

1 **Disaffiliation Terms Worksheet**

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3 Pursuant to ¶2553 in the *Book of Discipline*, the GNJ Board of Trustees, in collaboration with the GNJ
4 cabinet, treasurer, benefits coordinator, the chairperson of CFA, DCM and chancellor, have identified
5 the following required actions/items for local churches seeking disaffiliation from The United Methodist
6 Church (UMC).

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8 **Due Diligence**

9 The disaffiliating congregation will perform all the necessary research and submit all the necessary
10 documents and information required by the GNJ Board of Trustees to draft the terms sheet.

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- 12 1. The time, date, and location of the disaffiliation vote.
- 13 2. The method(s) used to announce the special church conference to church members.
- 14 3. The disaffiliation resolution voted on by the church conference and the votes for and against for
- 15 each vote.
- 16 4. Copy of the official minutes of the meeting.
- 17 5. Present Articles of Incorporation and Bylaws (if there are any bylaws in addition to the Book of
- 18 Discipline).
- 19 6. The names and contact information of all current trustees and other fiduciaries of the church.
- 20 7. Copies of deeds for all owned property.
- 21 8. Copies of mortgages and other liens against the church entity and real property.
- 22 9. Appraisal of all local church properties performed by an appraiser certified by the New Jersey
- 23 State Board of Certified Real Estate Appraisers.
- 24 10. Balance sheets for the past three years.
- 25 11. Profit and Loss statements for the last three years.
- 26 12. All monthly or quarterly bank and investment account statements for the last three years
- 27 except funds invested through the GNJ Foundation.
- 28 13. Statements for all mortgages and other debt incurred or loans made.
- 29 14. Audit reports for the last three years.
- 30 15. If the local church has any endowments, trusts, memorials or restricted funds, a copy of all
- 31 underlying trust documents, contracts, or wills that restrict the use of such funds; and if there is
- 32 a related entity, such as a cemetery or preschool, please also provide items (5-14), above, for
- 33 such entity.
- 34 16. Notarized certification that the disaffiliating church has no pending lawsuit, charge, complaint
- 35 or other action against GNJ.
- 36 17. A standard title search process is completed by a licensed title company in the state where the
- 37 real property resides for all real properties that will be released to the disaffiliating church.

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39 Requests for additional information will be made as needed.

1 **Required Payments**

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3 Unless a different date is specified, the disaffiliating congregations must satisfy the following payments
4 before the disaffiliation date and/or not later than December 31, 2023.

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6 1. Any unpaid apportionments for the 12 months prior to the disaffiliation date, as well as an
7 additional 12 months of apportionments.
8 2. Any unpaid GNJ billings for the present calendar year, as well as all unpaid billings in previous
9 years.
10 3. Any GNJ grants received in the present calendar year, and the past two calendar years.
11 4. All unfunded pension liabilities as identified by Wespath and apportioned by the GNJ Board of
12 Pension and Benefits.
13 5. All unfunded retiree health care liabilities as apportioned by the GNJ Board of Pension and
14 Benefits.
15 6. All BSA settlement contributions as apportioned by the GNJ Council on Finance and
16 Administration (CFA).
17 7. Any outstanding loans as identified by GNJ Loan Board; CFA or the GNJ Board of Trustees.
18 8. For congregations that disaffiliate, and their appointed pastor(s) remain(s) in the UMC, the
19 estimated clergy compensation including housing and benefits for 18 months and maximum
20 moving expenses for two moves per individual. If an appointment is identified for the impacted
21 pastor by June 30, 2024, any unused portion from this item will be reimbursed to the
22 disaffiliating congregation by August 1, 2024
23 9. All property and congregational transfer costs including GNJ legal fees.
24 10. All court costs and GNJ legal fees related to disaffiliation or suits related to disaffiliation of the
25 church.
26 11. A Missional Transitional Support that will be assessed by multiplying the three-year average of
27 the total amount of all cash, bank balances, investments, endowments, and reserves by the
28 percent of the votes against disaffiliation during the Church conference vote.
29 12. A \$3,500 administrative fee to defray the cost of the discernment and disaffiliation guides that
30 will be used by the GNJ cabinet and the board of trustees to facilitate the process. Any unused
31 portion of the administrative fee will be reimbursed to the disaffiliating church by or no later
32 than 10 days after the disaffiliation date.
33 13. Any other fees and costs identified by the GNJ Board of Trustees including but not limited to the
34 determination that a contribution is in order related to the congregation's real property. These
35 may vary per case.

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37 **Other Actions/Items Required by the Disaffiliation Date**

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39 1. Disaffiliating Church will cease all use of "United Methodist," the Cross & Flame insignia, and
40 any other intellectual property of the denomination and Annual Conference, including the
41 removal of all signage containing the same.
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- 1 2. Disaffiliating Church will cease to use, and will ensure that any affiliates of Disaffiliating Church
2 which have been included in the group tax exemption ruling shall cease to use, any and all
3 documentation stating that Disaffiliating Church is included in the denomination’s group tax
4 exemption ruling administered by the General Council on Finance and Administration of The
5 United Methodist Church, with the exception of finalizing year-end financial documents and
6 reporting related to Disaffiliating Church. Disaffiliating Church and any of its affiliates which have
7 been included in the group tax exemption ruling will be removed without notice as of the
8 Disaffiliation Date.
- 9 3. Disaffiliating Church will indemnify and hold harmless to the fullest extent permitted by law,
10 including reasonable attorneys' fees and litigation expenses, GNJ, its officials, employees’ agents,
11 successors, and assigns, from all claims and/or lawsuits, known or unknown, asserted or that
12 may ever hereafter be asserted against GNJ arising out of and/or related to the disaffiliating
13 church.
- 14 4. Disaffiliating Church will take all steps necessary to [close and/or dissolve any legal entities and
15 to settle, liquidate, or transfer all assets and obligations of such entities, or to establish any new
16 legal entities, or to modify its current organizing documents,] as needed to effectuate its
17 disaffiliation from The United Methodist Church to the satisfaction of GNJ.
- 18 5. Upon the completion of all of their respective obligations herein, GNJ and Disaffiliating Church,
19 for themselves and their agents, representatives, members, trustees, employees, successors,
20 attorneys, and assigns, hereby fully and forever covenant not to sue each other, and release and
21 discharge each other, and their current and former trustees, officers, representatives,
22 employees, and assigns, in both their official and individual capacities, from any liability for any
23 and all causes of action and claims, including any statutory or common law cause of action, tort
24 or contractual claims, any claims for attorneys’ fees, expenses and all other damages, whether
25 known or unknown, foreseen or unforeseen, which GNJ or Disaffiliating ever had, now has,
26 hereafter may have or claim to have against any of the above-named entities or persons in any
27 way arising out of their relationship with each other.
- 28 6. The disaffiliating church will hold harmless and indemnify GNJ from all claims, demands, costs,
29 expenses, lawsuits, or other claims of whatever nature arising out of or related to acts or
30 omissions involving the disaffiliating church and/or its officers, trustees, and representatives.
- 31 7. The disaffiliating church may continue to sponsor benefit plans from the General Board of
32 Pension and Health Benefits to the extent permitted by federal law, and provided that
33 disaffiliating church has not expressly resolved that it no longer shares common religious bonds
34 with The United Methodist Church.

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