

**Texas Annual Conference Disaffiliation Checklist**  
**2016 Book of Discipline ¶2553**  
**FOR CHURCH USE ONLY**

Name of church: \_\_\_\_\_ District: \_\_\_\_\_  
*(City, Church Name)*

Address **(PHYSICAL ADDRESS ONLY, NO PO BOX)**:

\_\_\_\_\_  
*Street City State Zip*

**INTENT:**

- Church Council or equivalent body agrees to begin a period of discernment.
- Contact District Office to notify of discernment.
- District Office contacts Texas Annual Conference (TAC) at radams@txcumc.org to begin calculating disaffiliation costs.
- Dates of discernment: \_\_\_\_\_ through \_\_\_\_\_

**CHURCH DECISION:**

- Set a Church Conference date and schedule presiding officer with District Office.
- Church Conference date: \_\_\_\_\_ presided by \_\_\_\_\_
- Announce Church Conference to church congregation (must be a minimum of 10-day advanced notice).
- Resolution approved by 2/3 majority of professing members present at church conference.

**TERMS AND CONDITIONS:**

- Disaffiliation Agreement completed and turned in to TAC (*as soon as possible following church conference but no later than 5/8/2023*), including:
  - Four-page agreement completed and signed by two chairpersons and District Superintendent;
  - Church Conference minutes with ballot count and signatures of Recording Secretary and Presiding Officer;
  - Attendance record, a copy of the disaffiliation resolution, and copy of ballot/voting sheet;
  - Simple list of all local church debts, loans, and/or liabilities; and
  - A list of all local church property with labels and legal descriptions.

- Items to be paid in full by \_\_\_\_\_ :
    - Previous year TAC apportionments; \$ \_\_\_\_\_
    - Current year TAC apportionments; \$ \_\_\_\_\_
    - Local church's pro rata shares of TAC's net unfunded pension liabilities; \$ \_\_\_\_\_
    - And District apportionment balance. \$ \_\_\_\_\_
- Total due: \$ \_\_\_\_\_

**APPROVALS:**

- Recommended by Texas Annual Conference Board of Trustees (by 4/28/2023).
- Agreement ratified by duly called session of Texas Annual Conference (5/11/2023 at 7:00 pm).

# Local Church Disaffiliation in the Texas Annual Conference

## Outline of Process

While other approvals may be also necessary, the following are the minimum requirements approved by the Texas Annual Conference (TAC) in 2020 to approve a local church disaffiliation under the current *Book of Discipline*:

1. First, the Pastor and Lay Leadership of the Church (Lay Leader, Church Council Chair and/or Lay Delegate to Annual Conference) meet with their District Superintendent to discuss 'why' to disaffiliate.
2. Members of the local church must complete an appropriate process of discernment. The determination of whether a process is appropriate is made by the church's District Superintendent.
3. After the local church nears completion of the process of discernment, the TAC will calculate apportionment and unfunded pension liability estimates for that local church.
4. The local church may vote to move forward with the disaffiliation process. To move forward, disaffiliation must be affirmed by a two-thirds majority (§2553) of a duly called church conference.
5. The local church must pay in full the previous year's apportionments and the current year's apportionments.
6. The local church must pay in full the net unfunded pension liability, as calculated by the TAC Board of Pensions in accordance with Wespeth's guidance.
  1. The valuation is based on a market valuation of unfunded liability.
  2. The valuation takes into account the local church's share of the liability.
  3. The valuation gives the local church credit for its contributions to the Conference's pension reserves with credit for earning over time.
  4. The valuation takes into account the full pension reserves of the TAC and is calculated on the difference between gross unfunded liability and the pension reserves.
7. The local church must complete all forms in accordance with GCFA's disaffiliation guidance.
8. After all the foregoing steps have been completed, the TAC may vote to release the local church from any obligations under the trust clause in §2503 in accordance with the then applicable *Book of Discipline*.

## Texas Annual Conference (TAC) Disaffiliation Timeline

*For churches considering requesting disaffiliation through ¶2553*

### **Begin a Period of Discernment:**

A pastor or a lay leader may invite a local church council (or equivalent body) to consider beginning a period of discernment. If church council or equivalent body agrees to begin a period of discernment, local church should contact District Superintendent (DS) and begin an appropriate period of discernment. *(See DS or [txcumc.org](http://txcumc.org) for discernment resources.)*

### **Request Estimate of Disaffiliation Costs:**

Once discernment begins, DS or church may contact Treasurer's office by email [radams@txcumc.org](mailto:radams@txcumc.org) to ask for calculation of estimated disaffiliation costs. Estimate will be shared with DS as soon as calculated, usually within a few weeks. Estimates will be recalculated every quarter until estimated costs become actual costs on the date of the church conference vote.

### **Schedule Church Conference:**

After discernment period is completed, if church decides to move forward and vote, the church must contact DS to schedule a church conference where every professing member votes.

**By 4/4/2023**

**Announce Church Conference** in two ways (*ex: pulpit + church newsletter or pulpit + email*).

**Write a Disaffiliation Resolution** to be considered at the church conference (*sample resolutions available at [txcumc.org](http://txcumc.org)*). Share the resolution with church members prior to the church conference and print hard copies to distribute at the church conference.

**By 4/14/2023**

**Vote at Church Conference.** Every professing member votes, and a quorum equals those professing members present. Vote should be in writing, for or against written resolution. **2/3 majority required for disaffiliation through ¶2553.** Minutes, including a list of members present and ballot count, should be signed by the recording secretary elected by church conference and the presiding officer. If resolution is approved, send to Conference Treasurer's office by email [radams@txcumc.org](mailto:radams@txcumc.org)

1. Resolution
2. Signed minutes with list of members present and ballot count
3. List of all legal church property descriptions
4. List of all church debts, loans, and liabilities

- By 4/21/2023**      **Completed and Signed Disaffiliation Agreement Due**  
(Available at [txcumc.org](http://txcumc.org))
1. Complete ¶2553 Disaffiliation Agreement and obtain signatures from DS, Church Council chair (or chair of equivalent body) and church Board of Trustees chair.
  2. Send signed completed agreement by email to the Texas Annual Conference (TAC) at [radams@txcumc.org](mailto:radams@txcumc.org).
- By 4/28/2023**      The **TAC Board of Trustees** will meet to consider the recommendation of the disaffiliation request. Pastor and DS will be notified after the meeting.
- By 5/5/2023**      **Deliver Disaffiliation Funds** to TAC Treasurer's office:  
Texas Annual Conference  
5215 Main Street  
Houston, Texas 77002  
Or contact Rochelle Cebrun [rcebrun@txcumc.org](mailto:rcebrun@txcumc.org) to pay online.  
Pastor will be notified when funds arrive.
- 5/11/2023**      **Called Session of the TAC** will consider the disaffiliation request.  
**7 pm**            Pastor will be notified of the decision following the meeting.
- 6/30/2023**      **Disaffiliation Date**  
By Disaffiliation Date, deed (releasing trust clause) is signed by TAC officer and sent to church (via Fed X or UPS), and disaffiliation is completed.  
Church contacts county courthouse to record deed.  
Church ceases use of "United Methodist Church" and cross and flame.  
Church ceases use of group tax exemption ruling.  
Church changes articles of incorporation and by-laws (and other documents) to reflect new organization name.

# DISAFFILIATION AGREEMENT

**DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553**

This Disaffiliation Agreement Pursuant to ¶ 2553 of the 2016 *Book of Discipline* amended (“Disaffiliation Agreement”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by and between \_\_\_\_\_ United Methodist Church (“Local Church”) and The Texas Annual Conference (“Annual Conference”).

*(City, Church Name)*

WHEREAS, Local Church is a United Methodist church within the boundaries of Annual Conference;

WHEREAS, Local Church has expressed a desire to disaffiliate from the United Methodist Church;

WHEREAS, members of the Local Church have completed a process of discernment which was determined by Local Church’s District Superintendent to be appropriate;

WHEREAS, Local Church has held a church conference, in compliance with ¶¶ 246.8, 248, and 2553.2-.3 of *The Book of Discipline of The United Methodist Church (“Discipline”)*, at which a two-thirds (2/3) majority of the professing members present at the church conference of the Local Church voted to disaffiliate from The United Methodist Church;

WHEREAS, pursuant to ¶ 2501.1 of the *Discipline*, Local Church holds its real and personal, tangible and intangible property “in trust for The United Methodist Church and subject to the provisions of its *Discipline*”.

WHEREAS, property subject to ¶ 2501.1 “can be released from the trust, transferred free of trust or subordinated to the interests of creditors and other third parties only to the extent authority is given by the *Discipline*” (¶ 2501.2);

WHEREAS, ¶ 2553 provides a specific circumstance in which property subject to ¶ 2501.1 can be released from the trust imposed by that paragraph;

WHEREAS, ¶ 2553.4 requires the terms and conditions of Local Church’s disaffiliation from The United Methodist Church to be “memorialized in a binding Disaffiliation Agreement”;

WHEREAS, Local Church and Annual Conference wish to (1) resolve all matters between them and Local Church wishes to acquire from Annual Conference all of Annual Conference’s interest on behalf of The United Methodist Church, in the real and personal, tangible and intangible property held by Local Church and (2) comply with the requirements of ¶ 2553 and Judicial Council *Decision 1379* as affirmed in *Decision 1401*.

NOW, THEREFORE, in consideration of the foregoing and all the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Local Church and Annual Conference agree as follows:

1. Conditions Precedent. Local Church and Annual Conference acknowledge and agree to the following:
  - a. *Church Conference Vote.* A two-thirds (2/3) majority of the professing members present at the church conference of Local Church voted to disaffiliate from The United Methodist Church. Local Church must provide documentation, to the satisfaction of Annual Conference, which evidences the result of the disaffiliation vote taken at the church conference.

Such action is certified by an authorized officer of Local Church and is documented in **Exhibit A** attached to this Disaffiliation Agreement and incorporated by reference.

- b. *Annual Conference Vote.* This 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 ¶ 2529.1b(3).

Should either of the above not occur, this Disaffiliation Agreement shall immediately become null and void.

2. Applicability of ¶ 2501. Local Church acknowledges and agrees that pursuant to ¶ 2501 of the *Discipline*, Local Church holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.
3. Date of Disaffiliation. Should Local Church timely comply with all of its obligations as set forth herein, Local Church’s disaffiliation from The United Methodist Church will be effective on June 30, 2023 (“Disaffiliation Date”). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.
4. Local Church’s Obligations. Unless a different date is specified, Local Church shall, by no later than the Disaffiliation Date, do the following:
  - a. *Payments.* Prior to the Disaffiliation Date, Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the following:
    - Local Church shall pay in full the balance of the previous year’s apportionments in the amount of \_\_\_\_\_ DOLLARS.
    - Local Church shall pay in full the balance of the current year’s apportionments in the amount of \_\_\_\_\_ DOLLARS.
    - Local Church shall pay in full the unfunded pension liability, as calculated by Annual Conference’s Board of Pensions in accordance with Wespath’s guidance in the amount of \_\_\_\_\_ DOLLARS.

- i. The valuation is based on a market valuation of unfunded liability
    - ii. The valuation takes into account Local Church's share of the liability
    - iii. The valuation gives Local Church credit for its contribution to Annual Conference's pension reserves with credit for earning over time.
  - b. *Other Liabilities.* Local Church shall either satisfy all of its debts, loans, and liabilities, as detailed in **Exhibit B** attached hereto and incorporated by reference, or assign or transfer such obligations to its new entity. Local Church must provide sufficient documentation of same to Annual Conference.
  - c. *Intellectual Property.* Local Church shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Annual Conference, including the removal of all signage containing the same.
  - d. *Group Tax Exemption Ruling.* As of the Disaffiliation Date, Local Church shall cease to use, and also shall ensure that any affiliates of Local Church which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Local Church is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Local Church and any of its affiliates which have been included in the group tax exemption ruling will be removed as of the Disaffiliation Date.
5. Organizational Transition. Local Church shall take all steps necessary to close and/or dissolve any legal entities and to settle, liquidate, or transfer all assets and obligations of such entities, or to establish any new legal entities, or to modify its current organizing documents, as needed to effectuate its disaffiliation from The United Methodist Church to the satisfaction of Annual Conference. Local Church shall indemnify, defend, and hold harmless Annual Conference and its officers, directors, agents, and employees from any liability or costs (including reasonable attorney fees) resulting from any claim, action, or cause of action for damages to persons or property resulting from Local Church's failure to take all necessary steps as required by this Section 6.
6. Release of Claims. Upon the completion of all of their respective obligations herein, Annual Conference and Local Church, for themselves and their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby fully and forever covenant not to sue each other, and release and discharge each other, and their current and former trustees, officers, representatives, employees, and assigns, in both their official and individual capacities, from any liability for any and all causes of action and claims, including any statutory or common law cause of action, tort or contractual claims, any claims for attorneys' fees, expenses and all other damages, whether known or unknown, foreseen or unforeseen, which Annual Conference or Local Church ever had, now has, hereafter may have or claim to have against any of the above-named entities or persons in any way arising out of their



relationship with each other. The parties further represent they have no pending lawsuit, charge, complaint, or other action against each other. Notwithstanding the foregoing releases and covenants not to sue, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

7. Property. On the Disaffiliation Date, the property described in **Exhibit C** is released from the *in trust* provision of ¶ 2501.1 of the *Discipline*. On said date, Local Church shall have full ownership of the property described in **Exhibit C**. Annual Conference shall execute a Deed Without Warrant to Local Church in a form attached hereto and incorporated herein as **Exhibit D** to clear any cloud on title to the property and assets created by the Trust Clause. The parties shall ensure all necessary transfers or other transactions related to the property described in Exhibit C are completed prior to the Disaffiliation Date. Any costs resulting from such transfers or other transactions shall be borne by Local Church. Annual Conference shall fully cooperate with Local Church, as needed and applicable, to ensure that such transfers and other transactions convey all Annual Conference’s interest – both for itself and on behalf of The United Methodist Church – in the real and personal, tangible and intangible property of Local Church.
8. Non-Severability. Each of the terms of this Disaffiliation Agreement is a material and integral part hereof. Should any provision of this Disaffiliation Agreement be held unenforceable or contrary to law, the entire Disaffiliation Agreement shall be deemed null and void.

Representatives of Local Church:

\_\_\_\_\_ Chair, Church Council                      Date \_\_\_\_\_

\_\_\_\_\_ Chair, Board of Trustees                      Date \_\_\_\_\_

Representatives of The Texas Annual Conference:

\_\_\_\_\_ District Superintendent                      Date \_\_\_\_\_

\_\_\_\_\_ TAC Chair, Board of Trustees                      Date \_\_\_\_\_

**EXHIBIT A**

Documentation of Church Conference Vote

ATTACHED

**DISAFFILIATION CONTACT INFORMATION**

(Pastor or Other Church Representative)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Email Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**INSERT A COPY OF YOUR CHURCH CONFERENCE MINUTES HERE**  
(MUST INCLUDE BALLOT COUNT, SIGNATURES, ATTENDANCE RECORD, AND SAMPLE BALLOT SHEET)

# **SAMPLE CHURCH CONFERENCE MINUTES**

CALLED SESSION OF CHURCH CONFERENCE TO CONSIDER DISAFFILIATION

MINUTES OF THE CHURCH CONFERENCE

United Methodist Church Name & Location:

\_\_\_\_\_

Church Conference Day, Date, and Time: \_\_\_\_\_

Presiding Officer's Name and Title:

\_\_\_\_\_

Recording Secretary Nominated & Elected:

\_\_\_\_\_

Motion to Adopt By: \_\_\_\_\_ Second if Required: \_\_\_\_\_

Additional/Supplemental Motions & Actions:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **Ballot Tabulation (REQUIRED)**

Total Ballots Cast: \_\_\_\_\_ 2/3 of Total = \_\_\_\_\_

Total **YES** Votes: \_\_\_\_\_ Total **NO** Votes: \_\_\_\_\_

The Resolution is declared \_\_\_\_\_ (write in "passed" or "failed")

Meeting Adjourned At: \_\_\_\_\_

\_\_\_\_\_ Signature, Recording Secretary

\_\_\_\_\_ Signature, Presiding Officer

# SAMPLE ATTENDANCE SHEET

CALLED SESSION OF CHURCH CONFERENCE TO CONSIDER DISAFFILIATION

Church: \_\_\_\_\_ Date: \_\_\_\_\_

PLEASE SIGN YOUR NAME BELOW:

1.	16.
2.	17.
3.	18.
4.	19.
5.	20.
6.	21.
7.	22.
8.	23.
9.	24.
10.	25.
11.	26.
12.	27.
13.	28.
14.	29.
15.	30.

**INSERT A COPY OF YOUR DISAFFILIATION RESOLUTION HERE**

**(Sample resolution below)**

**Sample Disaffiliation Resolutions to Charge or Church Conferences**

**Simple**

After months of prayerful discernment, the \_\_\_\_\_ (church council or other governing body) of \_\_\_\_\_ United Methodist Church recommends that our congregation leave the United Methodist Church and join the \_\_\_\_\_ (name of denomination), on or after \_\_\_\_\_ (requested disaffiliation date).

(Charge or Church Conference members should receive the resolution in advance. During the Conference, eligible members are invited to vote for or against the resolution.)

**OR Formal**

Whereas \_\_\_\_\_ United Methodist Church has completed a season of prayerful discernment and has reached consensus concerning its future, it is hereby resolved that \_\_\_\_\_

United Methodist Church shall disaffiliate from the United Methodist Church to affiliate with the \_\_\_\_\_ (name of denomination) on or after \_\_\_\_\_ (requested disaffiliation date). Be it further resolved that \_\_\_\_\_ (church leader(s), Church Board of Trustees, and/or other governing church body) be authorized to take all steps necessary to effectuate this resolution.

(Charge or Church Conference members should receive the resolution in advance. During the Conference, eligible members are invited to vote to approve or reject the resolution.)

**INSERT A COPY OF YOUR BALLOT / VOTING SHEET HERE**

**(Sample ballot sheet below)**

**SAMPLE BALLOT SHEET**

After months of prayerful discernment, the church council of \_\_\_\_\_ United Methodist Church recommends that our congregation leave the United Methodist Church.

**FOR RESOLUTION**

**AGAINST RESOLUTION**

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**Signature**

**EXHIBIT B**

List of all Local Church Debts, Loans, and Liabilities

<b>Name of Institution</b>	<b>Amount Owed</b>	<b>Brief Description of Debt</b>
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**EXHIBIT C**

List of all Local Church Property  
including Legal Description for each Property

Property Description Attached



**SAMPLE PROPERTY DESCRIPTION:**  
**(Enter one property description for each piece of property owned)**

**County of** \_\_\_\_\_

**PROPERTY ONE** – (Insert description here. Ex: Church Building Lot, Parking Lot, Parsonage, Fellowship Hall, Empty Lot, etc.)

**LEGAL PROPERTY DESCRIPTION:** (INSERT DESCRIPTION ONLY - can be description or metes and bounds from deed **OR** appraisal district description with account number, lot/blk, acreage and address)

**County of** \_\_\_\_\_

**PROPERTY TWO** – (Insert description here. Ex: Church Building Lot, Parking Lot, Parsonage, Fellowship Hall, Empty Lot, etc.)

**LEGAL PROPERTY DESCRIPTION:** (INSERT DESCRIPTION ONLY - can be description or metes and bounds from deed **OR** appraisal district description with account number, lot/blk, acreage and address)

**County of** \_\_\_\_\_

**PROPERTY THREE** – (Insert description here. Ex: Church Building Lot, Parking Lot, Parsonage, Fellowship Hall, Empty Lot, etc.)

**LEGAL PROPERTY DESCRIPTION:** (INSERT DESCRIPTION ONLY - can be description or metes and bounds from deed **OR** appraisal district description with account number, lot/blk, acreage and address)

**EXHIBIT D**

Deed Without Warranty

ATTACHED BY TAC

Please list the address you would like your Deed Without Warranty to be sent to:

PLEASE NOTE- **FEDEX WILL NOT DELIVER TO A P.O. BOX**  
IT MUST BE A PHYSICAL ADDRESS AND WILL NOT REQUIRE A SIGNATURE

ATTENTION: \_\_\_\_\_

STREET ADDRESS: \_\_\_\_\_

CITY AND STATE: \_\_\_\_\_

ZIP CODE: \_\_\_\_\_

LEGAL CHURCH NAME FOR DEED WITHOUT WARRANTY GRANTEE:

\_\_\_\_\_

COUNTY OR COUNTIES WHERE PROPERTY IS LOCATED:

\_\_\_\_\_