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## Procedure for Disaffiliation from the New Mexico Conference of the United Methodist Church

*Adopted by the Board of Trustees, May 24, 2022.*

The Trustees of the New Mexico Annual Conference, UMC offer the following policy to congregations who wish to consider disaffiliation from the United Methodist Church. Disaffiliation is the severance of legal ties of a local church with the United Methodist Church whereby the church is released from the “Trust Clause” and keeps all rights to its properties upon payment of all liabilities. Disaffiliation does not mean closure, dissolution, or abandonment of a local church.

The process described below is intended to help a local church’s leadership faithfully consider the implications of disaffiliation for their congregation and mission. In accordance with the Council of Bishops decision on March 16, 2022, the Conference Trustees provide the following process based on Paragraph 2553 of the 2019 addendum to the 2016 United Methodist Book of Discipline.

When a congregation seeks disaffiliation in New Mexico Conference, they will follow a three-phase process:

- **Discernment:** A period in which the congregation prays, studies, and considers the implications of disaffiliation for the long-term future of their church.
- **Decision:** A structured process for a called-church conference, as prescribed by Par. 2553, for the professing membership of the church to vote on a whether to disaffiliate or remain in the United Methodist Church.
- **Finalization:** A list of the steps needed for a congregation to leave with their property, either to join another denomination or to become an independent church.

**DISCERNMENT:** Following an initial vote of the church council (or administrative board, or one-board, etc.) to begin discernment, the senior pastor and/or church council chairperson contacts their district superintendent in writing to inform her or him that the church is considering disaffiliation. Once the district superintendent is contacted, a discernment period of no less than four months and no more than six months shall begin.

During the discernment period, the local church/ministry shall complete a written assessment of the impact of their decision upon the church, community, conference, and connectional ministries. The

written assessment should follow the format provided in the Discernment Worksheet (Appendix A), and include:

1. An affirmation that the desire to disaffiliate is based on “reasons of conscience” as described in Par. 2553 of the Addendum to the 2016 United Methodist Book of Discipline.
2. The practical implications of disaffiliation including:
  - a. Incorporation or reincorporation of the church, including a proposed new name of the church, and the plan for seeking an IRS ruling or determination letter for 501(c)3 status apart from the group tax exemption for the United Methodist Church.
  - b. How designated funds, endowed funds, and/or foundations will be handled, including notification and consent from donors.
  - c. The status and effect on any grants, moneys, or other assets for ministry and the plan to return or discontinue any unused grant funds from the annual conference.
  - d. The proposed source and cost of future health, workers compensation, general liability, and property insurance.
  - e. The process for pastoral succession going forward, including the congregation’s plans if the current pastor decides not to continue with the church.
  - f. Other information deemed necessary by the pastor or church council for the congregation to make an informed decision.
3. The financial implications of disaffiliation including:
  - a. Completed Withdrawal Liability Estimate Form (Appendix A, Form 1) from the conference treasurer & benefits officer listing the following:
    - i. Paid shared-ministry tithes from the past 12 months under the New Mexico Conference system, and the amount still owed for the previous 12 months, if any. Also, the amount to be paid as the estimated shared ministry tithe for the following 12 months, based on the previous year of operational income recorded on line 52 of the previous year’s conference journal. (BOD Par. 2553(4)(b))
    - ii. Estimate of the liability for clergy retirement and pension including CRSP and RDS. (BOD Par. 2553(4)(d))
    - iii. A written explanation from the conference of the formula by which the congregation’s shared ministry income and expenses (line 52) and aggregate share of pension liabilities are calculated.
  - b. Identification of all debts, loans, or liabilities held by the local church and a plan to pay or transfer all debts to the new entity prior to finalization.
  - c. Any other costs or fees associated with disaffiliation (i.e. legal fees, incorporation fees, etc.).
4. Other information deemed necessary by the pastor or church council for the congregation to make an informed decision.

The written assessment shall be shared with the congregation, the conference trustees, and the district superintendent.

Finally, the local church shall hold a minimum of two listening sessions after the written assessment is distributed and before the end of the discernment process. The listening sessions should be advertised and open to the full professing membership of the church. At least one of the listening sessions shall be advertised and open to those beyond the professing membership who participate in the ministries of the church/ministry setting. Listening sessions shall solicit input of attendees and report their findings as an addendum to the written assessment to the church council and district superintendent. Listening sessions shall be facilitated by the district superintendent or a designated elder, other than the appointed pastor. **The listening sessions should follow the format included in Form 2 – Guidelines for a Church Listening Session and should focus on the identity and mission of the local church and their role in the discernment of whether to disaffiliate.**

**DECISION:** Upon the conclusion of the discernment period, the church council shall vote to continue or discontinue the disaffiliation process. If they vote to continue, the district superintendent, upon notification, shall call a **Church Conference**.

Follow the Decision Checklist (Appendix B).

- a. The Church Conference must occur within 120 days after the district superintendent calls for the church conference, although it may occur sooner. BOD, Par. 2553(3)
- b. The Church Conference shall be held in accordance with the provisions of Par. 246.8 of the Book of Discipline (called by the district superintendent, vote extended to all professing members).
- c. In addition to the provisions of Par. 246.8, special attention shall be made to give broad notice to the professing membership of the local church regarding the time and place of the church conference called for this purpose and to use all means necessary, including electronic communication where possible.
- d. The church conference shall be chaired by the district superintendent.
- e. With an affirmative 2/3 vote of the professing members present, the congregation will have decided to disaffiliate from the conference and the United Methodist Church.
- f. The church conference shall also propose a date of finalization when the congregation will complete all necessary requirements for disaffiliation.
- g. Finalization of disaffiliation must be complete by December 31, 2023.

**FINALIZATION:** Following the decision to disaffiliate by the church conference, the local church will work to complete the disaffiliation by the agreed date of finalization. Finalization should follow the format provided in the Finalization Workbook (Appendix C).

- a. The local church confirms the withdrawal liability total with the conference treasurer and benefits officer and submits payment to the New Mexico Annual Conference.
- b. The local church must receive certification from the conference treasurer and benefits officer that financial liabilities have been paid (Appendix C, Form 3) including:
  - i. All remaining shared ministry tithes from the previous 12 months to the annual conference as well as the calculated estimate of tithe for the coming 12 months are fully paid.
  - ii. The aggregate share of pension liabilities, as calculated by the conference benefits officer, in accordance with Wespath's Guidance, are fully paid.
  - iii. Final shared ministry and pension liabilities will be calculated from the date of the called church conference vote to disaffiliate.
- c. The local church must complete the GCFA "Standard Form Disaffiliation Agreement," (Appendix C, Form 4).
- d. The local church must complete the Itemized List of Personal Property (Appendix C, Form 5).
- e. Local church relinquishes to the Annual Conference all original membership books, documents, files, and records both hard copy and electronic if available, or any other medium as they may be stored.
- f. The local church shall cease all use of the letters "UMC," the words "United Methodist," the Cross and Flame insignia of the United Methodist Church, and any other intellectual property of the denomination and/or the Annual Conference, including the removal of the same from all publications, websites, email addresses, financial accounts, social media pages, URL's, and signage on property and buildings. In addition the local church and its affiliates shall refrain from using in any way any similarly confusing logos, names, designs, trademarks, or service marks.
- g. When completed, the local church shall return all finalization forms in Appendix C to the district superintendent. The district superintendent shall certify that the local church has finished the finalization process and provide copies of all material to the local congregation for their records.
- h. The disaffiliation agreement must 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 Par. 2529.1(b)(3)
- i. After all the steps are complete, the Conference Trustees, District Superintendent, and Bishop of the New Mexico Annual Conference shall release any claims it may have under Paragraph 2501 and other paragraphs of the Book of Discipline commonly referred to as the trust clause to any real and personal property of the local church.

- j. The release of claim issued by the New Mexico Conference shall include record of all liabilities and payments made by the local church to the Conference and all properties, real and personal, to be received by the local church.
- k. The local church shall cease to use any documentation stating that the local church is included in the Internal Revenue Service group tax exemption ruling for the United Methodist Church that is administered by the General Council on Finance and Administration. The local church will be removed from it without notice as of the disaffiliation date.