



Upper New York Conference

The United Methodist Church

Disaffiliation of Local Churches Over Issues of Human Sexuality ¶2553 Implementation Process for The Upper New York Conference REVISED *March 2023*

INTRODUCTION

In 2019, after an extended season of disagreements and divisions regarding ministry with and by LGBTQIA+ persons, a Special Session of the General Conference of The United Methodist Church, the top decision-making body in our denomination, adopted legislation establishing the possibility 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 provision is codified as ¶2553 of the *2016 Book of Discipline* and is valid until December 31, 2023.

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

The disaffiliation process consists of three main steps,

1. Discernment Process
2. Legal and administrative work with the UNY Board of Trustees
3. Approval by a UNY Annual Conference Session

1) Discernment Process: congregations wishing to explore disaffiliation from The United Methodist Church based on the provisions of ¶2553 must undergo a discernment process established by the UNY cabinet. If, after completing the discernment process, a congregation wishes to disaffiliate, a vote on disaffiliation is taken in a special church conference presided by the District Superintendent or an ordained elder appointed by the district superintendent. Moving toward disaffiliation requires a two-thirds majority of the professing members of the congregation present at the church conference.

Any congregation that wishes to participate in the disaffiliation discernment process must apply to the Resident Bishop requesting to begin the process. Once in receipt of the congregation's application, the Bishop and Cabinet will respond to the congregation within ten (10) days with permission to proceed and guidance about the next steps. [See *Disaffiliation Discernment Application* form below].

Note: Application Deadline: July 1, 2023.

2) Legal and Administrative Work with the UNY Board of Trustees: If, after completing the disaffiliation discernment process, a congregation decides to pursue disaffiliation in a duly called church conference, the congregation, through its authorized representatives, will work with the UNY Board of Trustees on the legal and administrative pieces related to disaffiliating from The United Methodist Church.

3) Approval of the UNY Annual Conference Session: After the congregation has voted to disaffiliate and has negotiated the Disaffiliation Agreement with the Conference Board of Trustees, the disaffiliation request needs to be ratified by a simple majority of the members present and voting at a duly called session of the UNY Annual Conference, as required by Judicial Council *Decision* 1379 and ¶ 2529.1_b_(3).

DISCERNMENT PROCESS

The disaffiliation discernment process is meant to be a time of Holy Conferencing where all active members of the discerning congregation are to be valued, their voices heard, and dissenting opinions are acknowledged in Christian love.

Holy Conferencing is not about debating an issue but listening with a genuine desire to learn and understand one another's beliefs, opinions, and attitudes. A healthy discernment process voices the congregation's hopes, not just a few individuals' personal opinions and desires.

The decision to disaffiliate from the denomination is solemn and consequential; the process to be followed must be careful, thoughtful, respectful, and prayerful. Clear communication, broad involvement, and diligent execution are paramount to a faithful discernment process.

Congregations exploring disaffiliation must undergo a process that faithfully engages active members and constituents in prayer, listening, and discernment and includes the following components.

1. Communal covenant to doing no harm and seeking the well-being of all participating in the process.
2. Balanced sharing of information and perspectives around human sexuality and its practical missional implications to the congregation.
3. Open conversation about the pros and cons of disaffiliating.
4. Open disclosure of the estimated requirements payments, terms, and timelines for disaffiliating.

5. Church Conference Vote

- 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. Resolutions to be Considered (all three resolutions must be adopted by the Church Conference while in session):
 - i. *Disaffiliation*: “after a genuine process of churchwide discernment, including consideration of the estimated payments necessary to fulfill the financial obligations involved in disaffiliation, requests to disaffiliate from The United Methodist Church and the Upper New York Conference due to 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 of inactions of the Upper New York Conference related to these issues, as permitted by ¶2553 in the *Book of Discipline* of The United Methodist Church.”
 - ii. *Trustee Negotiation Authorization*: “Furthermore, upon adoption of this resolution, the Church Conference of [Local Church Name] directs its board of trustees to negotiate with the Conference Board of Trustees the final terms of disaffiliation.”
 - iii. *Property Transfer*: “And furthermore, the Church Conference of [Local Church Name] approves the transfer of the real and personal property of [Local Church Name] to the newly created entity pursuant to the Disaffiliation Agreement and the Real Property Transfer Agreement which will occur subsequent to ratification by the Annual Conference.”

The Local Church must provide documentation, to the satisfaction of the UNY Cabinet and Conference Board of Trustees, that 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”).

Role of Clergy – Clergy persons appointed to local churches are called to be pastoral to all congregation members, especially in times of disagreement. Conversations about disaffiliation should not be initiated or led by the appointed pastor(s) based on their personal beliefs and attitudes toward LGBTQIA+ persons. The role of the pastor is not to advocate for any given position but lead all the people under their care with a shepherd’s heart. Pastors of discerning churches should focus on inviting the congregation to display Christian hospitality, providing pastoral care to the congregation during the time of discernment, and ensuring a fair process that includes access to balanced information, does no harm, and is conducive to healing and reconciliation.

A clergyperson’s discernment regarding their future relationship with the United Methodist Church related to their personal beliefs and attitudes about ministry with and by LGBTQIA+ persons is separate from the discernment process established for congregations in paragraph 2553 of the BOD.

Clergy in UNY who wish to withdraw from The United Methodist Church either to unite with another denomination recognized by the General Conference of the UMC, terminate their membership in the UMC, or withdraw from the ministerial office entirely, must communicate their intent to their District Superintendent and Resident Bishop before they share their decision with their congregation in accordance with paragraph 360.1 and 360.2 in our *Book of Discipline*. At that time, guidance will be provided regarding the steps to follow to live into their discernment and timelines.

LEGAL & ADMINISTRATIVE WORK WITH CONFERENCE BOARD OF TRUSTEES

Congregations that decide in a duly called church conference to pursue disaffiliation from The United Methodist Church then work with the UNY Conference Board of Trustees on the legal and administrative pieces related to disaffiliation.

- 1) Finalization of Disaffiliation Agreement: Upon direction of the Church Conference, the Local Church’s board of trustees will work with the UNY Conference Board of Trustees to finalize the terms of disaffiliation (“Disaffiliation Agreement”).
- 2) Establishment of New Not-For-Profit Corporation or Religious Corporation: 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, and to establish a new not-for-profit corporation or religious corporation, and to modify its current organizing documents, as needed to effectuate its disaffiliation from The United Methodist Church to the satisfaction of the Annual Conference.
- 3) Payments Received: All payments stipulated in the finalized disaffiliation agreement must be received by the conference treasurer seven (7) days before the vote of the Annual Conference.

APPROVAL BY A SESSION OF THE UNY ANNUAL CONFERENCE

After the congregation's Church Conference has voted to disaffiliate and has negotiated the Disaffiliation Agreement with the Conference Board of Trustees, it needs to be approved/ratified by a simple majority of the members present and voting at a duly called session of the Annual Conference (see Judicial Council *Decision* 1379 and ¶ 2529.1_b_ (3).)

1. If the UNY Annual Conference session approves/ratifies the congregation's request to disaffiliate from The United Methodist Church, the UNY Conference Board of Trustees will petition the New York State Supreme Court and/or the Attorney General (NYS) to authorize the transfer of the Local Church's real and personal property to the new not-for-profit or religious corporation. Property cannot be transferred until NYS approval has been received.
2. Property Transfer: The real and personal property of the Local Church will be transferred to the new not-for-profit or religious corporation once approval has been received and all remaining fees and obligations have been settled. The effective date of the property transfer constitutes the effective date of the disaffiliation.

TERMS OF DISAFFILIATION

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 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.

To complete the disaffiliation process, a Local Church must complete all required steps in the application process, and receive all necessary approvals (i.e., actions taken by the Church Conference, the Conference Board of Trustees, the Annual Conference, and New York State authorities), and must have fulfilled the following obligations outlined in the Disaffiliation Agreement:

1. Financial Obligations:

- a. Apportionments: Any unpaid apportionments for the twelve (12) months immediately before 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 before 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 before the execution of the Disaffiliation Agreement.
- c. Other Conference Obligations (¶ 2553.4a): The Local Church must settle the following additional conference obligations:
 - i. Property/liability insurance arrearages.
 - ii. Health insurance arrearages.
 - iii. Comprehensive Protection Program (CPP) arrearages.
 - iv. Pension arrearages.

- v. Salary and benefits –The Local Church must pay its appointed clergy’s compensation and benefits through the end of the appointment year immediately following the effective date of disaffiliation if the appointed clergy remains in the United Methodist Church and is unable to be appointed elsewhere.
 - vi. Conference held loan funds paid in full.
 - vii. 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 for the Annual Conference.
 - e. Transfer Costs: Any costs resulting from such transfers or other transactions, including, but not limited to, all closing costs, and, specifically including the cost of any application for New York State Supreme Court or Attorney General approval of such transfer and all attorneys’ fees associated with such transfer, 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, subject to, with respect to real property, approval of the New York State Supreme Court or New York State Attorney General. Real property shall be transferred via Quit Claim Deed from the Annual Conference.
 - f. Property Payment: No financial consideration with respect to the transfer of real and personal property to the Local Church shall be required as part of the disaffiliation agreement.

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 removing 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 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 and to establish a new not-for-profit corporation or religious corporation, and 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 copies of 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, including 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.

- e. Real Property Transfer Agreement: The Local Church and the new entity will enter into the Real Property Transfer Agreement to document the transfer of real property to the new entity.
4. Schedule and Deadlines for Completion of Steps:
- a. Spring Group:
 - i. Application to Proceed: submitted by March 1, 2023.
 - ii. Church Conference Vote: completed no later than April 1, 2023.
 - iii. Finalization of Disaffiliation Agreement: completed by May 1, 2023.
Annual Conference Vote: during the June 2023 annual conference session.
 - b. Fall Group:
 - i. Application to Proceed: submitted by July 1, 2023.
 - ii. Church Conference Vote: completed no later than August 1, 2023.
 - iii. Finalization of Disaffiliation Agreement: completed by September 1, 2023.
 - iv. Annual Conference Vote: October 14, 2023, special called session of the annual conference.
5. Other Considerations:
- a. 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.
 - b. Under ¶ 2553, all disaffiliations by local churches under this section must be completed no later than December 31, 2023.



Upper New York Conference

The United Methodist Church

LOCAL CHURCH REQUEST TO EXPLORE DISAFFILIATION UNDER ¶2553

In 2019, after an extended season of disagreement and division regarding ministry with and by LGBTQIA+ persons, a Special Session of the General Conference of The United Methodist Church, the top decision-making body in our denomination, adopted legislation establishing the possibility 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 provision is codified as ¶2553 of the *2016 Book of Discipline* and is valid until December 31, 2023.

If after reviewing the Upper New York Disaffiliation policy and process a local church wishes to explore the possibility of disaffiliation it must apply to the Resident Bishop requesting to begin the process. Once in receipt of the congregation’s application, the Bishop and Cabinet will respond to the congregation within ten (10) days with permission to proceed and guidance about the next steps.

REQUEST: After reviewing the Upper New York Disaffiliation policy and process, the administrative board/ church council of the congregation listed below, voted on _____ (date) to request the UNY cabinet to undergo the UNY disaffiliation discernment process.

Church Name: _____ GCFA Number: _____

Pastor Name: _____

Pastor Email: _____

Chair of Administrative Board/ Council Name: _____

Chair of Administrative Board/ Church Council Email: _____

Lay Leader Name: _____

Lay Leader Email: _____

Board of Trustees Chair Name: _____

Board of Trustee Chair Email: _____

IMPORTANT: All applications must be submitted electronically via email to bishopsoffice@unyumc.org, by **July 1, 2023**.