

Disaffiliation of Local Churches Over Issues of Human Sexuality

¶ 2553 Implementation Process for The Upper New York Conference

Introduction:

The 2019 Special Session of the General Conference of The United Methodist Church adopted legislation establishing the limited right of a local church to petition its annual conference to disaffiliate from the denomination “for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.” This limited right is codified as ¶2553 of the 2016 Book of Discipline.

This policy document outlines the terms and conditions by which a local church in the Upper New York Conference can exercise this right. It contains the “standard terms” included in the legislation adopted by General Conference as well as additional terms and conditions established by the Conference Board of Trustees which are not inconsistent with the minimum standards required by ¶2553.

Eligibility:

To exercise the limited right established in ¶2553 of the 2016 Book of Discipline to disaffiliate from The United Methodist Church, a congregation (“Local Church”) must submit to the Conference Board of Trustees its detailed reasons of conscience in writing justifying its disaffiliation due to:

1. "change[s] in the requirements or provisions of the Book of Discipline" or
2. "actions or inactions of [the] annual conference" related to "the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference."

Once in receipt of the congregation’s written statement, the Conference Board of Trustees, in consultation with the Bishop and Cabinet, will determine if the stated reasons of conscience meet these criteria and inform the congregation of its decision within 30 days.

Process:

The decision to disaffiliate from the denomination is solemn and consequential; as such, the process to be followed must be careful, thoughtful, respectful and prayerful. The importance of clear communication, broad involvement, and diligent execution is paramount.

1. Application to Proceed: A Local Church seeking to explore possible disaffiliation from The United Methodist Church must complete a “Local Church Request to Explore Disaffiliation under ¶2553” (see attached) and submit signed copies to a) the chairperson of the Conference Board of Trustees; b) the District Superintendent; and

- c) the resident Bishop. Note: this request form must be completed and submitted no later than February 15th for a local church to be eligible for Annual Conference action that calendar year.
2. Church Conference Vote: Once the Local Church's application to proceed has been approved by the Conference Board of Trustees, the Local Church may request of its District Superintendent that a called Church Conference (§248) be held to consider the request for disaffiliation.
- a. Balloting: As per §2553.3, "The church conference shall be conducted in accordance with § 248 and shall be held within one hundred twenty (120) days after the district superintendent calls for the church conference. In addition to the provisions of § 246.8, special attention shall be made to give broad notice to the full professing membership of the local church regarding the time and place of a church conference called for this purpose and to use all means necessary, including electronic communication where possible, to communicate. The decision to disaffiliate from The United Methodist Church must be approved by a two-thirds (2/3) majority vote of the professing members of the local church present at the church conference."
 - b. Valid Rationale: "[F]or reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow."
 - c. Documentation: The Local Church must provide documentation, to the satisfaction of the Conference Board of Trustees on behalf of the Annual Conference, which evidences the result of the disaffiliation vote taken at the Church Conference. Such documentation must be certified by an authorized officer of the Local Church and shall be included as an exhibit to the agreement to disaffiliate between the Local Church and the Conference Board of Trustees ("Disaffiliation Agreement").
3. Annual Conference Vote: After the Local Church has voted to disaffiliate and the Local Church has negotiated the Disaffiliation Agreement with the Conference Board of Trustees, the disaffiliation shall be "ratified by a simple majority of the members ...present and voting" at a duly-called session of Annual Conference, as required by Judicial Council *Decision* 1379 and § 2529.1_b_ (3). The date of the Annual Conference vote to ratify shall be considered the date of disaffiliation ("Disaffiliation Date").

Local Church Obligations:

The Local Church acknowledges and agrees that pursuant to § 2501 of the *Discipline*, the Local Church holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church. This arrangement is known as the "Trust Clause," and represents both legal, historical and ethical bonds between an annual conference and its

member churches. Disaffiliation severs these bonds and, therefore, requires diligent and deliberate actions on the part of the Annual Conference and the Local Church.

If a Local Church has fulfilled all required steps in the application process and received all necessary approvals (i.e., actions taken by the Church Conference, the Conference Board of Trustees, and the Annual Conference), the Local Church must fulfill the following obligations which will be set forth in the Disaffiliation Agreement:

1. Financial Obligations:

- a. Apportionments: Any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by the Annual Conference; AND an additional twelve (12) months of apportionments, as calculated by the Annual Conference. The amount of a Local Church's required apportionment payment will be shared with the Local Church by the Conference Treasurer prior to the execution of the Disaffiliation Agreement;
- b. Pension Obligations: An amount equal to the Local Church's pro rata share, as determined by the Annual Conference, of the Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider. The amount of a Local Church's pro rata share will be shared with the Local Church by the Conference Treasurer prior to the execution of the Disaffiliation Agreement.
- c. Other Conference Obligations (§ 2553.4a): The Local Church may be required to settle the following additional conference obligations:
 - i. Property/liability insurance arrearages;
 - ii. Health insurance arrearages;
 - iii. Pension arrearages;
 - iv. Salary and benefits – The Local Church may be required to pay its appointed clergy's compensation and benefits through the end of the appointment year immediately following the date on which its disaffiliation is effective;
 - v. Conference held loan funds paid in full;
 - vi. Other Conference related debts.
- d. Other Financial Liabilities: The Local Church shall either satisfy all its debts, loans, and liabilities, or assign or transfer such obligations to its new entity. The Local Church must provide sufficient documentation of same to the Annual Conference.
- e. Transfer Costs: Any costs resulting from such transfers or other transactions shall be borne by the Local Church. The Annual Conference shall fully

cooperate with the Local Church, as needed and applicable, to ensure that such transfers and other transactions convey all the Annual Conference's interest – both for itself and on behalf of The United Methodist Church – in the real and personal, tangible and intangible property of the Local Church.

- f. Property Payment: With respect to the transfer of real and personal property to the Local Church, including tangible and intangible property, the Conference Board of Trustees reserve the right to require the payment of financial consideration from the Local Church based on the nature and type of property, the value of the property, and other relevant factors.

2. Legal Obligations:

- a. Intellectual Property: The Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of the denomination and the Annual Conference, including the removal of all signage containing the same.
- b. Group Tax Exemption Ruling: As of the Disaffiliation Date, the Local Church shall cease to use, and also shall ensure that any affiliates of the Local Church which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating the Local Church is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. The Local Church and any of its affiliates which have been included in the group tax exemption ruling will be removed as of the Disaffiliation Date.
- c. Dissolution of Legal Entities: The Local Church shall take all steps necessary to close and/or dissolve any legal entities and to settle, liquidate, or transfer all assets and obligations of such entities, or to establish any new legal entities, or to modify its current organizing documents, as needed to effectuate its disaffiliation from The United Methodist Church, to the satisfaction of the Annual Conference.
- d. Indemnification: The Local Church shall indemnify, defend, and hold harmless the Annual Conference and its officers, directors, agents, and employees from any liability or costs (including reasonable attorney fees) resulting from any claim, action, or cause of action for damages to persons or property resulting from the Local Church's failure to take all necessary steps as required by the Disaffiliation Agreement.

3. Other terms and conditions (§ 2553.4):

- a. Records: The Local Church shall then turn over to the Annual Conference any church archives, membership rolls, historical documents related to funerals, baptisms, weddings, minutes, etc.
- b. Cemetery/Columbarium: If the Local Church has a cemetery or columbarium, it will be required to take the property as part of the agreement; this will also include provisions related to continued maintenance after disaffiliation, and continued access for families and loved ones of United Methodists buried there.

- c. Continuing as Plan Sponsor: Nothing in the Disaffiliation Agreement shall prevent the Local Church, after the Disaffiliation Date, from continuing to sponsor benefit plans from the General Board of Pension and Health Benefits, to the extent permitted by federal law, and provided the Local Church has not expressly resolved that it no longer shares common religious bonds with The United Methodist Church.
 - d. Audited Financial Statement or Sworn Statement of Assets and Liabilities: The Local Church shall provide the Conference Board of Trustees with an audited financial statement or a sworn statement of assets and liabilities that indicates the current assets and liabilities of the Local Church. This will assist the Local Church and the Conference Board of Trustees in ensuring the Disaffiliation Agreement will cover all necessary financial matters and issues for the transition.
4. Timeframe:
- a. By April 1st prior to the next session of the Annual Conference, the Local Church must submit to the Annual Conference its request for disaffiliation.
 - b. All terms of the Disaffiliation Agreement would normally be fulfilled no later than the following Annual Conference session.
 - c. Should the Local Church fail to satisfy all its obligations within the time period prescribed in the Disaffiliation Agreement, the Disaffiliation Agreement shall be null and void. Under ¶ 2553, all disaffiliations by local churches under this section must be completed no later than December 31, 2023.

