

## NCC DISAFFILIATION PROCESS

### LOCAL CHURCH PROPERTY RELEASE REQUEST GUIDELINES

The Local Church shall have full ownership of retained property upon the Disaffiliation Date and fulfillment of all obligations set forth in and pursuant to the extent of the Disaffiliation Agreement.

Upon the Local church's fulfillment of all Disaffiliation Agreement terms and conditions, the **NCC shall release all interest** in the retained property via the following instruments:

- **Quitclaim Deed(s)** for real property (i.e. land, buildings)
- **Bill of Sale** for personal property (i.e. building contents, financial accounts, vehicles, equipment, etc.)

In preparation for the above, **the church must provide a list and description of real property to be retained by the church upon disaffiliation** so that the NCC can prepare **Exhibit B** of the **Disaffiliation Agreement**.

**Submit the following** (via the **OLDCS Disaffiliation Tab**) as required by **Step 3** of the **NCC Disaffiliation Process**:

- **Current Legal Entity (UMC)**
  - Confirm (or update) the current mailing address in the church's OLDCS record.
  - Confirm (or update) the current FEIN (Federal Employer ID Number) in the church's OLDCS record.
  - Indicate current incorporation status: Incorporated / Not Incorporated
    - If not, indicate whether the church intends to incorporate under the new legal entity? Yes/No/Not Sure
- **Real Property – Provide the following for each parcel currently owned by the church:**
  - Property Identification Number (PIN)
  - Physical address
  - Township
  - County
  - Current deed (PDF format only)

The required real property information and deeds are available from your county Register of Deeds and Tax departments, which can be accessed online via the county website.

Please submit complete and accurate property information and deeds as outlined above – **incomplete or inaccurate information and deeds** may result in **delays and increased legal fees**.

- **Personal Property** – Acknowledge that the church understands the NCC will release its interest in all personal, tangible and intangible property upon disaffiliation through a bill of sale.

NOTE: The above statement will be included in Exhibit B of the Disaffiliation Agreement – property list and/or inventory is/are **not** required by the NCC.

- **New Legal Entity (Disaffiliated Church)**
  - Affirm that the church understands a new legal entity for the post-disaffiliation church must be established and **documentation evidencing the same** provided to the NCC no later than **May 15, 2023** as outlined in the related section of **Step 5** of the **NCC Disaffiliation Process**.

**Legal fees** related to Annual Conference's release of property are borne by the Local Church per the NCC Disaffiliation Agreement.

- Conference Counsel has established the following **estimated fees**:
  - **\$800** for preparation of quitclaim deed with **one or two** parcel(s)/tract(s)
  - **\$300** additional fee for **each** parcel/tract of property beyond the second
  - **\$100** for fees related to **recordation** of the deed
  - **\$200** for preparation of bill of sale for personal property
- Legal fees **may vary** based upon any one or more of several factors including whether the property is jointly owned, the presence or absence of reverter clauses in the deeds to the property, or other factors.
- **After a Church Conference vote affirming disaffiliation**, the NCC Chancellor will complete a **legal review and opinion** of the property information/deeds submitted by the church and **determine legal fees**. An email will be sent to the disaffiliation liaison once the legal fees are available under the related section of the **OLDCS Disaffiliation Tab**.
- Legal fees will be remitted per the related section of Step 5 of the **[NCC Disaffiliation Process](#)**.

Please note that the quitclaim deed(s) and bill of sale to be issued by the NCC will serve **only to release its interest in the property** upon disaffiliation. The **church must take timely and appropriate action to facilitate the following** as soon as possible upon affirming Church Conference vote:

- Establish one or more new legal entities (no later than May 15, 2023).
- Settle, liquidate, and/or transfer all obligations and retained property/assets as appropriate (no later than June 30, 2023).
- Close or dissolve any legal entities related to the disaffiliated UMC (no later than June 30, 2023)

To effectuate the above:

- If the Local Church is **incorporated**, the church must:
  - (a) either dissolve the corporation **or** change its name to one that does not include the words "United Methodist" **and**
  - (b) ensure that ownership of all property is in the name of the new organization or newly named organization that does not include "United Methodist" in its name.
- If the Local Church is **not incorporated**, the church must:
  - (a) change its name **or** incorporate under a new name **and**
  - (b) ensure that ownership of all property is in the name of the new organization or newly named organization that does not include "United Methodist" in its name.

**Churches are encouraged to consult with a local legal counsel** for assistance with property matters, especially if your church has multiple and/or complex properties. Church legal counsel should send communications to **[disaffiliation@nccumc.org](mailto:disaffiliation@nccumc.org)**, who will provide assistance and/or forward to Conference Counsel as appropriate.