

Q&A About the Disaffiliation Process in the North Georgia Conference

The Conference Board of Trustees offers the following information to help church leaders and members fully understand the disaffiliation process. Find the disaffiliation agreement, Book of Discipline Paragraph 2553, and more information at www.ngumc.org/disaffiliation-process-and-information.

If your church's governing body (administrative board, church council) believes the majority of your members wish to consider disaffiliating, the first step is to talk with your District Superintendent (DS). It is very important to understand the impact of disaffiliation to your church.

Secondly, you need to consult with an attorney to advise your church about legal matters such as:

- continuation and maintenance of non-profit status since a church that has disaffiliated may no longer use the denomination's group tax exemption ruling.
- change in entity name and whether to incorporate if the church is not already incorporated;
- the church's obligations if it owns a cemetery;
- how to check and change the title to real property and to obtain advice about any related issues;
- the legal fees you should expect to incur.

Communicate clearly to the congregation that a church that disaffiliates:

- will be responsible for hiring its own pastor(s) and for paying their salary **and benefits**;
- will have to remove the words "United Methodist" and the cross and flame symbol from the property, any printed materials, and the website;
- will need to turn in United Methodist hymnals;
- will need to legally change the church name which may require a filing with the Georgia Secretary of State's office;
- will need to update the name on all bank accounts, utility accounts, insurance, loans, service contracts, leases, etc;
- will need to obtain its own property, casualty, general liability, worker's compensation, and other kinds of insurance.
- will need to provide adequate documentation to the Annual Conference verifying that the local church has satisfied all its debts, loans and liabilities or assigned/transferred them to its new entity.
- will lose the protection of the trust clause for the real property, which means that after disaffiliation the leadership of your church could sell the property or use it for another purpose without the concurrence of the church membership;

- will covenant with the North Georgia Annual Conference to refrain from making any disparaging or defamatory remarks or comments whatsoever about the other or the other's ministers, members or employees, whether oral or in writing, that could reasonably be expected to adversely affect the reputation of the other.

Understand that:

Paragraph 2553 requires a disaffiliating church to pay any unpaid apportionments for the 12 months immediately prior to the disaffiliation date, and an additional 12 months of apportionments, plus pension obligations, direct-bill obligations, other liabilities, and grants.. Clergy and others with church sign-in permissions may see the pension liability amount, apportionment obligation and grants repayment amounts for their local church disaffiliation obligations on the Conference Data Services portal. Find it in the Church section on the Main Index.

The pension withdrawal liability amount is the amount of the local church's pro rata share of the Annual Conference's calculated aggregate funding obligation as determined by General Board of Pensions and Health Benefits (Wespath) using actuarial data and market factors similar to a commercial annuity provider. The church's allocated amount can be found on the Data Services portal. The Wespath quarterly actuarial estimate as of April 1, 2023 has been set as the valuation date for churches disaffiliating as of November 30, 2023.

The church's apportionment obligation due may change depending on whether the church continues to pay its monthly apportionment payments up to the established disaffiliation date. A church with a disaffiliation date of November 30, 2023 is responsible to pay 12 months prior apportionments plus December 2023 to November 2024 apportionments. The eleven months from January 2024 through November 2024 will be based on the 2023 church apportionment rate.

The local church's obligations also include any other payments that are related to the conference provided benefits that are direct billed to the local church for benefits provided prior to the November 30th effective date of disaffiliation. This also includes payment arrearages when a church does not currently have a pastor on the benefits plan but has a past due balance remaining.

The local church must repay an amount equal to any grants or other direct contributions that have been paid by the Annual Conference or any of its church support agencies to or on behalf of the local church to support any aspect of the local church's mission, ministry or building programs within the four year period immediately preceding the disaffiliation date of November 30, 2023.

The local church must prepay for all clergy salary, housing allowance and benefits through the end of the calendar year of exit (December 31, 2023) for those North Georgia clergy who are under appointment to the church and elect to remain United Methodist.

Representatives of the local church governance bodies (Trustees, Church Council, Administrative Board, etc) must ensure that the disaffiliation agreement's specified obligations, financial and otherwise, can be met and are disclosed to the congregation *before* the members present vote on whether to disaffiliate.

Note that there is an expectation of integrity in this process. A church should not allow the spread of false information to convince members to vote in favor of disaffiliation.; The church should not willfully withhold apportionments payments or refuse their clergy appointments prior to the Annual Conference ratification of their church's vote to disaffiliate.

Q&A

The following questions and answers are offered to provide greater clarity.

Q: Does a church have to consider disaffiliation?

No church is required to vote *or* required to consider voting on disaffiliation. For Church Councils that have voted that they do not want to pursue disaffiliation, that decision stands.

Q: If a church decides to pursue disaffiliation, what are the next steps?

The church will need to request that your DS schedule a church conference for a vote. At this time District Superintendents have scheduled church conferences between June 4 and August 30. If your church wishes to pursue disaffiliation and has not already received confirmation of your church conference scheduled date, your church will need to contact your DS in writing by August 31st. This letter should be signed by the Pastor, Council Chairperson, SPR Chairperson, Trustee Chairperson, and the Lay Leader. Additional church conferences will be scheduled to occur between September 1st and October 30 in order to be presented on the November 18 special called Annual Conference agenda for vote by the members of the Annual Conference.

Q: What is involved in the church conference?

The requirements for a church conference are set forth in Sections 246 and 247 of *The Discipline* (per Section 248). This requires adequate notice of the time and place of the conference to **all church members of record**. The DS will preside at the conference. The church conference will elect a secretary to record the minutes (unless the church has already elected a secretary who will do this) and will elect two or more members to serve as tellers to count the votes. The vote will be conducted via a written ballot, which conforms to paragraph 2553. The resolution to disaffiliate is presented and a two-thirds vote of members present and voting in favor of the resolution is required for passage.

Q: What is the procedure regarding church membership rolls for churches that vote on disaffiliation?

For churches involved in the Cobb County lawsuit, the members of record as of May 26, 2023, was set as the membership roll for upcoming church conferences. This decision was made to ensure clarity, integrity, fairness, and consistency, and to comply with the terms of

the lawsuit. For churches not involved in the lawsuit, the membership roll as of the date of request for a church conference is set as the final roll.

Q: Who is responsible for maintaining accurate and up-to-date membership rolls?

The pastor of the local church is ultimately responsible for maintaining accurate and up-to-date rolls. Book of Discipline paragraphs 235-242 address membership rolls.

Q: If two-thirds of the church conference attendees vote to disaffiliate, how does a church complete the steps to notify the Annual Conference?

There is a form agreement adopted by the Annual Conference to complete and sign. The form is at www.ngumc.org/disaffiliation-process-and-information. The church will need to fill in the "Payments required to be paid by Section 2553," as well as the name of the church, the date executed, and the name of a contact person. Then have the form signed by an authorized local church person (administrative council chair, church council chair, trustee chair) and email it to the chair of the Conference Board of Trustees (CBOT) — Julie Childs at juliechilds67@gmail.com.

Q: What happens after a church submits the agreement?

The CBOT chair will acknowledge receipt of the form on behalf of the Annual Conference and return the signature page with a cover letter that sets out additional steps the church will need to take which are the same as outlined below.

The disaffiliation must be approved by the Annual Conference session and, if approved, will be effective November 30, 2023. Churches have an additional 30 days to complete the financial and non-financial obligations or the agreement will be null and void as of December 31, 2023. The obligations under 2553 are as follows:

1. Deliver all payments to North Georgia Annual Conference, 1700 Century Circle, Atlanta, Georgia 30045 or, if you wish to wire funds, you can get instructions by emailing Bruce Cooper at bcooper@ngumc.org or calling at 678-533-1394.
2. Work with your attorney to change the church's name to eliminate the word "United."
3. Remove the words "United Methodist" and the cross and flame symbol from all property, written materials, website, etc.
4. Deliver all United Methodist hymnals to your district office.
5. Deliver records and archives to the Pitts Library at Candler Theological Seminary. For guidelines on the records that need to be delivered, go to www.gcah.org, click on "resources" at the top right, click on "guidelines and publications" and click on "closed local churches" which is in red in the second paragraph. For specific information on delivering records to the Pitts Library, contact Brandon Wason, Curator of Archives at 404-727-1222 or bwason@emory.edu.
6. Provide sufficient documentation to the Annual Conference proving that the local church has either satisfied all its debts, loans, and liabilities or assigned/transferred such obligations to its new entity. Your attorney can help you with this.

7. By signing of the Disaffiliation Agreement, your local church is releasing any claims and withdrawing from any lawsuits against the Annual Conference and covenants not to sue The United Methodist Church, or any affiliated individuals or entities, and releases and discharges The United Methodist Church from any liability for any and all causes of action and claims.
8. **If the church owns a cemetery, ask the church's attorney what needs to be done to meet the legal obligations for its maintenance. The cemetery is the local church's responsibility.**

At the point that a church has completed its obligations to the Annual Conference and receives a confirmation sign off from the Conference Treasurer or Controller that all payments have been received, and from the CBOT chair that all non-financial obligations have been completed, the church will have its attorney prepare and record a properly executed deed to release the property from the trust clause. To do this, the deed your attorney prepares should add the following language and you will need to make arrangements to get the DS's signature:

The undersigned, as District Superintendent of the _____
 District of the North Georgia Conference of The United Methodist Church, hereby certifies, pursuant to Paragraphs 2540, 2541, and 2553 of *The Book of Discipline of the United Methodist Church*, that the foregoing transfer has been approved by all necessary church authorities and the transfer is made without any ongoing trust clause obligations under the provisions of the Book of Discipline.

District Superintendent _____
 of the _____ District
 North Georgia Conference of The United Methodist Church

Signed, sealed and delivered, in the presence of

 Unofficial witness

Notary Public _____
 My commission expires: _____

[SEAL]