

# Expedited Church Transition Process

- ✓ After 3 years of work in this area, it is clear that this work is not considered an initiative or a priority for most DS's. Without their initiative, either in leading or delegating and supporting the process, nothing will move forward.
- ✓ Logic has not created the needed momentum. Psychologically, DS still have a general sense of personal failure when closing a church, particularly as their tenure lengthens.
- ✓ Nor do the DS's understand the relationship between Nehemiah and Cabinet Development Fund and support for missional initiatives.

Purpose: An expedited process to provide at risk churches an opportunity to participate in pre-defined choices surrounding their future. "High risk" may be defined by attendance history, professions of faith, engagement with community (mission field), and financial strength.

## Key Learnings:

1. The process works better when the rationales are metric based and compared against common standards.
2. Extended closing processes increase the development of false hope making the closing conversation more difficult.
3. The closing process is expedited when the church has some clear plan for the future.
4. In most settings, the congregation is looking for a way to stay together and some hope for the future.
5. There must be an angry meeting - it is part of the process and needs to happen to allow more rational conversation.
6. Churches do not see closing as something caused by them. Closing is seen as something the Conference or District does "to" the church.
7. A two person District Team, one with high empathy, one with a high focus on mission, works best.
8. An early meeting with the Pastor and 2 or 3 key lay people is essential. Pastors have tended to align with the congregation.
9. Trust clause needs to be explained at both the initial meeting with the pastor and leaders and in the congregational meeting.

## GENERAL STEPS OF THE PROCESS:

### **Create Transition Team:**

1. Create two person teams within each District—Trained by Beth, and the NE Team

**Complete At Risk Assessments**(Done in partnership with VCI and Episcopal Office or based on District developed metrics)—These are now available. There is both a 5 year and a 1 year assessment of all churches in the Annual Conference.

**Determine Churches to be closed- *Do this as a “summit like” meeting of the Appointive Cabinet. A Highest risk group, not focused on any District.***

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**Schedule meetings with Pastor and leaders**

**Schedule congregational meetings:**

**Full congregational meeting with Facilitators**

**Options explained**

**Close and attend elsewhere**

**Close and disperse**

**Close and become some form of Class meeting**

**(No appeal at AC)**

**Charge Conference led by DS**

***Note: In complying with the Book of Discipline, the Expedited Church Transition Process requires certain legal reviews in addition to the church intervention. Part 1 of this document ONLY covers the church intervention. Please review Part 2 prior to beginning the Church Intervention.***

Goals:

- To be effective in the mission field of the local church while honoring the faithfulness of generations of members.
- Be Christ-like.
- Help the believer know that while their church is closing or being adopted, the church is still “going into the world to make disciples”.
- Provide real options that support the mission field and minimize the congregation’s individual and collective pain.

## **Part 1. Church Intervention**

The Basics:

- District Office prepares Assessment Report. Either the District’s own assessment results or the Conference CTA and Imprint analysis.
  - Ecclesiology vs Churchology. ***Ecclesiology is about being called out, to gather around Jesus the crucified One as his people, and to embody the life and teachings of Jesus together.*** On the other hand churchology takes for granted the presence of Jesus, as a matter of fact (for whatever theological reasons), and the alignment of God’s mission and will, with any particular gathering or institution. Churchology is dangerous. It is a new-Christendom for the 21<sup>st</sup> century, in which a community assumes that they are part of what God is doing in creation, just because they think so. ***Ecclesiology realizes how easy it is to lose Jesus along the***

*way (Luke 2:41-52), to have him on the outside of what we've got going on (Luke 3:19-20). The kingdom of God is not automatic for a gathered people who call themselves Christian, nor is it confined by the limits of Christian gatherings. (Church and the Kingdom of God: Drew Hart)*

- DS meets with each pastor and 2 or 3 key leaders a minimum of one month prior to Transition Session(s).
  - Pastor and leadership provided the assessment information
  - Expectations of the pastor to be a partner and positive participant in this process are explained.
  - Pastor and leadership encouraged to incorporate the “role of the local church” and God’s Kingdom into sermons
  - Pastor and leadership encouraged to read Gil Rendle’s article “Be Strong and Of Good Courage” (Attachment 4) and book Doing the Math of Mission: Fruits, Faithfulness and Metrics.
    - Additional resources include:
      - The Anatomy of Peace: Resolving the Heart of Conflict by The Arbinger Institute
      - The Present Future: Six Tough Questions for the Church by Reggie McNeal
      - Managing Transitions: Making the Most of Change by William Bridges
  - DS shares with the Pastor and leadership their role before/during/after the Sessions
    - The conversation can be shaped based on the Conference Relationship of the Pastor
      - We are in this together, Pastor, DS, Cabinet
      - You have a vital role in seeing the larger picture and shepherding your people through the transition
      - Leading this well is a career enhancer, not a negative on your record.
  - DS encourages the Pastor to focus pre-charge conference sermons on
    - Grief
    - Legacy
    - Celebration
    - Resurrection into a new form of life
- The Sessions will be conducted by the DS and/or Conference or District Transition Facilitator for one or more churches.
- Each session will be no longer than 90 minutes.
- The two sessions can be combined into one event with a minimum 15 minute break between.
- Paperwork preparation for the Final Session:
  - This closure is coming under BOD Para 213 OR 2549. It is far easier to get all the necessary paperwork signed if available at the final session is conducted.

Step 1. Intervention with the Church(es)—Congregational meeting **[this is likely an angry meeting. The facilitators/DS need to see that emotion as a purging process.**

**Session 1: Why my church?**

*While typically in denial, “high risk” churches know that they are in danger of closing. History suggests they hold on to any hope to survive. Often older, these congregations equate God with the brick and mortar of their buildings. Survival is, therefore, tied to their personal need to experience God within the building AND tied to their personal desire to be buried by “their church.”*

- **John 12:23-26(NRSV)** <sup>23</sup>Jesus answered them, “The hour has come for the Son of Man to be glorified. <sup>24</sup>Very truly, I tell you, unless a grain of wheat falls into the earth and dies, it remains just a single grain; but if it dies, it bears much fruit. <sup>25</sup>Those who love their life lose it, and those who hate their life in this world will keep it for eternal life. <sup>26</sup>Whoever serves me must follow me, and where I am, there will my servant be also. Whoever serves me, the Father will honor.

**Opening Prayer**

All embracing God of the past,  
We give you thanks for all  
The people of this church who have gone before us;  
Saints and sinners like us,  
Who have nurtured each other,  
Fed the hungry,  
Visited the sick,  
And reached out to the world in your name.  
We lift them up to you O God, as we express our gratitude  
For their good work,  
Their good stewardship,  
And the rich heritage they have left us.

All embracing God of our present,  
We give you thanks for each person  
Who calls this their church home.

Grant that we might, even in this time of transition,  
Find grace to nurture each other  
As we seek to be good stewards of your church,  
Between cherishing the traditions of a secure past  
And embracing the yet unfamiliar practices that will be our future.

Grant us wisdom in our disagreements and in our uncertainty.  
Grant us wisdom to understand that the vision we seek  
Is nothing less than your own plan for us.  
Grant us patience to let the vision unfold  
As we pray and study and work together.  
Grant us courage to begin new things.  
Grant us a joyful spirit so that this church  
Might reflect your glory and goodness  
In our community

All embracing God of the future  
We give you thanks for tomorrow.  
As you lure us into the unknown,  
Keep us secure in the knowledge that  
Whatever the future holds

You will be there waiting for us

*(Rev. Kathryn Anadein)*

- DS or Transition Facilitator Presents: God has given us direction on what He needs his church to be. His direction was critical centuries ago AND critical today.
  - Christ gave us specific direction on building His church, doing His work on earth to build His Kingdom here. (Reference: Choosing the Faithful Path, Crissman & Rankin)
    - Love God, ourselves, and our neighbors (Matthew 22:37-39)
    - Go, reach, teach others and grow faithful disciples of Christ (Matthew 28:19-20)
    - Serve and minister with our neighbors in our community (Matthew 25:35-40)
  - The United Methodist Book of Discipline (paragraph 201-204) amplifies what the local church is called to:
    - Preach the Word Faithfully
    - Regularly administer the sacraments
    - Actively lead people to accept Jesus Christ
    - Teach and equip the believers to become faithful disciples
    - Minister to the community's needs through our members
    - Work through the United Methodist connection to meet community needs
- DS or Transition Facilitator Leads with discussion: How is your local church doing?
  - Review of the prepared assessment report. Focus on Mission Vital Signs as compares to the questions below:
    - *Are we inviting and welcoming the ones we know and the ones we don't know into church?*
    - *Are we leading new people (adults and children) into baptism and professions of faith?*
    - *Are we growing in our faith evidenced by our regular worship, strengthening spiritual disciplines evidenced by monetary generosity, small group participation in learning more about the faith, and our service to God and others by being Christ's hands and feet in our communities?*
      - *John Wesley – following all the ordinances of God –*

- *Practice public worship of God*
- *Ministry of the word*
- *Supper of the Lord – Holy Communion*
- *Family and Private Prayer*
- *Searching the Scriptures*
- *Fasting/Abstinence*
- *Or – 5 Fruitful practices*
  - *Prayers, Presence, Service, Gifts, Witness*
- Review of the prepared assessment report. Compare ministries and outreach to Community needs identified through MissionInsite.

DS or Transition Facilitator Presents: What are your options?

- Communicate here the reality of a 2549.3 exigent circumstances closing. The goal is to arrive at the best possible arrangement to:
  - Make a positive witness for Jesus Christ in the mission field as options are considered and agreed upon.
  - Practice responsible stewardship of the resources God has provided for ministry.
  - Acknowledge a changing mission field.
  - Continue our Wesleyan disciple making practices emphasizing a lifetime process of growing in God’s grace.

These options are the church’s to choose, *but you must choose one*. Voluntary closure

- Under this option the charge conference votes to close voluntarily and the members transfer to the most appropriate area church. All property is conveyed to the Annual Conference for use in developing vital ministries and churches including new churches. Plans are to be made for an appropriate final worship service celebrating the ministry of the church. When done right it is a positive witness to the world on Christian community and our focus on connecting people in the world with the life-giving power of Jesus Christ.
- 2. Involuntary closure
  - Paragraph 2549.3 of the Book of Discipline of the United Methodist Church, 2016 is invoked citing the exigent circumstances of the church’s current situation and closing is done involuntarily. Assets are transferred to the Annual Conference and efforts are made to connect the members with an area church. Generally a contentious process that leaves little room for a positive witness to the world.
- 3. *Continue as* CHURCH NAME *Class Meeting*
  - *Under this option the congregation is not dispersed, but the assets are transferred to the Annual Conference under Paragraph 2549.3 2540 and 2541.*
  - *The Annual Conference will provide financial and training support for the congregation to transition into a Class Meeting*

*form of faith community. This is the form of faith community that was the root of the Methodist Movement in which groups of Christians gathered regularly for Bible Study, Life Support, Faith development, community service and Fellowship.*

- *The Annual Conference's Church Vitality Initiative will provide training for leaders who can be either lay persons or local pastors.*
  - *From the Conference's Cabinet Development Fund the church will receive support of no more than \$750 per month. It may be less based on the value of the assets transferred.*
    - *The support will be for three (3) years.*
    - *It will be dependent on the church initiating no interference in the sales process.*
- **DS or Transition Facilitator Presents: Go, pray, listen**
    - DS or Facilitator names some of the emotions that they may be experiencing. (Anger, sadness, disappointment, sense of loss, relief, abandoned, etc.)
    - DS or Facilitator encourages to take all their emotions to the Lord. Suggest some scripture that may be helpful
      - **You are safe with God.** *God is our refuge and strength, a very present<sup>[a]</sup> help in trouble. Psalm 46:1 NRSV*
      - **God is in control.** *He made the storm be still, and the waves of the sea were hushed. Psalm 107:29 NRSV*
      - **God will give you strength.** *9 but he said to me, "My grace is sufficient for you, for power is made perfect in weakness." So, I will boast all the more gladly of my weaknesses, so that the power of Christ may dwell in me. 2 Corinthians 12:9 NRSV*

## **Session 2: The Future.**

- **DS Presents:** DS' description of God-given vision of what this District is called to and will look like
- **DS Leads:** What do the options mean? And what can they look like?
  - Q&A
    - **Scriptures about Finishing well:** contrasting stories between Hezekiah and Paul – Hezekiah was a righteous King (2 Kings 18, 20) who did not finish his life well but the apostle Paul did. Hezekiah did a lot well, but he didn't finish well or leave a God-honoring legacy through his son. Life in Christ needs to be run to the finish line (Philippians 3:14) so that everything that could be done to leave a proper legacy will have been done. As Paul said, "I have fought the good fight, I have finished the course, I have kept the faith; in the future there is laid up for me the crown of righteousness, which the Lord, the righteous Judge, will award to me on that day; and not only to me, but also to all who have loved His appearing" (2 Timothy 4:7-8).

- **DS Leads:** DS convenes the church’s Charge Conference.
  - Motion for voluntary BOD para 213 is read, including where appropriate language related to Class Meeting Status
  - Floor opened to questions concerning the motion
  - Calls for vote (simple majority)
    - Two people count (1 district or conference and 1 church council member); compare count; record on copy of motion; presents to DS for announcement to conference
  - If vote is no, the DS announces para 2459.3 closure, which automatically triggers an involuntary closure.
  - To complete the paperwork, a show of hands motion is needed. The leaders are asked to:
    - ***“Vote to authorize the Trustees to sign conveyance documents”***
  - DS announces final service and next steps

## Part 2. Procedure and Legal Requirements

### The Basics:

- The Transition Process is governed by the BOD para 213 (voluntary closure) or para 2549 (involuntary closure). The Church Intervention process described above is designed to meet the requirement to “guide the congregation in an assessment” per para 213 & para 2549.
- The District Office will coordinate and administer all the requirements. Attachment 3 to this document is the “Discontinued Guidelines” that provide samples. *(NOTE: this was approved by the Cabinet in 2013 per the 2012 BOD. A full review will be done to support 2016 BOD and revisions provided to the Cabinet for approval.*
- **Before the Church Intervention:**
  - Because the Church Intervention process described above includes an opportunity for the church to vote for voluntary closure per para 213, the DS will follow the Book of Discipline with Session 2 including a called **Charge Conference**. Notification requirements will be per BOD: 10 day advance notice via two separate notification means.
  - District Office will obtain a legal opinion as to reversion and similar rights
  - DS develops a plan with **District Building and Location, or the District entity that fulfills that role**, for future use of property. Note that per Florida Annual Conference the property, upon closure, will be transferred to the Florida Annual Conference.
  - Determine where and how the **membership** will be transferred. Points to consider:
    - It is best to transfer membership to a “Healthy” UMC with a vital congregation and the ability to offer pastoral care. Have membership roles with contact information immediately available to the receiving church. It is not uncommon for there to be immediate pastoral care and hospital visits needed.

- Coordinate with the “receiving church pastor as soon as possible. Encourage the pastor to create a welcoming plan for these congregants to include: added immediately to the church newsletter, possible welcoming lunch after service, identification of a small group classroom for them, invitations to join the choir and other groups, etc.
    - If appropriate, have the “receiving pastor” be introduced at the end of final session. Have him/her invite the congregation to come experience worship and fellowship together. Invite them to remain as a small group with a space already being set aside for them
    - Have the current pastor accompany the congregation together to attend a worship service at the receiving church. This has been very helpful in people beginning to see themselves in a new setting.
  - A **motion** will be prepared by the District Office and presented for voluntary closure at Session 2/Charge Conference above. (See Attachment 3 for a sample.)
  - Paperwork prepared for signatures at Charge Conference:
    - Please see “Synopsis of “To” Do’s and Archiving when Closing a Church, Attachment 2.
  - IF the Charge Conference does not vote for voluntary closure, the DS will announce he/she is implementing closure pursuant to BOD para 2549.
- **After the Church Intervention:**
  - Please reference Attachment 2 for a synopsis of requirements
- **Bishop, Cabinet, AC requirements:**
  - Voluntary Closure:
    - After receiving the DS recommendation, the following must consent:
      - The presiding bishop
      - A majority of the DSs
      - The appropriate DBCLB
    - The annual conference votes to close the local church.
    - The title to all of the local church’s real and personal property immediately vests in the FAC board of trustees.
  - Involuntary Closure:
    - The following must all declare, in their sole discretion, that exigent circumstances exist that require immediate protection of the local church’s property for the benefit of the UM denomination. It is recommended that resolutions or other appropriate documents recite sufficient facts to justify the finding that exigent circumstances exist to take the proposed action.
      - The presiding bishop

- The majority of the DSs
- The appropriate DBCLB.
- Title to all real and personal property immediately vests in the FAC trustees.
- When it next meets, the Annual Conference decides whether to formally close the local church.

## Attachment 1

### Leaving a Legacy Worth Living For-Sermon Series

- **Week One: What is a legacy? John 12:23-26(NRSV)**
- *<sup>23</sup> Jesus answered them, “The hour has come for the Son of Man to be glorified. <sup>24</sup> Very truly, I tell you, unless a grain of wheat falls into the earth and dies, it remains just a single grain; but if it dies, it bears much fruit. <sup>25</sup> Those who love their life lose it, and those who hate their life in this world will keep it for eternal life. <sup>26</sup> Whoever serves me must follow me, and where I am, there will my servant be also. Whoever serves me, the Father will honor.*
- **Week Two: Leaving a Legacy Worth Living For Requires Following the Example of Jesus Philippians 2:6-11 (NRSV)**
- *<sup>6</sup> who, though he was in the form of God, did not regard equality with God as something to be exploited, <sup>7</sup> but emptied himself, taking the form of a slave, being born in human likeness. And being found in human form <sup>8</sup> he humbled himself and became obedient to the point of death— even death on a cross. <sup>9</sup> Therefore God also highly exalted him and gave him the name that is above every name, <sup>10</sup> so that at the name of Jesus every knee should bend, in heaven and on earth and under the earth, <sup>11</sup> and every tongue should confess that Jesus Christ is Lord, to the glory of God the Father*
- **Week Three: Leaving a Legacy Worth Living For Requires Humility and Care For the Welfare of Others**
- **Philippians 2:3-4 (NRSV)**
- *<sup>3</sup> Do nothing from selfish ambition or conceit, but in humility regard others as better than yourselves. <sup>4</sup> Let each of you look not to your own interests, but to the interests of others.*
- **Week 4 Leaving a legacy Like Jesus Requires Keeping Eternity in Mind 2 Corinthians 4:16-18(NRSV)**
- *<sup>16</sup> So we do not lose heart. Even though our outer nature is wasting away, our inner nature is being renewed day by day. <sup>17</sup> For this slight momentary affliction is preparing us for an eternal weight of glory beyond all measure, <sup>18</sup> because we look not at what can be seen but at what cannot be seen; for what can be seen is temporary, but what cannot be seen is eternal.*
- **Week 5: November 26 What Legacy Are Your Leaving? Isaiah 43:5-7 (NRSV)** *“Do not fear, for I am with you; I will bring your offspring; from the east and from the west I will gather you; Bring my sons from far away and my daughters from the ends of the earth – everyone who is called by my name, whom I created for my glory, whom I formed and made.”*
- **Celebration 1 Corinthians 10:31 NRSV** *So, whether you eat or drink, or whatever you do, do everything for the glory of God!* I preached on Richard Foster’s Book, Celebration of Discipline, and the Discipline of Celebration is a topic in this book.

## I. Introduction

This document and its attachments are intended to be a guide and checklist once a Superintendent has made the decision to seriously consider discontinuing a congregation. Although specific suggestions are offered, and letters and motions with specific language are included, these Guidelines should never be used without a studied consideration of the issues facing each situation. All congregations are unique. Ministry issues and needs within a community vary. Assets, both real (land and buildings) and personal property (furniture, computers, cash, bank and investment accounts, etc.), will differ. Therefore, it is essential that those addressing the issues surrounding discontinuance do so keeping in mind both the differences and the opportunities that are presented. What follows are guidelines intended to reflect requirements under the *2016 Book of Discipline* and the needs of the Florida Annual Conference. Essential requirements as well as some practical considerations are addressed.

## II. Chronological Actions To Be Taken

### 1. Discussions and Evaluation of Potential Recommendation

- a. Conduct A Ministry Assessment Pursuant To ¶ 213 Of The Book Of Discipline Paragraph 2549 further provides:

**Date Completed:**\_\_\_\_\_

Discontinuation:

2549 Disposition of Property of a Closed Local Church—1. Except as provided in ¶ 2549.3, the district superintendent may, pursuant to this paragraph, recommend the closure of a local church, upon a finding that:

a) The local church no longer serves the purpose for which it was organized or incorporated (¶¶ 201-204); or

b) The local church property is no longer used, kept, or maintained by its membership as a place of divine worship of The United Methodist Church.

2. Procedure—a) Prior to a recommendation to close a local church, the district superintendent shall:

(1) Guide the congregation in an assessment of its potential as outlined in ¶ 213, in consultation with the appropriate agency assigned the responsibility of the conference parish and community development strategy;

i.

It should be noted that the process for discontinuing a congregation pursuant to ¶ 2549 does **NOT** ultimately require the consent of the congregation or their Charge Conference. However, ¶ 2549 **DOES** require the Superintendent to oversee an assessment of ministry potential pursuant to ¶ 213. Under ¶ 213 the participation of the congregation is extensively required. Consult ¶ 213 for guidance on the appointment of a task force, the requirements of its composition, the nature of the study and the reporting requirements. This ministry assessment is critical because it will guide the Superintendent's recommendations with respect to whether to discontinue the congregation, and, if so, how to dispose or use the property going forward.

b. **\_\_\_Obtain A Legal Opinion On The State Of The Title Of The Congregation's Real Property (2549.2.2) (SAMPLE LETTER ATTACHED )**

**Date Completed:**\_\_\_\_\_

- i. Par. 2549 2.2 states: Obtain and consider an opinion of legal counsel as to the existence of any reversion, possibility of reverter, right of reacquisition, or similar restrictions to the benefit of any party;
- ii. This will be coordinated by the Conference Treasurer and would preferably be done a few weeks before any vote to close.
- iii. The reason for obtaining a title search is to protect against the possibility that the original grantor / seller of the property placed a restriction in the deed in the event of a sale or other conveyance. A common reverter clause would say "to the Trinity United Methodist Church so long as it is used as a place of divine worship, and in the event it ceases to be used as a place of divine worship, the ownership of the property shall revert to the grantor or her/ his heirs...."
- iv. There are other practical reasons for obtaining the legal opinion on the state of the title. Where the sale of property is contemplated, timing can be an issue. One illustration of what can happen was the proposed sale of the Wesley UMC in Lakeland. A title check revealed title to the property on which the church was located was deeded in five different parcels and transactions dated back to the St. Johns River Conference. Clearing up title in situations like that can take over a year.

c. **\_\_\_Determine The Value And Marketability Of The Property**

**Date Completed:**\_\_\_\_\_

- i. In consultation with Conference Real Estate Attorney, Conference Broker, Conference Treasurer, and Director, Vital Church Initiative determine to what use the property might be put if it is no longer going to be used by a congregation. Knowing the applicable zoning of surrounding property will help in the process of assessing options for use. If the surrounding zoning will not permit a commercial use, options for a sale or other uses could be limited, or you will know that a zoning variance may first need to be obtained.
  - o Knowing the projected sales price, and the estimated timeline for selling the property, can be very helpful in making decisions. A few years ago a member of the Cabinet hired counsel to litigate with a congregation who wanted to keep their property as opposed to allowing it to go to the Conference. The Superintendent thought the property was worth a lot more than what turned out to be its actual value. As a result more money was spent on legal fees than the property was worth.
  - ii. Knowing the value and marketability of the property in advance can assist greatly when considering the available options of how best to use the property “to make disciples of Jesus Christ for the transformation of the world.” Accomplishing this mission is behind the next step required by *The Book Of Discipline*.
  - iii. 2549 2.3 States Develop, in consultation with the appropriate district board of church location and building, a plan for the future use of all the real and personal, tangible and intangible property of the local church; and
- III. 2549 2.4 – The DS should Develop a plan for the transfer of membership of the local church (229).
- o The information concerning the transfer of the members should be with the permanent records of the discontinued church and notification should be sent to the Conference Statistician.
- IV.
- V. **Hold A Charge (or Church) Conference To Ratify The Recommendation To Discontinue**

- **\_\_\_Prepare A Motion To Discontinue To Be Voted Upon By The Charge Conference (SAMPLE ANNOUNCEMENT AND MOTION ATTACHED)**

**Date Completed:**\_\_\_\_\_

- i. As previously stated under ¶ 2549 there is NO REQUIREMENT that a local congregation concur with a Superintendent's recommendation that the congregation be discontinued. However, as a practical matter and out of respect for both the past and anticipated future service of the members of a congregation, a Charge (or Church) Conference should be held to vote on the recommendation for discontinuance. When discontinuance is pursued, ideally it should be the natural sequence coming out of the ministry assessment conducted under ¶ 213. Congregations react in different ways when presented with a recommendation to discontinue. If the congregation will vote at a Charge **or Church** Conference to support the recommendation to discontinue (a "voluntary discontinuance") the mechanics of completing the process will likely move much smoother. If the congregation does not concur, the Superintendent will face additional challenges, but the process can still go forward.

The District Superintendent will want to use her / his discretion in deciding whether a Church Conference may be preferred over a Charge Conference in order to receive the preference and input of a larger cross section of the membership. The Superintendent may also choose to use a paper ballot as the method of voting.

- **\_\_\_The Conference Real Estate Attorney will prepare A Deed(s) To Be Held In Escrow And Bring It To The Charge Conference And Arrange For An Immediate Signing Before A Notary Public. *The deed(s) you have in hand must be drafted by a real estate counsel and in compliance with The Book Of Discipline so that Trust Clauses are released and/or included. This will be coordinated by the Conference Treasurer.* (SAMPLE DEED ATTACHED CONTAINING TRUST CLAUSE)**

**Date Completed:**\_\_\_\_\_

***Preparation of Deeds continued:***

- i. Irrespective of the outcome of the vote at the Charge Conference, one can assume the level of cooperation and the availability of personnel from the congregation will only deteriorate as you move through the stages of discontinuance. Typically the Charge Conference will agree with the Superintendent's recommendation and will vote to discontinue, albeit with a degree of reluctance. Implicit in that vote should be a directive to the Trustees to take any and all legal steps necessary to implement the vote of the Charge Conference. However, it is recommended the motion make that directive explicit rather than implicit. In order to accomplish the directive the motion that comes before the Charge Conference should contain the following line: "The Trustees are directed to execute all documents necessary to comply with the vote to discontinue, including but not limited to immediately executing a deed(s) to be held in escrow pending completion of all requirements pursuant to *The Book Of Discipline*." (This provision is included in the sample motion in the Appendix.)
- ii. Although the *Discipline* provides a default mechanism for title to property of discontinued congregations to go to the Annual Conference if no other direction has been given ( 2549.3), this is not a desirable position in which to be. A legal proceeding to "quiet title" may be necessary. Therefore, getting the appropriate deed(s) signed by the trustees of the congregation to be discontinued naming the receiving entity (the "grantee") at the earliest possible opportunity is the best route. **Therefore, it is recommended the Superintendent go to the Charge Conference with deed(s) in hand, to be signed by the Trustees following the conclusion of the Charge Conference at which the vote is taken.** Note, the Motion coming before the Charge Conference (a sample is in the Appendix) will provide that the signed deeds will be held in escrow (i.e, they will not be recorded) pending completion of the discontinuance process, the final act of which is a vote by the Annual Conference.
- iii. The signing of the deeds MUST be done correctly. This means the Superintendent will need to have ascertained in advance where the property is to go. Based on the current standing rules all property will revert to the Annual Conference Trustees. ***and the deed(s) you have in hand needs to be drafted by real estate counsel and in compliance with The Book Of Discipline so that Trust Clauses are released and/or included.***
- iv. In addition to having deeds that are properly prepared, it is essential that the deeds be signed correctly with the requisite formalities, including being signed in the presence of a notary

public. It is recommended the Superintendent have counsel or a notary present to assist and to direct the signing immediately after the Charge Conference is adjourned. Or, if the Superintendent feels reasonably confident that cooperation will be forthcoming, the Superintendent may wish to arrange for the signing to occur at the District Office or at the attorney's office in the days immediately following the Charge Conference at which the vote to discontinue was taken. It is surprising how quickly Trustees can relocate – and not be found. The signing should, therefore, take place no later than a few days after a vote to discontinue was approved by the Charge (Church) Conference.

- v. As a practical matter it is best that the local congregation vote on the disposition of all assets – land, furnishings, cash, endowment funds, etc. -- as long as the Superintendent is in agreement with the vote. However, if the Superintendent does not agree with the decision of the local congregation, the Superintendent should NOT take action in furtherance of the congregation's vote. Instead, the Superintendent should include her / his recommendation in the motions to come before the District body, the Cabinet and the Annual Conference.

## **VI. Prepare Motions For The Approval Of The Bishop And The Required Bodies**

- i. Paragraph 2549 states that “...with the consent of the presiding bishop and of a majority of the district superintendents and the district board of church location and building of the district in which the action is contemplated, the annual conference may declare any local church within its bounds discontinued.” The approval of others is required.
- ii. In the attached Appendix are sample Motions to come before the district board of church location and building (depending on how the district is organized, the District Leadership Council may be filling this role under the *Discipline*), the Cabinet, and the Annual Conference. Also attached is a sample Consent Of The Presiding Bishop For Discontinuance and the Superintendent.

### **a. \_\_\_ Consent of the Bishop of a Majority of the District Superintendents**

Date Completed:\_\_\_\_\_ (SAMPLE ATTACHED)

**b. \_\_\_Consent of the District Location and Building**

Date Completed:\_\_\_\_\_ (SAMPLE ATTACHED)

**c. Preparation For Presentation Of The Motion To Discontinue For Approval By The Annual Conference (SAMPLE ATTACHED)**

In order to allow the Cabinet to approve the same motion that will come before the Annual Conference session, to insure accuracy and consistency, and to allow the Secretary and organizers of the Conference to place the motions in electronic format, it is imperative that all motions to be considered by the Annual Conference be drafted prior to May 1 before each Annual Conference session held in June.

**i. \_\_\_Submit The Motion For Review And Approval By The Chancellor BEFORE MAY 1**

Date Completed:\_\_\_\_\_

ii. Although many of the motions to come before the Annual Conference will be virtually identical, this cannot be assumed. Differences can arise based on each congregation and the proposed future use of the property. Therefore, it is IMPERATIVE that the motions be submitted for the Conference Chancellor’s review and comment. In order to permit those same motions to be voted upon by the Cabinet, approved by the Bishop, and formatted by Annual Conference planners, the Chancellor must RECEIVE all motions on or before May 1.

**iii. Each Motion To Discontinue Must Be Submitted And Considered Separately**

1. Each Motion To Discontinue must be voted on separately at the Annual Conference session. Although it would save a few minutes to present Motions To Discontinue as a unit, this is not the

best practice. Title companies want to see a trail of proper documentation that allows the title to be followed. Having individual motions that authorize and specify that title is to go to a specific entity can aid this process immensely. It also is the safest course of action to follow within our UMC polity

**d. \_\_\_\_\_Notify The Office Of The Assistant To The Bishop Of All Motions To Discontinue**

**Date Completed:**\_\_\_\_\_

- i.** The Office Of The Assistant To The Bishop will work with all Conference personnel who have responsibility for bringing the Motion to the floor of the Conference -- Communications, Program Staff, Technology, etc. It is recommended that the Assistant To The Bishop be provided a copy of the proposed motion at the same time a copy is provided to the Conference Chancellor, which means notice will be provided on or before May 1.

**VII. All deeds, records, and other official and legal papers, including the contents of the cornerstone, of a closed local church shall be collected by the district superintendent and shall be deposited for permanent safekeeping with the annual conference Commission on Archives and History.**

- o** These files may be forwarded to the Conference Treasurer for review before sending to Archives. This will aid in establishing a paper trail and understanding what files are available (i.e surveys, blueprints, etc.) that may be of value to a buyer or for future use.

**VIII. Business Dissolution**

**A final accounting of the church's books and records should be completed and maintained in the District Office. Before the conference can transfer ownership of liquid assets we must be able to document any restricted funds, endowments, trusts, etc. Documentation on the creation and purpose of the fund is critical to**

assessing what steps are needed so that the fund continues to honor its purpose or (if possible) redirected. There are situations where the Conference or the Foundation may have to petition the the State Attorney General or Courts prior to transferring control of the assets. This should include 1) an listing of asset accounts by institution and the current signatories 2) documentation of the creation and purpose of restricted gifts.

Any unrestricted funds of the church will be use in the following order

- 1 Payment of outstanding vendor payments to include the Conference's Ministry Protection, Health & Benefits and Apportionment's outstanding.
- 2 Ongoing maintenance of the facility
- 3 Will then be split based on the standing rule of the Conference.

**B. Obtain copies of all documents involving gifts to the church. Examples might include charitable gift annuity contracts, charitable trusts, letters transferring memorial gifts to the local church with some restrictions, and the like.**

All gifts held in trust (which should include memorial funds) and endowment are to pass as directed by the annual conference via Discipline paragraph 2549.5. C.

**C. Obtain copies of the Articles of Incorporation, all amendments, and the latest Florida annual report. The legal status of the church involved must be determined. Is it a corporation? Is it in good standing? Copies may be obtained from the Florida Secretary of State.**

**D. Obtain a detailed list of all assets of the church, including: i. Address and description of all real estate. ii. List of all bank, brokerage and similar accounts, including numbers, access codes and authorized signers. iii. List of all memorial accounts, pending estates, interests in gift annuities or charitable trusts and any restrictions. iv. List of all potential inheritance amounts the church is aware of.**

**E. Obtain a list of all the liabilities of the church, including: i. Purchase agreements for land or personal property; land contracts. ii. Charitable gift annuity contract obligations. iii. Employment agreements. iv. Any tax obligations. v. Mortgages or loans. vi. Leases. vii. Office equipment contracts. viii. All other contracts the church is a party to. Viii. Credit Card Bills**

**F. Obtain and review copies of all written contracts and policies of the local church (employment, leases, utilities, services, product purchases, insurance, employee benefits, warranties, deferred compensation agreements, etc.). The Conference (through its**

trustees) may end up being liable for these. Be sure there are no gaps in insurance coverage. Will contracts be terminated? Are notices required? Are there any penalties?

**G. Confirm there is no pending litigation for any entity.**

**H. Confirm all taxes, apportionments, bills and other obligations are paid to date. This may include federal tax withholding and filing requirements. Final tax returns must be filed or a plan created to care for this by the end of the year. Most churches are not required to and do not file a federal income tax return (Form 990), but there are exceptions.**

**I. Obtain and review copies of any mortgages and other loan documents. Do debts need to be paid off under the documents upon discontinuance/abandonment?**

**J. Obtain a list of financial accounts and a copy of signature authorizations. These will need to be changed, closed or transferred when the discontinuance/abandonment occurs.**

**K. Obtain the federal identification number of the church.**

**L. Obtain keys, safe combinations, security access codes and the like.**

**M. List all insurance, review coverage with the providers, and continue or modify coverage as necessary.**

**N. Obtain a copy of the IRS determination letter showing the church's tax exempt status if it has one (Most do not, relying on the group exemption of the United Methodist Church).**

**IX. Conference Property Manager Involvement**

**Once it is apparent that the property will close then the Conference Treasurer will notify the Property management firm. We will need to know the likely date the church will vacate the property and an immediate contact to help transition the property. The property management firm will then begin the initial take over to include:**

- Monthly inspection set-up
- Bi-monthly cleaning set-up
- Quarterly pest control set-up
- Utility transfer/set-up
- Regular landscaping set-up
- Re-keying the property
- If selling, the notifying the conference Broker of a likely list date

**The church membership is requested to leave the property in good condition. Part of the initial clean out process may include**

temporarily leaving a dumpster on site that may be emotional for the community. We will try to notify you of that timing so that you may alert folks as you feel necessary.

If the church is renting any of its facilities, we'll need the current leases and contact information for the groups in the building. In addition, it may be possible to reach and understanding for certain groups (leases or community groups) to temporarily use the facilities. These will need to be negotiated with the Conference Treasurer and Director, Vital Church Initiative input.

If the church will be repurposed within the or in partnership with the United Methodist Church then the contents of the building should be left intact until the new group has an opportunity to assess if those items will further its mission. If it is clear the church will likely be sold, then we would request that other non-profits, missions, churches have an opportunity to look at certain contents such as books, literature, excess office equipment, furniture, non-permanent musical instruments, vestments, etc. If there is no interest then the old members may have an opportunity to request these items. Fixtures such as organs, sound systems, speakers, kitchen equipment (stoves, refrigerators, dishwashers, etc.) should not be removed as these add value to the property if it is purchased by another church.

#### **X. Samples in the Appendix**

- Sample Motions and a letter to counsel. It must be understood that the samples are just that, "samples." Care should be taken to insure that the provisions of each motion correctly reflect the situation affecting the particular congregation to be discontinued.
  
- **Items In The Appendix**
  1. Letter to a real estate attorney requesting a title opinion
  2. Announcement Of A Charge / Church Conference To Vote On Discontinuance
  3. Charge / Church Conference Motion To Discontinue
  4. District Board Of Church Location And Building's Motion To Approve Discontinuation and Consent Of The District Superintendent
  5. Cabinet's Motion To Approve Discontinuation And Consent Of Presiding Bishop
  6. Annual Conference Motion To Discontinue
  7. Post Vote Checklist
  8. Paragraph 2549 of *The 2012 Book Of Discipline*

