsin. The Plan of Union shall also state the process by which a Manual of Operations shall be created.

- Worship. It is very important to the life of the merged congregation to bring closure and celebrate new beginnings. Thus, the Plan for Union shall include plans for the final services of the two former congregations and the initial worship service and celebration for the merged congregation.

Approval of the Plan of Union shall take place in this manner:

- The MC shall send the draft Plan of Union to the Council through the Stated Clerk of the Presbytery for review before any Session or congregational vote. The Council shall consult with the CTM or other working groups in the Presbytery as needed. The Council, through the Stated Clerk, shall provide its suggested changes and comments to the MC.
- Once this review process is completed and Council's changes made, the MC will make a recommendation on the Plan of Union to the two Sessions. The MC will then request a joint meeting of the two Sessions to

allow those groups to vote on the Plan of Union. The MC will provide the Sessions and the Council representative with (1) the MC's recommendation and (2) the Plan of Union.

- The two Sessions shall meet jointly and vote on the Plan of Union.
 - The Sessions may modify the Plan of Union, but both Sessions must ultimately vote on the same version. If the Plan of Union is modified in substance from what was previously provided to the Council, the new draft shall be provided to Council for approval prior to calling any congregational meetings.
 - If both Sessions approve the Plan of Union, they will prepare a timeline for voting by the congregations that includes the dates for sending the Plan of Union to the congregations, the date for an informational time during or after a worship service prior to the day for voting, and the call for the congregational meetings to vote on the Plan of Union. The Sessions will call congregational meetings to be held on the same day.
 - If both Sessions do not approve the Plan of Union, they will call congregational meetings (which will be held on the same day) to inform the congregations that the process will not continue. They shall also notify the Stated Clerk.
- If approved by the Sessions, the Plan of Union shall be voted on by the congregations at meetings called for that purpose. The vote must note that merger under the Plan of Union is conditioned on approval by the Presbytery.
 - If either or both of the congregations vote not to merge, the process will end.
 - If both congregations vote in favor of the Plan of Union, the Presbytery Council may recommend the Plan of Union be approved by the Presbytery and shall place the matter on the docket of the next Presbytery meeting.

If the congregations vote to merge, it is highly recommended that the merged congregation continue to contract with a consultant for a period of at least one year to assist in moving forward with the plan that was developed during the Exploration and Joining Phases.

THE REPORT OF THE STATED CLERK

The Stated Clerk of the Presbytery will report the dissolution of the congregations and the creation of the new congregation to the Office of the General Assembly and the Board of Pensions.

CHURCH MERGER CHECKLIST

INQUIRY PHASE

- Clerks of Session notify Presbytery's Stated Clerk of informal conversations between two sessions.
- Sessions vote on whether to continue to the Exploration Phase (EP).
- If approved, Sessions call congregational meetings for each church on the same day.
 1. Explain intent and next steps.
 2. Receive nominations for serving on Exploration Committee (EC)
- Each Session identifies up to 5 people to serve on EC
- Clerks of Session send letter to Stated Clerk of Presbytery with names of EC members.
- Council designates representative(s) to participate in process.
- EC contracts with a Consultant to guide EP (approved by Council before incurring costs).

EXPLORATION PHASE

- EC develops three-year strategic mission plan.
- Sessions provide regular opportunities for joint worship and/or social events at both locations.
- EC provides opportunities for dialogue and feedback with both congregations on draft strategic mission plan and process.
- EC recommends to Sessions whether to proceed to the Joining Phase (JP) or dissolve the EC.
- If vote of EC is to proceed, EC schedules a joint Session meeting and sends recommended strategic mission plan to the Sessions.
- At joint Session meeting, elders either vote to proceed to the JP or to dissolve the EC.
- Results of the joint session meeting vote, next steps, and timeline for merger are announced simultaneously to each congregation during Sunday worship.

JOINING PHASE

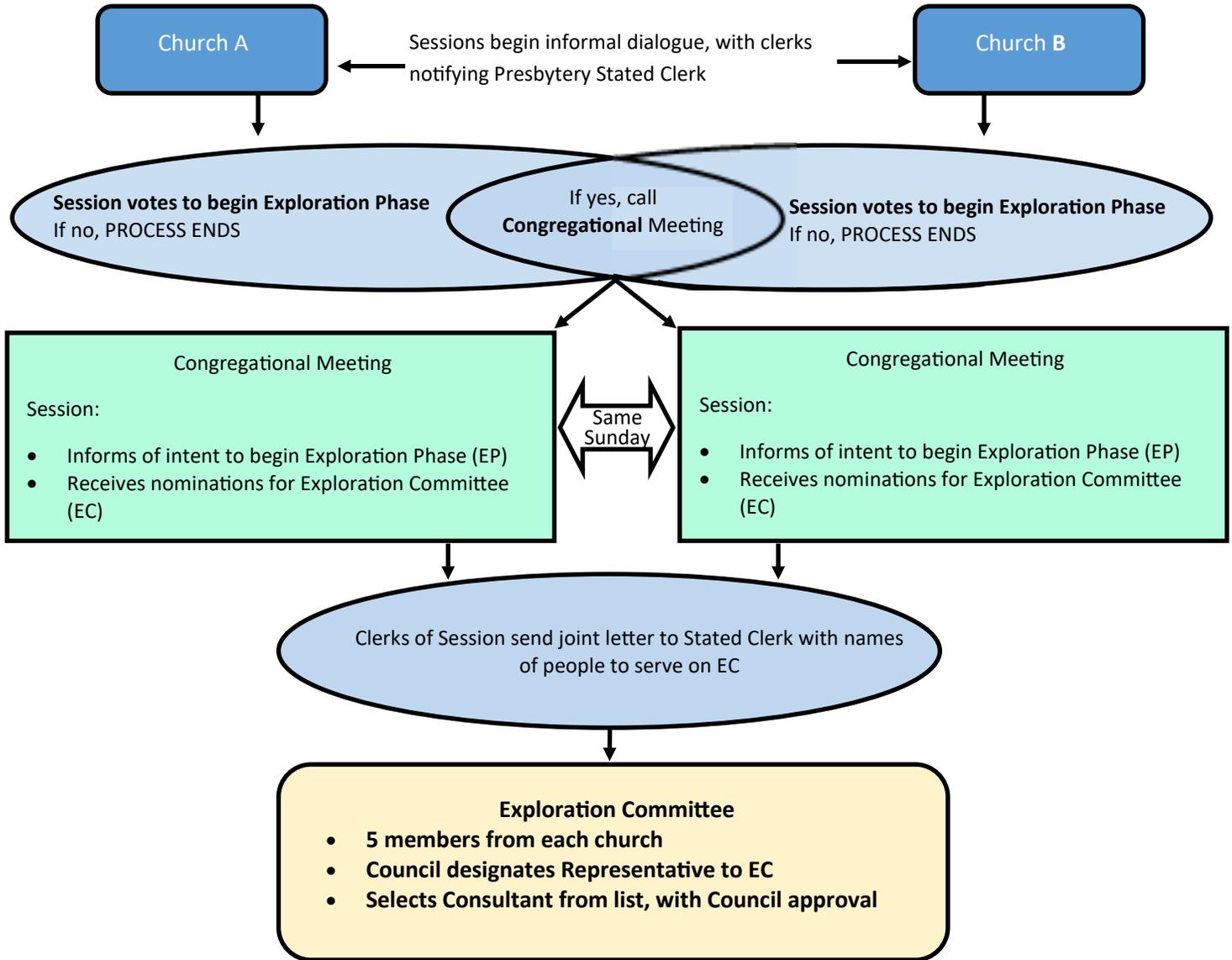
- Merger Committee (MC) is formed.
- MC presents final strategic mission plan to Council for comment and changes.
- MC prepares Plan of Union, including provisions for:
 - Mission strategy
 - Election of officers
 - Church Buildings, including trust clause
 - Transfer of Removable Assets
 - Pastoral Leadership
 - Financial Review
 - Articles of Incorporation, By-laws, and Manual of Operations
 - Worship
- MC sends draft Plan of Union to Stated Clerk for Council review and comment.
- After review and incorporation of changes from Council, MC recommends Plan of Union to Sessions and provides draft.
- MC requests joint Session meeting
 - Sessions may modify Plan of Union, but both sessions must vote on the same version.
- If Plan of Union is modified by Sessions, new Plan of Union is provided to Stated Clerk for Council review.
- If both sessions approve the Plan of Union, they prepare timeline for congregational voting.
 - Determine date for sending Plan of Union to each congregation
 - Determine date for informational time prior to voting.

CHURCH MERGER CHECKLIST

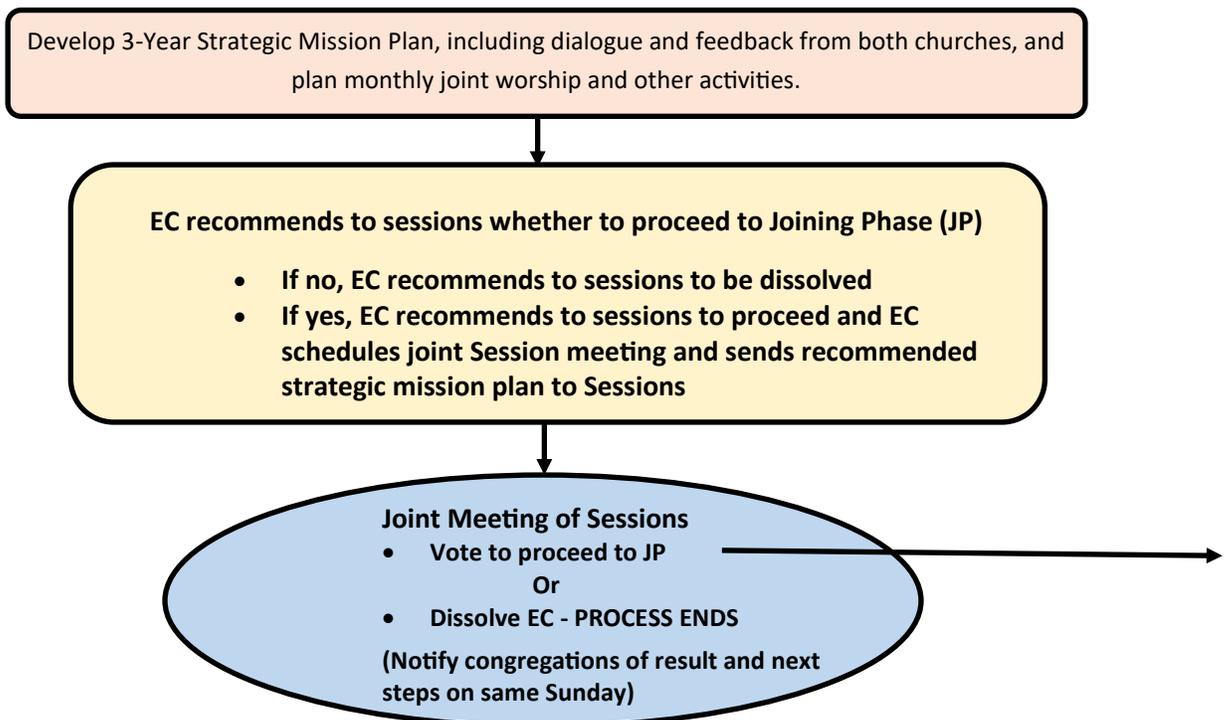
- Call for the congregational meetings which will be held on the same day.
- If both sessions do not approve the Plan of Union, they call congregational meetings on the same day to inform that the process will not continue.
- Plan of Union is voted on by both congregations on the same day, conditioned on Presbytery approval.
- If Plan of Union is approved by both congregations, it is sent to Stated Clerk with a request for it to be placed on Presbytery meeting docket.
 - If either congregation votes not to merge, the process ends.
- Presbytery assembly votes on merger.
- If merger is approved, Stated Clerk reports dissolution of both congregations and creation of new congregation to Office of the General Assembly and Board of Pensions.
- Clerk of Session of new congregation files articles of incorporation and any other state or federal filings for non-profit, tax-exempt status.

MERGER FLOW CHART

INQUIRY PHASE



EXPLORATION PHASE



JOINING PHASE

