

# **DISCONTINUATION OR ABANDONMENT OF LOCAL CHURCH PROPERTY CHECKLIST**

*2008 Book of Discipline ¶ 2548*

Discontinuation or abandonment of a local United Methodist church in many ways is a task-oriented process (with detailed “to dos”), so it lends itself well to a checklist like this. What should not be lost in the tasks are the many spiritual and pastoral aspects of closing a local church: honoring the rich history of the church, attending to the grief and other pastoral needs of persons who still worship there, listening to persons who have thoughts and ideas about what should happen to the property, and the like. These spiritual and pastoral aspects of closing a church cannot be captured in a checklist, because they are uniquely different in every situation. As you work your way through the tasks, take enough time to stop and observe, listen and discern the special needs of the people around you who are affected by the process.

**NAME OF CHURCH:** \_\_\_\_\_  
**ADDRESS:** \_\_\_\_\_  
**DISTRICT:** \_\_\_\_\_

## **LOCAL CHURCH CONTACT PERSON:**

**NAME:** \_\_\_\_\_  
**ADDRESS:** \_\_\_\_\_  
**PHONE/FAX:** \_\_\_\_\_  
**E-MAIL:** \_\_\_\_\_

### **I. Discussion and Evaluation of Potential Recommendation.**

\_\_\_ For Discontinuance – Cabinet, district superintendent, conference board of trustees, pastor, local church members or other groups should discuss and evaluate discontinuance issues.

### **II. Assessment of Potential. (¶ 2548.2)**

\_\_\_ Prior to a recommendation of discontinuance, the district superintendent, in consultation with the appropriate agency assigned the responsibility of the conference parish and community development strategy, shall guide the congregation in assessment of its potential as outlined in ¶ 213. (See Exhibit A, a sample letter to the congregation that discusses issues for a voluntary discontinuance).

**III. Obtain Legal Counsel. (¶ 2548.1)**

\_\_\_The district superintendent should 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. A reversionary interest may defeat the right to sell the church property.

**IV. Recommendation by District Superintendent. (¶ 2548.2)**

The recommendation of the district superintendent must cover:

- \_\_\_Transfer of membership. (¶ 229)
- \_\_\_Future use of all real, personal, tangible and intangible property.

The district superintendent needs to consult with the local church in regard to its thoughts on the disposition and transfer of the real and personal property of the church.

**V. Consent to Recommendation. (¶ 2548.2a)**

The district superintendent makes a recommendation of discontinuance and consent must be received from:

- \_\_\_The presiding bishop.
- \_\_\_The majority of the district superintendents.
- \_\_\_The District Board of Church Location and Building.

**VI. Discontinuance by Annual Conference. (¶ 2548.2)**

\_\_\_Superintendent presents to the annual conference the resolution for the local church to be declared discontinued. See Exhibit B.

\_\_\_Annual conference approval of the discontinuance and recommendations for use of the property.

\_\_\_Written copies of actions supplied to:

- \_\_\_Conference secretary.
- \_\_\_Conference Board of Trustees.

\_\_\_Appropriate notification to local church.

\_\_\_Attention to healing issues.

**VII. Title to Real Property – Transfer to Another United Methodist Organization.**

\_\_\_ Obtain a copy of the current deeds and legal descriptions.

\_\_\_ The title [deed] of the property shall be transferred to: \_\_\_\_\_

**NOTE:** It is recommended that the conference chancellor be consulted in relation to preparation of a deed. All deeds to United Methodist entities must include the trust clause (§ 2503.5). It is further recommended that if the transfer is to another United Methodist entity, a title policy be obtained showing good title in the new entity.

**VIII. Maintenance of Property Insurance.**

\_\_\_ Property and liability insurance has been maintained on the property.

\_\_\_ Assign an individual to regularly check the unoccupied property.

\_\_\_ Change mailing address or have any mail forwarded.

\_\_\_ Give neighbors and police a contact person for emergencies.

\_\_\_ Local church trustees and/or annual conference trustees have provided for ongoing maintenance of property during transition (e.g., utilities, repairs, lawn service, snow removal, etc.).

\_\_\_ Develop and ensure viable plan for paying bills.

**IX. Sale of Property – To Third Party.\***

If property is sold, an appraisal should be obtained to aid in determining a fair sale price. It may be easiest to have the cooperating local church board of trustees deed the property directly to the new buyer. The superintendent must agree to any such sale. The GCFA legal department has a Checklist for sale of property that outlines the necessary *Discipline* steps.

\_\_\_ Sale price established by conference action or as delegated to the Conference Trustees.

___ Sanctuary	\$	_____
___ Parsonage	\$	_____
___ Contents	\$	_____
___ Other	\$	_____

\* If the conference trustees are taking immediate action on sale, they “should give first option to other denominations represented in the Commission on Pan-Methodist Cooperation.” (African Methodist Episcopal Church, African Methodist Episcopal Church Zion, Christian Methodist Episcopal Church) A letter to the appropriate local representatives would be appropriate. § 2548.3.

\_\_\_Disposition of proceeds determined by annual conference resolution or conference trustees in keeping with annual conference policy.

\_\_\_Removal by conference trustees, insofar as reasonably possible, of all Christian and church insignia and symbols from such property. (¶ 2548.3)

\_\_\_Instructions or Restrictions: As determined by the bishop, cabinet, conference trustees.

## **IX. Transfer of Personal Property.**

\_\_\_There should be an inventory and a checklist of any and all personal property that is being transferred to another United Methodist organization or donated without any consideration.

**NOTE:** When appropriate, local church trustees may endeavor to return items to families who have donated them to the church.

## **X. Instructions Pertaining to:**

### Commission on Archives and History of the Annual Conference

\_\_\_¶ 2548.4: All deeds, records, and other official and legal papers, including the contents of the cornerstone, of a church that is declared to be abandoned or otherwise discontinued shall be collected by the district superintendent and deposited for permanent safekeeping with the conference commission on archives and history.

### Gifts, Endowments and Foundations

\_\_\_¶ 2548.5: All gifts held in trust and assets of any endowment funds or foundation shall be reviewed. The property passes as directed by the annual conference or the conference trustees, unless otherwise directed by the terms of the gift or operation of law.

\_\_\_¶ 2548.6: Any gift, legacy, devise, annuity, or other benefit to a pastoral charge or local church that accrues or becomes available after the charge or church has been discontinued or abandoned shall become the property of the trustees of the annual conference within whose jurisdiction the discontinued or abandoned church was located.

### Sales of Discontinued/Abandoned Properties Located in Urban Centers

\_\_\_¶ 2548.7: When properties from the discontinuation of a congregation or abandonment are sold in urban centers with more than 50,000 population, the proceeds of sale must be used for new and/or existing ministries within urban transitional communities, as described in ¶ 212, and consistent with the Annual Conference's urban ministry strategic plan.

**XI. Additional Recommendation and Actions.**

\_\_\_ At the time of discontinuation, the district superintendent provides the pastor with the current year Statistical and Financial Report forms to be completed and sent to the conference treasurer for inclusion in the Conference Journal.

\_\_\_ TABLE I: Membership Statistics

\_\_\_ TABLE II: Financial Statistics

\_\_\_ For a discontinuance, where possible, it is helpful to leave the local church board of trustees intact for the time period needed to sell and/or dispose of the property as the annual conference directs.

\_\_\_ The district superintendent has collected all keys, if local church trustees are not kept intact to dispose of property (it may be advisable to change all the locks on the church).

\_\_\_ Make inventory of all property at closing.

\_\_\_ Take pictures of inside (including furnishings) and outside of church and put in the church file (especially all items of value).

\_\_\_ Arrangements made to acquire remaining balances of all church accounts:

\_\_\_ General Account

\_\_\_ Sunday School Account

\_\_\_ Memorial Funds

\_\_\_ Other: \_\_\_\_\_

\_\_\_ Other: \_\_\_\_\_

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## EXHIBIT A

### Sample Letter to a Local Church (For a Voluntary Church Closing)

I am writing in response to Rev. \_\_\_\_\_'s phone call on informing me that the members of \_\_\_\_\_ United Methodist Church have decided that it would be in the best interests of all to close the church and transfer their memberships to \_\_\_\_\_ United Methodist Church.

First, let me say that I know such a decision comes only after much evaluation of our current status and future potential and in thanksgiving for all the church has meant to so many disciples of Jesus Christ over the many years of its history. Having worked with the loving and gracious members of \_\_\_\_\_ United Methodist Church, I know that you are also grieving the loss of something precious to all of you. However, I want to commend you for your decision. It is a decision of good stewardship, genuine knowledge of what a church is to be, and a real concern for vital discipleship. By making this decision you have witnessed to your faith in a God who is not restricted to one building or one community and in a God who reigns through changing times and demographics. Thank you for reminding all of all of us that good stewardship is not clinging to the past but moving into the future with faith and assurance. We are blessed by your strong witness.

The process for closing a church is found in the "Church Property" section of *The Book of Discipline*, particularly in ¶ 2548. Please don't let the titles used upset you: Discontinuation and Abandonment are terms used to describe the state of the church that is closed, not necessarily the intent of those who close it. Based upon this section, here are the steps we need to take together:

1. Please decide the date on which you want to close the church and let me know. The decision will be made by a church conference for \_\_\_\_\_ United Methodist Church.
2. I will engage a lawyer to research your deed and provide a legal opinion as to any reversion restrictions on your property as required by the *Discipline*. (In your case, we will need to be certain that the deed is complete for all of your property.) Please send to my office the legal description and information (book and page number) where your deeds may be found in the County offices.
3. Plan to have a special worship service as the official closing of the church. This might include a remembering of the major events in the life of the church, a presentation of a history of the church, and thanksgiving for all who have given life to the church. There is an order in *The Book of Worship* for the leave-taking of a church building and the disbanding of a congregation (pp. 648-651). This could provide a guide for the service and some liturgy and prayers. There

are other worship resources that will also be helpful, but the most meaningful service will be the one that the members plan together.

4. Plan with your district superintendent and the conference board of trustees how best to care for all the symbols of the Christian faith: crosses, communion service, baptismal font, and other symbols.

5. Recommend who will care for the properties and funds (endowments, cemetery funds, upkeep funds, etc.) of \_\_\_\_\_ United Methodist Church. There are two choices: Charge trustees who are elected by the Charge Conference or transfer of the property to the trustees of the annual conference.

6. Charge trustees (§ 2527) would be responsible for maintaining the funds for upkeep of the building and grounds so that they do not become unsafe or unkempt. They could also recommend selling or leasing the property on behalf of the charge. There would be at least three charge trustees and they would be expected to report annually to the charge conference on the status of the property and any funds held in trust. This would be true if you choose Limited Service status for a few years: this should be for no more than five years or so.

7. The Board of Trustees (§ 2512) of the annual conference would receive the property and determine what would be the best stewardship of it for the good of the annual conference. When church properties are “abandoned” or left on one to care for them, the conference trustees must either provide care or sell the properties. When the properties are sold the money received is used to build new churches so that the resources God has given to \_\_\_\_\_ United Methodist Church continue to be used to the glory of God.

8. If no decision is made, the property returns to the annual conference board of trustees (§ 2503) because all property is held in trust for the annual conference.

9. The final decision on the closing of the church and disposition of the property will be made by the [year] session of the \_\_\_\_\_ Annual Conference.

10. The new church that receives a large number of transferred members should plan an official welcome.

I hope this list is helpful to your process. May God’s rich blessings be especially clear to you as you journey through this ending to a new beginning. Please let me know if I can be of any further help.

*Thanks to Rev. Susan Keiran Kester (district superintendent) for sharing a letter which we have used as a basis for this sample. **NOTE:** This is a sample letter. Each situation is unique, and other issues may need to be addressed that are not covered by this letter. GCFA is not engaged in providing legal advice, and the conference chancellor or other legal advisor should be consulted before making decisions or taking action.*