

# CRC Victorian Affiliated Church Closure Procedure Policy

CRC Churches International Victoria Inc.

## 1.0 Introduction

The following policy lays out the expected procedure should an affiliated CRC Church voluntarily cease meeting as a church and should be read alongside the State Constitution, recommended local church constitution and the standing local constitution. Ethically, this will provide a means of fulfilling the legal and moral expectations of all three institutions.

## 2.0 Steps preceding closing that should have been taken

### 2.1 Calling for a pastor

Ordinarily closure follows the fact that no minister responds to an extended call to pioneer or re-pioneer the work. As the church declines it could become unviable as to having a qualified oversight or sufficient members to carry on an effective ministry. If the church has not already done so, it should seek help with governance and thus ministry, as clearly the current board is not functioning well enough to take the church forward whether it has sufficient members or not as follows.

**2.2 Governing Church step.** When a church becomes unviable as to membership and or its oversight board is not viable or competent enough (evidenced by continual stagnation or decline) it should seek to partner with a governing church. This would be done in consultation with the State Chairman and would provide independent assistance in governance, additional human resource, and fresh eyes on the situation. At the very least it would provide an independent assessment and second opinion.

Note: This could come about by consulting with the regional leader, or the original sponsoring church, or directly to the State Executive. In turn this could lead to the revitalization and in the meantime if the church has been without a pastor for some time (or the existing pastor is indisposed in any way) then this is a good way to get other ministers involved, one of whom may eventually feel called to take the church forward.

### 2.3 Consultation with the State Chairman.

After this it could be considered by the governing body that the church needs to close for whatever reason. In this case it should be discussed with the State Chairman as there may be other forces that could be brought to aid in the situation. If, for whatever reason, options have run out to care for, administer and revitalize the church then the following recommended method of closing the church should be followed.

Note: Examples of significant reasons for closing the church could include a combination of the following: a geographically isolated church; a church in a disbanded population (egg abandoned mining town); the church membership is less than 5; a church where a leader or senior member was involved has brought irrevocable serious disrepute upon its name and the CRC; another local church has become very prominent making it very difficult for other churches to be viable in the area and it is not feasible to shift away; the church finances have been mismanaged and the church is economically bankrupt; the church does not have enough board members and it is not possible to find a governing church ready willing and able to ensure the church is legally covered.

### 2.4 Legally Proceed with Closing the church

There are two options to close the church and conclude the incorporation.

1. **Recommended Voluntary cancellation** (this is broadly aligned to the recommended windup clauses)
2. **Not Recommended Voluntary winding up** (this is not according to our constitutional methods and involves appointing an administrator and a large number of forms).

Note: This method would not be avoidable if an organisation outside an affiliate framework such as CRC could not call a board meeting to edit the roll if needed and call a Special General

Meeting. However, in the CRC the Executive could appoint a Governing Church and then all the decisions required could then be made.

Voluntary cancellation is the proper term for the CRC constituted process and is also the easiest way to cease operating as a church body corporate and, as may be necessary, it should proceed as follows.

#### **2.4.1 Voluntary cancellation procedure**

This is the method to proceed according to our recommended constitutions and largely according to the parentage of earlier recommended constitutions.

To voluntarily cancel an Incorporation in Victoria:

1. **Decide to consider the matter at a Special General Meeting.** The Governing Board would make a decision whether it was going to consider calling a Special General Meeting on this matter at a future Board Meeting.

Note: If there is no governing board see 2.2.

2. **Consult with the State Chairman** Provide the State Chairman with any relevant details and invite them to attend or be represented at a board meeting prior to a final decision to call a Special General Meeting.

Note: As any decision would have the effect of removing the church from the CRC the relevant clauses would deem it necessary to consult with the State Chairman before a decision is made.

3. **Decide whether to call a Special General Meeting.** Taking in to account any report from the State Chairman and any representation by them or their nominee the Board would make a decision. Generally this meeting must be convened as per constitutional requirements as to Notice, Agenda (including an invitation for the State Chairman or nominee to address the meeting) and Quorum; see next clause 2.4.1.4 for details of such an Agenda.

Note: It would be wise to ensure the membership roll is up to date so that quorum requirements can be met.

4. **Special General Meeting to decide whether to cancel the association.**

The agenda and minutes would include details and items such as:

- Date and time of the meeting
- Chairperson
- Members Present (in body or remotely interactive in real time or by Proxy if allowed by the local constitution), Members Absent and Member Apologies
- Quorum calculation result (10% is the minimum allowed but is usually higher according to the local constitution)
- An opinion/report from the board concerning the proposed resolution
- Representation from the State Executive in person or other means should the State Chairman deem necessary.
- A Treasurer/Board report details on the remaining expenses and liabilities and how they would be met, and the remaining assets and how they are intended to be distributed.
- A motion would then be passed such as "Motion: That (Member So and so, usually the Association Secretary) be authorized to cancel the incorporation as soon as the remaining expenses and liabilities are met and the physical assets are constitutionally distributed as reported in the addenda."
- The mover and seconder of the motion
- The result of the vote (Note for special resolutions to be carried the result must be not less than those who are present (in person, by live media, or by proxy) is not

less than 75% and may be higher depending on the wording of the local constitution)

- The time the meeting closed
- Attach reports tabled with the agenda and or at the meeting referred to in the minutes.

Note: If there is not a quorum then options include working on the membership roll further and calling another Special General Meeting.

5. **Pay all remaining liabilities and distribute remaining assets** as per the clause laid out in your constitution and the policies of the CRC. The recommended constitution states that assets will be distributed to the CRC Generations Fund which would be the case with constitutions formed or renewed after 2010.

Note: Older constitutions would have words to the effect of distributing to a similar organisation which would still allow distribution to the CRC Generations Fund within the State according to the policy and the fact that the CRC State has similar principles, objects and purposes;

Note: If the church board thought it prudent, they could decide to distribute funds in this way prior to the Special General Meeting on a certain date after the special general meeting. Should the special meeting resolution to cancel the incorporation fail, the distribution could be cancelled or varied;

Note: Technically the funds could be distributed prior to the meeting by the board, but that would be a bit unfair on the members by precipitating failure of the organisation in this way, and could be argued (if there was dissent) that doing so is not an object or purpose of the association. However if there are no members other than the board, then this could be appropriate.

Note: Physical sundry assets such as chairs and equipment etc. may be distributed by liaising with the CRC region the church is in as a good place to start. The state church planting representative would also be a good contact for helping new churches who may need such assets.

6. **Apply to Consumer Affairs for cancellation.**

In particular, the association must lodge with Consumer Affairs Vic:

- an [Application for cancellation of incorporation \(Word, 127KB\)](#) confirming the below information
  - have remaining gross assets of less than \$10,000
  - have no outstanding debts or liabilities
  - have paid all relevant expenses, fees and penalties
  - are not involved in any legal proceedings.
- any outstanding annual statements and the lodgement fee for each
- a copy of the full set of meeting minutes (if a special resolution was passed relating to the distribution of assets)
- proof of distribution of assets

Note: A copy of the form from the above link in 2016 is attached as guide to what is required, although it may have been updated.

Note: Even if the association is already no longer operating (e.g. a quorum for the Board cannot be obtained) the association secretary may apply, otherwise if the association secretary is deceased or indisposed for any reason any member (or even a former member) may apply provided the association is in the condition described here in clause 2.4.1.6, otherwise refer to clause 2.2.

This Church Closure Procedure Policy was adopted at the August 2016 Meeting of the CRC Churches International Victorian Inc. State Executive Meeting and became policy as of that date.



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## Application for cancellation of incorporation

*Associations Incorporation Reform Act 2012*

Email: [cav.registration.enquiries@justice.vic.gov.au](mailto:cav.registration.enquiries@justice.vic.gov.au)

Web: [consumer.vic.gov.au/associations](http://consumer.vic.gov.au/associations)

GPO Box 4567 Melbourne VIC 3001

Telephone: 1300 55 81 81

### Things to know before starting your application

- **An application to cancel an incorporation association under section 136 of the *Associations Incorporation Reform Act 2012* can only be made if, to the best of your knowledge, the incorporated association:**
  - has gross assets of less than \$10,000; and
  - has no outstanding debts or liabilities; and
  - has paid all fees and penalties applying to it under this Act; and
  - is not a party to any legal proceedings; and
  - has ceased operations.

If any of these do not apply, please do not continue with this form. To understand how your association can wind up or cancel refer to the [Consumer Affairs Victoria website](http://Consumer Affairs Victoria website).

- If completing the form by hand, please use a blue or black pen and print clearly using block letters.
- There is no fee to lodge this request.

### Details of association

#### 1. Provide details of the association

Name of association	
Association registration number	
Registered address of association (including postcode)	

### Ceasing operation

#### 2. On what date did the association cease operations?

#### 3. What is the reason for requesting cancellation? Why should the incorporation of the association be cancelled?

#### 4. Was a special resolution passed approving the request to make this application to cancel the incorporation?

<b>Yes</b>		Date and location of special resolution – please provide meeting minutes if available
<b>No</b>		Reason why a special resolution was not passed and identify whether remaining members have been notified.

**5. Were the assets of the association distributed according to the association’s rules?**

<b>Yes</b>		Please provide any supporting documentation if available (e.g. bank statement, receipt, etc.)
<b>No</b>		Please identify the value and type of remaining assets and the reason why these assets have not been distributed

**Declaration and signature**

**6. I declare that:**

- I am qualified under section 136(2) to make this application for cancellation of incorporation.
- The association:
  - has gross assets of less than \$10 000; and
  - has no outstanding debts or liabilities; and
  - has paid all fees and penalties applying to it under the *Associations Incorporation Reform Act 2012*; and
  - is not a party to any legal proceedings; and
  - in the case of an application by a member or former member of the association, that the association is not in operation
  - has and/or will dispose of remaining assets in accordance with the rules of the association.
- The particulars contained in this form are true and correct. I acknowledge that it is an offence under section 208 of the *Associations Incorporation Reform Act 2012* to make a false or misleading statement or omit information.

Signature (type name if lodging by email)	
Printed name	
Date (dd/mm/yyyy)	
Address	
Daytime telephone number	
Email address	
Position relative to the association	

**How to lodge**

**If lodging by email.** Email the completed form to [Cav.registration.enquiries@justice.vic.gov.au](mailto:Cav.registration.enquiries@justice.vic.gov.au)

**If lodging by post**, print the form and sign in the declaration section. Post the completed form to Consumer Affairs Victoria at GPO Box 4567, Melbourne VIC 3001.

### **What happens when you lodge your application**

- You will receive an acknowledgment. You may be required to provide more information including lodging any outstanding annual statements for the association.
- When the Registrar is satisfied that the incorporation can be cancelled, a notice will be placed in the Government Gazette and on our website. Members and former members have 28 days from the date of the notice to object to the cancellation.
- We will write to you notifying of any objections or that the association has been cancelled.

**Privacy** – CAV is committed to responsible and fair handling of your personal information, consistent with the laws we administer and the *Privacy and Data Protection Act 2014*. Some information on this form will be placed on a public register in accordance with the *Associations Incorporation Reform Act 2012*. We may be unable to process this application if you do not provide the required information. You can contact us at any time to request access to the personal information we hold about you. In exceptional circumstances, you may apply to have public access to your personal information restricted. Our privacy statement and other privacy information is available at the [Consumer Affairs Victoria website](#) or on request.

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