

## **AMALGAMATION OF PARISHES UNDER THE ANGLICAN CHURCH ACT**

### **ADMINISTRATIVE ISSUES**

1. When parishes are amalgamated under the *Anglican Church Act*, the merging parish corporations become the amalgamated parish corporation and cease to exist as separate parish corporations. All of the real and personal property, and all of the obligations and liabilities, of the merging parish corporations vest in the amalgamated parish corporation. [Section 10(5) & (7)]
2. Under Section 6(15) of Canon 35, where a parish consists of more than one church, the parish council shall annually prepare a consolidated budget for the parish that is binding upon each church in the parish, estimate the operating expenses for the ensuing year, and determine the amount that each church shall pay to the parish during the year as its share of the operating expenses of the parish. Under Section 6(16) of Canon 35, each church's proportionate share of the operating expenses of the parish is the same as the church's proportionate share of the total annual income of all of the churches constituting the parish.

In cases where there is an amalgamation of multi-point parishes, the churches in the amalgamated parish will be familiar with the provisions of Canon 35 because they will have already operated in a parish with several churches. As a result of the amalgamation, there may be (for example) five churches in a parish rather than two, and the parish council of the new amalgamated parish corporation will be elected by five congregations rather than two, but the churches will otherwise operate in much the same manner as in the old multi-point parishes. The operating expenses of the amalgamated parish would include, for example, the salary of the rector, allotment, the cost of heating the rectory, and the like. After paying its proportionate share of the operating expenses of the parish, each church would presumably use its remaining income for expenses associated with its church building and operations.

3. Notwithstanding the amalgamation, each church may establish a church council, but is not obliged to do so. Where a church decides not to establish a church council, the church's business is carried out either by the parish council of the amalgamated parish corporation, or by one or more wardens and a treasurer elected by an annual meeting of the church. [Section 7 of Canon 35]
4. The church treasurer performs the various duties set out in Canon 35 as they apply to the church, either under the general direction of the church

council or (if there is none) under the general direction of the parish council. Among other things, the treasurer is responsible for immediately depositing in a chartered bank, credit union or trust company any monies received by the church to the credit of the church.

5. Even if legal title to church assets has vested in the amalgamated parish corporation, the assets may have been given to the original church for a specific purpose and if so would be impressed with a trust. In such circumstances, the amalgamated parish corporation would acquire the assets subject to the trust obligation, and could not use them for any other purpose.

For example, if a parishioner left money to a church for the upkeep and maintenance of that church, the new amalgamated parish corporation would have to continue to use the monies and any accruing interest for the benefit of the church specified in the parishioner's will. This is similar to what happens with regard to cemetery fund monies under Canon 39, which provides that the income arising from the investment of cemetery fund monies must be used for the upkeep and repair of the cemetery property.

6. Accordingly, while the amalgamation of several parishes might result in the new amalgamated parish corporation having legal title to the lands, investments, and cemetery fund monies held by the old parish corporations, the new amalgamated parish corporation or its constituent churches would continue to use certain investments for the purposes specified by the original donors or for the cemetery to which the cemetery fund investments relate.
7. It would still be possible for a parishioner to leave money by his or her will for the upkeep and maintenance of his or her church. The amalgamation of parishes to form a new parish corporation comprised of two or more churches would not change this.
8. Churches may wish to make arrangements to continue to be responsible for administration of certain assets formerly owned by that church and vested in the amalgamated parish corporation. For example, a church may wish to continue to look after its cemetery fund or other investments, and the parish council of the amalgamated parish corporation and the church may agree to let the church continue to administer its investments as it did prior to amalgamation. This will often be a continuation of pre-amalgamation practices where the amalgamating parishes were comprised of several churches; nothing will really change. In other cases, the amalgamating churches will need to address how they will operate

after the amalgamation, and they may want to address these issues before approving the amalgamation. Technically all assets are vested in and belong to the amalgamated parish corporation, which has ultimate control over how they are to be used subject to any trust obligation applicable to the asset and any arrangement with its constituent churches.