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# TRUSTEES SESSION 2: TRUST CLAUSE, ETC

# Topics



**Overview and History**

**Specific Requirements**

**Related Issues**

# Overview & History

# All Titles – In Trust

**“All properties of United Methodist local churches and other United Methodist agencies and institutions are held, in trust, for the benefit of the entire denomination, and ownership and usage of church property is subject to the *Discipline*.” (¶ 2501.1)**

**The denomination’s trust interest is irrevocable:**

- “The trust is and always has been irrevocable, except as provided in the Discipline. Property 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)

# Scope

## **“All” really means all:**

- “[T]itles to all real and personal, tangible and intangible property held at jurisdictional, annual, or district conference levels, or by a local church or charge, or by an agency or institution of the Church, shall be held in trust for The United Methodist Church and subject to the provisions of its *Discipline*.” (§ 2501.1)

**Not just the building and the land, but also bank accounts, furniture, office equipment, investments, hymnals, etc.**



# History



“This trust requirement is an essential element of the historic polity of The United Methodist Church . . . . It reflects the connectional structure of the Church . . . . [It] is thus a fundamental expression of United Methodism whereby local churches and other agencies and institutions within the denomination are both held accountable to and benefit from their connection with the entire worldwide Church.” (¶ 2501.1)

# History



The concept dates all the way back to John Wesley

**He understood that if the local church had unfettered control of the church property, that control would extend to the pulpit itself, giving the local church the ability to exclude the bishop's pastoral appointments**

- In 1750, Wesley tasked three lawyers with crafting deeds for three Methodist preaching houses
- Those deeds served as models and predecessors for the language adopted by the General Conference in 1796
- That "trust clause" was first published in the *Discipline* in 1797

# Specific Requirements



## ¶ 2503.1 – Place of Divine Worship



In trust, that said premises shall be used, kept, and maintained as a place of divine worship of the United Methodist ministry and members of The United Methodist Church; subject to the *Discipline*, usage, and ministerial appointments of said Church as from time to time authorized and declared by the General Conference and by the annual conference within whose bounds the said premises are situated. This provision is solely for the benefit of the grantee, and the grantor reserves no right or interest in said premises.

## ¶ 2503.2 – Parsonage



In trust, that such premises shall be held, kept, and maintained as a place of residence for the use and occupancy of the ordained ministers of The United Methodist Church who may from time to time be entitled to occupy the same by appointment; subject to the *Discipline* and usage of said Church as from time to time authorized and declared by the General Conference and by the annual conference within whose bounds the said premises are situated. This provision is solely for the benefit of the grantee, and the grantor reserves no right or interest in said premises.

## ¶ 2503.3 – Divine Worship & Parsonage



**Include the language from both ¶¶ 2503.1 and 2503.2**

## ¶ 2503.4 – Everything Else



In trust, that said premises shall be kept, maintained, and disposed of for the benefit of The United Methodist Church and subject to the usages and the *Discipline* of The United Methodist Church. This provision is solely for the benefit of the grantee, and the grantor reserves no right or interest in said premises.

## ¶ 2503.5 – From Another UM Entity



In trust, that said premises shall be held, kept, maintained, and disposed of for the benefit of The United Methodist Church and subject to the usages and the *Discipline* of The United Methodist Church.

# Related Issues

# ¶ 2549



## **“Disposition of Property of a Closed Local Church”**

**Rewritten by the 2016 General Conference**

### **No more “discontinuation” or “abandonment”**

- “Closure” of church and what to do with property

### **Standard concepts remain**

- Only annual conference can close a church
- District Superintendent applies the same factors as before when recommending factors closure

# ¶ 2549



**A church can propose to the annual conference that it be closed (new addition in 2020/24 BOD)**

**Procedures available between AC sessions**

**Permits voluntary transfer of local church assets to annual conference BOT**

**“Exigent circumstances”**

- Bishop, Majority of DSs, District Board of Church Location and Building all must agree that provision is applicable
- The Board of Trustees then steps in to take control of the property



## ¶ 2529.1a



If it so elects, direct the board of trustees to incorporate the local church, expressly subject, however, to the *Discipline* of The United Methodist Church (see ¶ 2506) and in accordance with the pertinent local laws and in such manner as will fully protect and exempt from any and all legal liability the individual officials and members, jointly and severally, of the local church and the charge, annual, jurisdictional, and general conferences of The United Methodist Church, and each of them, for and on account of the debts and other obligations of every kind and description of the local church.

## ¶ 2529.1b

**Regardless of whether the charge conference elects to incorporate the local church, the local church:**

- (1) must be organized and operated in compliance with the Discipline;
- (2) cannot act in a manner contrary to the purpose of The United Methodist Church, the annual conference, or the Discipline; and
- (3) cannot sever its connectional relationship to The United Methodist Church without the consent of the annual conference.





# Thank You!



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