

***Suggested Title: Bishop Retirement***

***Discipline Paragraph Numbers: 408 and 817***

***Financial Implications: None***

***Global Implications: Yes***

***Agency Name: General Board of Pension and Health Benefits and General Council on Finance and Administration***

**1. Amend ¶408.1a) and b) as follows:**

1. *Mandatory Retirement*—*a)* A bishop shall be retired on August 31 next following the regular session of the jurisdictional or central conference if the bishop's sixty-eighth birthday has been reached on or before July 1 of the year in which the jurisdictional or central conference is held.

*b)* Pension, as provided under the Clergy Retirement Security Program or the Global Episcopal Pension Program (or, in either case, any successor bishop pension or retirement plan or program), as either may apply, approved by the General Conference shall be payable as provided in such plan or program on September 1 following the close of the jurisdictional or central conference. (Effective at the conclusion of General Conference 2012)

**2. Amend ¶408.2a) as follows:**

*a)* Bishops who have completed twenty years or more of service under full-time appointment as ordained ministers or as local pastors with pension credit prior to the opening date of the session of the jurisdictional or central conference, including at least one quadrennium as bishop, may request the jurisdictional ~~conference~~ or central conference to retire them with the privilege of receiving their pension to the extent permitted under as determined by the General Council on Finance and Administration, payment of which may begin the first of any month when such payments would be permissible under the provisions of the Ministerial Pension Plan, amended and restated effective January 1, 2007, as the Clergy Retirement Security Program or the Global Episcopal Pension Program (or, in either case, any successor bishop pension or retirement plan or program), as either may apply. If the bishop has not reached age sixty five or completed forty years of service at the time of retirement, the pension benefit for years of service prior to January 1, 1982, may be actuarially reduced as provided under guidelines adopted by General Conference. (Effective at the conclusion of General Conference 2012)

**3. Amend ¶408.2c) as follows:**

*c)* Bishops who have attained age sixty-two or have completed thirty-five years of service under full-time appointment as an elder or a bishop may request the jurisdictional or central conference to place them in the retired relation with the privilege of receiving their pension to the extent permitted under the Clergy Retirement Security Program or the Global Episcopal Pension Program (or, in either case, any successor bishop pension or retirement plan or program), as either may apply as determined by the General Council on Finance and Administration. (Effective at the conclusion of General Conference 2012)

**4. Amend the second sentence of ¶408.2e) as follows:**

Such bishops shall receive their pensions to the extent permitted under the Clergy Retirement Security Program or the Global Episcopal Pension Program (or, in either case, any successor bishop pension or retirement plan or program), as either may apply as provided by the General Council on Finance and Administration in consultation with the jurisdictional or central conference committee on episcopacy. (Effective at the conclusion of General Conference 2012)

**5. Delete ¶408.2f), effective at the conclusion of General Conference 2012.**

**6. Amend the last two sentences of ¶408.3b) as follows:**

Upon such retirement, the bishop shall receive a pension to the extent permitted under the Clergy Retirement Security Program or the Global Episcopal Pension Program (or, in either case, any successor bishop pension or retirement plan or program), as either may apply as determined by the General Council on Finance and Administration. See also 2d above. (Effective at the conclusion of General Conference 2012)

**7. Amend the last sentence of ¶408.4 as follows:**

When Pension benefits will be payable to the resigned bishop to the extent permitted under the Clergy Retirement Security Program or the Global Episcopal Pension Program (or, in either case, any successor bishop pension or retirement plan or program), as either may apply or surviving spouse and dependent children become conference claimants, the Episcopal Fund shall pay a pension as determined by the General Council on Finance and Administration. (Effective at the conclusion of General Conference 2012)

**8. Amend ¶817.2(5) as follows:**

(5) the minimum amounts needed to fund the Clergy Retirement Security Program or the Global Episcopal Pension Program (or, in either case, any successor bishop pension or retirement plan or program) be fixed as annual pensions for the support of retired bishops and/or the method by which their annual pensions shall be determined; (Effective at the conclusion of General Conference 2012)

**9. Amend the second sentence of ¶817.8 as follows:**

For service years beginning January 1, 1982, and thereafter, the pensions for the support of bishops elected by jurisdictional conferences and those of their surviving spouses and dependent children shall include benefits provided by the Ministerial Pension Plan, amended and restated effective January 1, 2007 as the Clergy Retirement Security Program (or any successor bishop pension or retirement plan or program); and the Comprehensive Protection Plan of the General Board of Pension and Health Benefits. (Effective at the conclusion of General Conference 2012)

**RATIONALE:** As provided in ¶16.5 of the Constitution, this petition provides uniform rules for retirement for both jurisdictional and central conference bishops and specifies the pension plans that will provide retirement benefits for them. References to those pension plans are substituted for references to GCFA determining bishop pension amounts.

***Suggested Title: Provisions for Episcopal Areas***  
***Discipline Paragraph Number: 404.2***  
***General Church Budget Implications: Yes***  
***Global Implications: None***

**Amend ¶ 404.2 as follows:**

~~2. b) A jurisdiction shall not have the number of bishops to which it is entitled reduced until and unless the number of its church members shall have decreased by at least ten percent below the number of church members which had previously entitled the jurisdiction to its number of bishops.~~  
~~e) If the number of church members in a jurisdiction shall have decreased by at least ten percent below the number of church members which had previously entitled the jurisdiction to its number of bishops, then the number of bishops to which it shall be entitled shall be determined on the basis of missional needs, as approved by the General Conference on the recommendation of the Interjurisdictional Committee on Episcopacy, provided however that said jurisdiction shall be entitled to no less than the number of bishops to which it would be entitled under subparagraph a) above.~~  
~~c) If a jurisdiction, as a result of the provisions of this paragraph, shall have the number of bishops to which it had previously been entitled reduced, then the reduction in the number of bishops to which it is entitled shall be effective as of September 1 of the fourth calendar year after in which said reduction has been determined by the General Conference.~~  
~~e) In the event a reduction in episcopal assignments in a jurisdiction is required by the above formula, any funds made available will remain in the Episcopal fund to support new episcopal areas in the Central Conferences.~~  
(The provisions of ¶ 404 shall be effective at the conclusion of the 2012 General Conference.)

**Rationale:**

Statistical data now available allow the General Council on Finance and Administration to use trend analysis to project when a jurisdiction is likely to cross the threshold when there needs to be a change in the number of episcopal areas within that jurisdiction. This will permit advance notice to a jurisdiction to begin the necessary planning to determine how best to implement the changes necessary to accomplish such a change in the same year that the General Conference makes that determination. There is still the option to request retention or addition of an episcopal area due to missional needs. The last paragraph is not needed since one General Conference cannot bind another General Conference on the use of funds beyond the current quadrennium.

***Suggested Title: Bishop Evaluation***  
***Discipline Paragraph Number: 524.3a***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Add the following sentence to the end of ¶ 524.3a:**

The committee may, in its sole discretion, also forward its report to the president of the college of bishops, who shall then share the report with the Council of Bishops in executive session.

**Rationale:**

The added language permits the jurisdictional committees on episcopacy, in appropriate cases, to involve the Council of Bishops to assist them with insuring effective episcopal leadership in the jurisdiction. This would assist the new emphasis on accountability described in the Call To Action report and recommended in the Connectional Table's report to the 2012 General Conference.

***Suggested Title: Chancellor Election***  
***Discipline Paragraph Number: 603.8***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend ¶ 603.8 as follows:**

The annual conference ~~shall~~ may designate, as chancellor, and may designate one or more associate chancellors. ~~The chancellor and any associate chancellors must be one or more persons who are members in good standing of a local church or an annual conference in the episcopal area, and be who are licensed to practice law in a state members of an appropriate bar of a state in the episcopal area.~~ The ~~Each~~ Each chancellor and any associate chancellors shall be nominated by the bishop and elected quadrennially by the annual conference. If a vacancy should occur during the quadrennium, the bishop shall fill the vacancy until the next session of the annual conference. The chancellors, assisted by the associate chancellors, if any, shall serve as legal adviser(s) to the bishop and the annual conference. Each annual conference shall report its election of the chancellor and any associate chancellors to the General Council of Finance and Administration. ~~The annual conference may have more than one chancellor.~~

**Rationale:**

The revised language requires that Chancellors (and any associate chancellors) be elected on a quadrennial basis, similar to annual conference treasurers. It also requires that the results of such elections be reported to the General Council on Finance and Administration in order to facilitate ongoing communication on developing legal issues of denominational significance.

***Suggested Title: Local Church Accessibility***  
***Discipline Paragraph Number: 613.7***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend ¶ 613.7 as follows:**

To ~~assist~~ advise local churches ~~in~~ about making their church buildings, facilities, and programs accessible.

**Rationale:**

This proposed change helps clarify that the annual conference has no financial obligation to local churches in this regard, but can provide consultation regarding accessibility issues.

***Suggested Title: Episcopal Fund Apportionment Reporting***  
***Discipline Paragraph Number: 614.1b***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend ¶ 614.1b as follows:**

The council shall report to the annual conference at each session the ~~percentage approved by the General Conference as the basis for the~~ Episcopal Fund apportionment to the annual conference under the methodology approved by the General Conference and shall include in its recommended clergy support budget the amount determined by the treasurer of the General Council on Finance and Administration as necessary to meet this apportionment.

**Rationale:**

The existing language refers to a former methodology for apportioning the Episcopal Fund to annual conferences which is no longer in use.

***Suggested Title: Health and Welfare Ministries Relationship Statements***  
***Discipline Paragraph Number: 633.4b(27), 1327.3a(4), 2517***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Delete ¶¶ 633.4b(27) and 1327.3a(4) and insert a new ¶ 2517, as follows:**

2517. *Responsibilities of Annual Conference Trustees related to Health and Welfare institutions.*

1. The annual conference shall designate a body which shall be responsible for establishing and maintaining the annual conference's relationship statements with related health and welfare organizations. If the annual conference does not designate a body for this purpose, the responsibility shall rest with the annual conference board of trustees. A related health and welfare organization is any organization that:

- a) Provides health or welfare services;
- b) Is located within the bounds of the annual conference; and
- c) Either

(1) Seeks, or already has, a relationship or connection with an annual conference, regardless of whether the relationship or connection is formal or informal, official or unofficial, or does or does not involve any financial or legal commitments; or

(2) Markets, publicizes, or promotes itself as having a connection to the annual conference or to the denomination or uses the official United Methodist insignia or the term "United Methodist" in any way.

2. The body designated by the annual conference shall consult with the conference chancellor and the conference Health and Welfare Committee (or equivalent structure) in the development of relationship statements.

3. The body designated by the annual conference shall provide the General Council on Finance and Administration with current copies of all of the conference's relationship statements.

4. If the annual conference has a relationship with a related health and welfare organization, the legal and financial relationships between the annual conference and the health and welfare organization must be memorialized in a clearly stated document describing such relationships. This relationship statement shall:

a) Not purport to name as a party "The United Methodist Church" and/or any general agency of "The United Methodist Church;"

b) Require the health and welfare organization to acquire approval from the General Council on Finance and Administration if the health and welfare organization wishes to use the official United Methodist insignia or the term "United Methodist" in its name, mission statement, publications, or promotional or marketing material;

c) Acknowledge that the annual conference shall not be legally responsible for the debts, contracts or obligations, or for any other financial commitments of any character or description created, undertaken, or assumed by the health and welfare institution, absent the express consent of the annual conference;

d) Require the body designated by the annual conference and the health and welfare institution to review the relationship statement at least every four years; and

e) Comply with any further requirements adopted by the General Council on Finance and Administration, in consultation with the United Methodist Association of Health and Welfare Ministries.

5. The body designated by the annual conference may encourage or require the health and welfare

organization to:

- a) Hold membership in the United Methodist Association of Health and Welfare Ministries;
  - b) Pursue accreditation in one of the industry recognized, national accreditation bodies appropriate to faith-based organizations; or
  - c) Utilize the programmatic standards, self-study, and peer review appropriate to Church-related institutions and programs available to them through organizations that will promote excellence in Christian ministry and mission and enhance the quality of services offered.
6. If the body designated by the annual conference terminates, decides not to renew, or is unable, after reasonable efforts, to agree to, a relationship statement with a health and welfare organization, it shall report such termination, non-renewal, or inability to agree at the next session of the annual conference. This report shall then be published in the annual conference journal.

**Rationale:**

These changes provide general guidelines and requirements for relationship statements for health and welfare organizations related to the annual conference. These relationship statements help protect the annual conference's property and assets.

***Suggested Title: Purchase or Sale of Episcopal Residence***  
***Discipline Paragraph Number: 638.4a***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend ¶ 638.4a as follows:**

To make recommendations to the annual conference(s) regarding the purchase, or sale, ~~or rental~~ of an episcopal residence.

**Rationale:**

This change reflects the requirement that bishops must now live, by action of the General Conference, in the episcopal residence owned by the annual conferences within that episcopal area and provided to them. At one time, episcopal residences were rented as well as owned, but that option is no longer applicable.

***Suggested Title: Employment of General Agency Staff***  
***Discipline Paragraph Number: 713***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Add the following language to the end of ¶ 713:**

An agency's board must approve the termination of employment of its general secretary. Absent a contrary action by, or policy of, the agency's board, the agency's general secretary may terminate the employment of all other agency staff, including elected staff.

**Rationale:**

These changes clarify that general secretaries serve at the pleasure of their boards of directors. All other agency staff, including elected staff described in ¶ 705, serve at the pleasure of the general secretary, unless the agency's board has decided otherwise

***Suggested Title: Clergy Appointments to General Agencies***  
***Discipline Paragraph Number: 714.9***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend ¶ 714.9 as follows:**

Prior to any interviews of clergypersons for general ~~board~~ or agency staff positions, the bishop of the clergyperson under consideration shall be consulted at the initiative of the general board or agency. When a clergyperson's employment with a general agency is terminated, the general agency shall have no further obligation to provide compensation or benefits to the terminated clergyperson, except as provided or permitted by the General Council on Finance and Administration's uniform personnel policies described in ¶ 807.13a.

**Rationale:**

These changes clarify that clergy under appointment and lay staff shall be treated the same when their employment with a general agency is terminated.

***Suggested Title: Data Collection***  
***Discipline Paragraph Number: 805.4c, 807***  
***General Church Budget Implications: Yes***  
***Global Implications: None***

**Delete ¶ 805.4c and insert a new ¶ 807.15 as follows, renumbering accordingly:**

To establish and supervise definitions and policies regarding the collection, processing, and distribution of the official data of the denomination in collaboration with the Council of Bishops and in consultation with the general agencies. All official printed forms and materials devised for the collection of this information and available for sale shall be printed and published through The United Methodist Publishing House.  
(The provisions of ¶ 807 shall be effective at the conclusion of the 2012 General Conference.)

**Rationale:**

Through this legislation, GCFA will retain its oversight of the official data of the Church, while allowing the Council to adapt its structure and processes through internal Council policy, rather than Disciplinary provisions. This allows for the development of partnerships with the Council of Bishops and other data users with the intent of increasing the transparency, accessibility, and nimbleness in the creation of policy and oversight structures for data collection and use.

**Suggested Title: Board Membership**  
**Discipline Paragraph Number: 805.1, .2**  
**General Church Budget Implications: Yes**  
**Global Implications: None**

**Amend ¶ 805.1 and .2 as follows:**

¶ 805. *Organization*—1. *Membership*—~~a)~~ The twenty-one voting members of the council shall be elected quadrennially.

a) Sixteen voting members of the council shall be elected by the General Conference and shall consist of forty persons be nominated as follows:

(1) ~~four~~ two bishops ~~including one from a central conference~~, nominated by the Council of Bishops;  
(2) ~~thirty~~ eleven persons from the jurisdictions, nominated by the ~~C~~college of ~~B~~bishops in each jurisdiction based upon an allocation by the secretary of the General Conference so ~~as to insure~~ that the membership of the council reflects the proportionate membership of the jurisdictions based upon their combined clergy and lay membership, at least one of whom should be a youth between the ages of twelve and seventeen, and at least one of whom should be a young adult not over twenty-eight years of age at the time of election; and

(3) ~~six~~ three persons from the central conferences - members at large, one member from Africa, one from Europe, and one from the Philippines; - nominated by the Council of Bishops and most of whom shall be elected for special skills. After the above mentioned election of central conference members, the remaining members at large shall be nominated by the Council of Bishops based upon an allocation by the secretary of the General Conference so as to insure, to the extent possible, that membership of the Council reflects the proportionate membership of the jurisdictions based upon the combined clergy and lay membership insuring diversity as otherwise provided in *The Book of Discipline* (¶ 705.5b). This petition shall become effective upon passage by the General Conference members.

~~b)~~ It is recommended that in selecting the voting members from the jurisdictions and central conferences attention be given to ensuring adequate representation of racial and ethnic groups and young people, and that approximately with at least two of the at large members to be racial and ethnic persons. It is further recommended that in the membership from each of the jurisdictions and the at large members, one-third be clergy in full connection, one-third be laymen, and one-third be laywomen.

b) Five voting members of the council shall be nominated and elected by the council in such a manner as set forth in the council's bylaws, provided, not more than one of these five voting members shall be from the same jurisdictional or central conference. These five voting members shall be selected for the purpose of bringing to the council special knowledge, experience, or diversity.

~~c)~~ The general secretaries . . . until their successors are elected and qualified.

~~f)~~ Vacancies occurring between sessions of the General Conference shall be filled by the council on nomination of the College of Bishops of the jurisdiction concerned (see ¶ 712) if the vacancy is among members chosen to represent a jurisdiction, or, in the event of a vacancy among the episcopal; or central conference; or at large representative members, on nomination of the Council of Bishops. Vacancies among the five voting members nominated and elected by the council shall be filled in such a manner as set forth in the council's bylaws.

2. *Meetings*—The council shall meet at least annually and at such other times as are necessary on call of the president or on written request of one-fifth of the members. ~~Twenty-one~~ Eleven voting

members shall constitute a quorum.

(The provisions of ¶ 805 shall be effective at the conclusion of the 2012 General Conference.)

**Rationale:**

The General Council on Finance and Administration is seeking to improve its efficiency and effectiveness by reducing its size to enable more frequent regular meetings without an increase in cost. These actions by the Council are consistent with the results of the Call To Action report that recommended similar action by all of the general agencies. The Council also seeks to have members that have expertise in its various areas of responsibility to aid in its establishment of ongoing policies that staff can implement between meetings of the Council.

**Suggested Title: Committee Structure**  
**Discipline Paragraph Number: 805.3, .4**  
**General Church Budget Implications: Yes**  
**Global Implications: None**

**Amend ¶¶ 805.3 and .4 as follows:**

3. *Officers*—The officers of the council shall be a president, a vice president, a recording secretary, and a general secretary, who shall also be the treasurer of the council, all of whom shall be elected by the council (see § 5). They shall serve until the adjournment of the next succeeding quadrennial session of the General Conference after their election and until their successors are duly elected and qualified. The president, and vice president, ~~and recording secretary~~ shall be elected from the membership of the council. The general secretary shall ~~sit with the council and its executive committee at all sessions and shall have the right to the floor at all meetings of the council and its committees~~ without the privilege of voting.

4. *Committees*—*a) Executive Committee*—~~There shall be an executive committee of the council, consisting of the episcopal members, the officers of the council, chairpersons of the committees on services as defined in the council bylaws, and up to three members at large to assure that, in addition to the episcopal members, there is at least one member from each jurisdiction and there is racial and ethnic participation. The executive committee shall meet on call of the president or of a majority of the membership and shall act for the council and exercise its powers in the interim between the meetings of the council, but it shall not take any action contrary to or in conflict with any action or policy of the council. A copy of the minutes of each meeting of the executive committee shall be sent from the central office to each member of the council as soon after the meeting as practicable.~~

*b) Committee on Audit and Review*—~~The executive committee of the council shall appoint a~~ **Committee on Audit and Review**, no members of which shall be officers ~~or members of the executive committee~~ of the council, and at least half of whom shall not be members of the council, whose duty it shall be to review audits of all treasuries receiving general Church funds (see ¶ 810.2) in accordance with all established auditing standards, including the funds of the council, related policies with financial implications, and the utilization of financial assets in achieving the stated mission of the entity as defined by the General Conference, the governing board, and donor designations. Not included are the audits of the General Board of Pension and Health Benefits and The United Methodist Publishing House. In any matter of possible or potential financial impropriety reported to the committee by the auditors, the committee chair shall immediately inform the president and general secretary of the General Council on Finance and Administration and the president and general secretary of the applicable agency. The committee shall report its findings to the annual meeting of the council.

*c) Committee on Official Forms and Records*—~~The council shall maintain and supervise under the direction of its general secretary a~~ **Committee on Official Forms and Records**, which shall have the duty of preparing and editing all official statistical forms, record forms, and record books for use in the Church. Through these forms, the council shall collect statistical and financial information from all annual conferences of The United Methodist Church. The committee shall consist of one bishop elected by the Council of Bishops and nine persons elected by the General Council on Finance and Administration, as follows: five members of the council, one conference secretary, one conference treasurer, one conference statistician, and one district superintendent. At least one member shall represent the central conferences. ~~The members shall be from the qualifying area or~~

~~servicing in the qualifying position at the time of their election. The following persons shall be consultants to this committee ex officio, without vote: two staff representatives of the council, a representative of The United Methodist Publishing House, and representatives of other general agencies when their programs are directly involved. All official record forms, record books, and certificates designed by the committee for use in The United Methodist Church and available for sale shall be printed and published through The United Methodist Publishing House.~~

*bd) Committee on Personnel Policies and Practices*—The council shall organize a committee consisting of three representatives from the General Council on Finance and Administration, one of whom shall serve as chairperson, and one representative of each of the following agencies: the General Board of Church and Society, the General Board of Discipleship, the General Board of Global Ministries, the General Board of Higher Education and Ministry, the General Commission on Archives and History, the General Commission on Christian Unity and Interreligious Concerns, the General Commission on Communication, the General Commission on Religion and Race, the General Commission on the Status and Role of Women, and the General Commission on United Methodist Men. Each of the aforementioned representatives shall be selected by the council, board, or commission represented from its membership. The committee shall have duties and responsibilities as defined in ¶ 807.13b.

*ce) Committee on Legal Responsibilities and Corporate Governance*—The council shall organize a committee composed of six persons; ~~three of whom shall be members of the council, two active annual conference chancellors, and one at-large attorney.~~ The committee shall be amenable to the council and shall make recommendations to the council regarding the fulfillment of ~~its~~the responsibilities defined in ¶807.9 and its exercise of appropriate principles of corporate governance. The Legal Services Department of the council shall be responsible to the Committee on Legal Responsibilities and Corporate Governance.

*df) Other Committees*—The council shall ~~elect or appoint~~establish such other committees and task forces as needed for the performance of its duties.

(The provisions of ¶ 805 shall be effective at the conclusion of the 2012 General Conference. Also, effective at the conclusion of the 2012 General Conference, replace any reference in the *Book of Discipline* to any GCFA committee, other than those listed in ¶ 805.4 (as amended by this petition), with the phrase “a committee designated by the General Council on Finance and Administration”. )

## **Rationale:**

The General Council on Finance and Administration proposes to change some of its committee structure in conjunction with a reduction in the size of its membership. These changes can help the Council function more efficiently by establishing policies to be carried out by the staff between regular meetings.

***Suggested Title: Committee on Legal Responsibilities***  
***Discipline Paragraph Number: 805.4e***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend ¶ 805.4e as follows:**

*Committee on Legal Responsibilities and Corporate Governance*—The Council shall organize a committee composed of six persons; ~~three of whom shall be members of the council, two active annual conference chancellors, and one at-large attorney.~~ The committee shall be amenable to the council and shall make recommendations to the council regarding the fulfillment of ~~its~~the responsibilities defined in ¶807.9 and its exercise of appropriate principles of corporate governance. The Legal Services Department of the council shall be responsible to the Committee on Legal Responsibilities and Corporate Governance.  
(The provisions of ¶ 805 shall be effective at the conclusion of the 2012 General Conference.)

**Rationale:**

The Enron and other financial scandals highlighted the need for significantly improved corporate governance. GCFA has decided this function best resides with the formerly-named Committee on Legal Responsibilities. This name change merely reflects those additional responsibilities. The changes to the composition recognize the increased need for legal expertise in this area. The last change reflects the Committee's need to have oversight of the Legal Services Department.

***Suggested Title: Fund Budget Recommendations***  
***Discipline Paragraph Number: 806.1***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Delete ¶ 806.1c and replace ¶ 806.1b with the following:**

In the case of the World Service Fund, Ministerial Education Fund, Black College Fund, Africa University Fund, and Interdenominational Cooperation Fund, the General Council on Finance and Administration and the Connectional Table shall proceed in the following manner to develop budget recommendations as they relate to allocations to the general program agencies of the Church and funding level recommendations:

(1) The General Council on Finance and Administration shall establish the estimated amount available for distribution from the World Service Fund among the general program agencies and through the other funds.

(2) The Connectional Table will review the program priorities, missional priorities, and special programs and the estimated amount available to the general program agencies, and then establish the amounts to be distributed to those agencies from the annual World Service allocation. The Connectional Table will review both the funding priorities and the estimated amount available to the other funds and then establish the amounts to be distributed to each.

(3) The General Council on Finance and Administration will review the recommended allocations to the several general program agencies within the total sum of the World Service Fund budget, and the funding levels for each of the other listed apportioned funds. When the General Council on Finance and Administration and the Connectional Table agree, these allocations and total sum will be included in the World Service budget and the funding levels of all these listed general apportioned funds will be recommended to the General Conference by the General Council on Finance and Administration.

**Rationale:**

This change eliminates duplicative language related to the process for development of the proposed quadrennial budgets for the five listed general apportioned funds. This process allows the Connectional Table to make recommendations on the allocation within the World Service Fund and among the other four funds based on the General Council on Finance and Administration's recommendation on the likely amount of available money for these five funds. When the General Council on Finance and Administration agrees with the proposed allocations from the Connectional Table, that final budget of these five funds will go forward to the General Conference for its consideration and approval.

***Suggested Title: Review of Treasury Budgets***  
***Discipline Paragraph Number: 806.4***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend ¶ 806.4 as follows:**

It shall require annually one month in advance of its annual meeting, or as is deemed necessary, and in such form as the council may require, statements of proposed budgets of all treasuries ~~or agencies~~ receiving general Church funds (*see* ¶ 810.2). It shall review the budget of each ~~agency~~ treasury receiving general Church funds in accordance with guidelines that it shall establish and communicate to the agencies, including the relationship between administration, service, and promotion, and consideration of evaluations from the Connectional Table on the missional effectiveness of the general program-related agencies and connectional structures of the Church. In the interest of sound fiscal management, the council will ensure that expenditures of agencies receiving general Church funds do not exceed receipts and available reserves, and this within a budget approved by the council.

**Rationale:**

There is a need to review spending plans for treasuries receiving general Church funds in the light of their effectiveness in accomplishing their defined goals and objectives. The Connectional Table is charged with evaluations of the work of the programmatic general agencies. By providing their evaluations of the agencies work, the Connectional Table can assist the General Council on Finance and Administration members in determining the appropriateness of the proposed spending plans within the available financial resources.

***Suggested Title: Audits of Treasuries Receiving General Church Funds***  
***Discipline Paragraph Number: 806.6, .12***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend ¶ 806.6 as follows:**

It shall establish and conduct the internal auditing functions for all ~~agencies~~ treasuries receiving general Church funds (see ¶ 810.2).

**Amend the first sentence of ¶ 806.12 as follows:**

The Committee on Audit and Review (¶ 805.4b), on behalf of the council, shall monitor the compliance of ~~agencies~~ treasuries receiving general Church...

**Rationale:**

This change tracks the language used in ¶ 805.4b, which states the General Council on Finance and Administration Committee on Audit and Review shall “review audits of all *treasuries* receiving general Church funds.”

***Suggested Title: Undesignated Gifts***  
***Discipline Paragraph Number: 807.3***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend ¶ 807.3 as follows:**

When the use to be made of any such donation, bequest, or devise is not otherwise designated, the same shall be added to and become a part of the ~~“Permanent Fund” of The United Methodist Church~~ World Service contingency fund (¶ 806.1.e). Amounts held in the “Permanent Fund” of The United Methodist Church ~~This fund shall be held and~~ administered by the council, as the General Conference shall direct.

**Rationale:**

Directing these undesignated gifts to the World Service contingency fund provides greater flexibility in responding to a wider range of unanticipated needs without having to obtain General Conference approval, while still providing accountability and oversight to the General Council on Finance and Administration and the Connectional Table.

***Suggested Title: General Agency Headquarters Review***  
***Discipline Paragraph Number: 807.7***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend ¶ 807.7 as follows:**

To ~~act in concert with the Connectional Table~~ to establish a procedure for making a quadrennial review...

**Rationale:**

The General Council on Finance and Administration will develop a procedure that includes consultation with the Connectional Table at appropriate points in the process of developing a report to General Conference on the implications of any change in the location of a general agency's headquarters. Most of the analysis of proposed changes will be financial and administrative in nature. The Connectional Table can provide input, along with the agency involved, on any programmatic impact of any proposed changes.

***Suggested Title: Title to Historic Sites and Heritage Landmarks***

***Discipline Paragraph Number: 807.8***

***General Church Budget Implications: None***

***Global Implications: None***

**Delete the last sentence of ¶ 807.8.**

~~Titles to historic sites and heritage landmarks, and such historical properties as may be acquired in the future, shall be held by the General Council on Finance and Administration.~~

**Rationale:**

The requirement that the General Council on Finance and Administration hold title to all historic sites and landmarks throughout the denomination is no longer practical or advisable.

***Suggested Title: Efficiency in Operating Systems***  
***Discipline Paragraph Numbers: 807.12, 811.2***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Delete ¶ 807.12 and amend ¶ 811.2 as follows:**

It may withhold approval of any item or items in the budget or budgets receiving general Church funds (see ¶ 810.2) that in its judgment represent unnecessary duplication of administrative functions; and services. Such functions and services shall include, but not be limited to, accounting, databases, equipment, human resources, information technology, maintenance, and meeting planning. ~~In~~ cooperation with and on recommendation of the Connectional Table, it may withhold approval of any ~~such~~ item that represents unnecessary duplication of program within an agency or between two or more agencies. If the council finds that there is such duplication in existing activities, it shall promptly direct the attention of the agencies involved to the situation and shall cooperate with them in correcting the same, and it may decline to supply from general fund receipts money to continue activities that have been held to duplicate each other unnecessarily or plainly violate the principle of correlation as applied to the total benevolence program of the Church.

**Rationale:**

The requirements set forth in ¶ 807.12 are not well defined and difficult to enforce. These issues can be addressed more directly in ¶ 811.2. This change provides more specificity and greater clarity on potential areas of duplication which the General Council on Finance and Administration may need to address for optimal use of general Church resources in facilitating ministry throughout the UMC.

***Suggested Title: Review of General Agency Policies and Pay Equity***  
***Discipline Paragraph Number: 807.13***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend ¶ 807.13b as follows:**

*b)* The Committee on Personnel Policies and Practices (¶ 805.4d) shall: (1) prepare quadrennially, review annually, and recommend to the council an appropriate salary schedule, based upon responsibilities, for personnel of the councils, boards, and commissions represented on the committee; and (2) develop and recommend to the council a schedule of benefits for an employee benefit program for personnel of agencies represented on the committee and any changes required thereto from time to time.;

~~(c)~~ The Committee on Audit and Review shall: (1) receive from agencies and institutions receiving general Church funds (see ¶ 810.2) statements regarding their compliance with the policies stated or referenced in ¶¶ 807.13a and 811.1; and (2) receive from all general agencies information necessary to evaluate pay equity. Based on these statements, and in consultation with and upon the advice of the General Commission on Religion and Race and the General Commission on the Status and Role of Women, the committee shall prepare for the General Council on Finance and Administration reports and recommendations deemed appropriate by the committee, in accordance with the procedures set forth in ¶ 806.12.

*d)* In the event it is determined by the council that an agency or institution receiving general Church funds is not in compliance with the policies stated or referenced in ¶¶ 807.13a and 811.1~~equal employment opportunity policies and the salary and employee benefit schedules established by the committee~~, the council shall notify in writing the agency so named and suspend, after a three-month period of grace, an appropriate amount of future funding until the agency or institution complies.

**Rationale:**

This change moves the review of pay equity reporting away from two of the agencies involved with establishing the policies and procedures to the committee that is designed to evaluate compliance with established policies and procedures. The General Commission on the Status and Role of Women and the General Commission on Religion and Race will retain the opportunity to review and comment on the findings of the General Council on Finance and Administration Audit and Review Committee before the report is finalized for possible action by the General Council on Finance and Administration.

***Suggested Title: Official Church Data***  
***Discipline Paragraph Number: 807.15***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend ¶ 807.15 as follows:**

To maintain the exclusive database for the Church and the general agencies receiving general Church funds (see ¶ 810.2) an accurate record of the official data ~~mail addresses~~ of all: bishops; ordained and consecrated ministers in effective relation; local pastors, including retired ordained ministers serving charges; charges, local churches, parishes, fellowships, and new church starts; and such lists of general, jurisdictional, and conference boards, commissions, and committees, and officers of same, and of such other officers as the council may determine necessary. No one other than authorized bodies or officers of the Church shall be permitted to use these records. (The provisions of ¶ 807 shall be effective at the conclusion of the 2012 General Conference.)

**Rationale:**

This petition seeks to establish one centralized database for the contact information for local churches, clergy and leadership of The United Methodist Church. Currently, several agencies request the same or similar pieces of information from local churches and annual conferences. The intent is to standardize the request to acquire this contact information from the local churches and annual conferences to accommodate the needs of all the general agencies. A centralized database can also help ensure that the latest, most reliable information is available since the information will be sent to one specified location.

***Suggested Title: Assisting Other Church Entities***  
***Discipline Paragraph Number: 807.17***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend ¶ 807.17 by addition of a last sentence, as follows:**

In accordance with ¶ 810.1, any assistance or resources provided by the council hereunder shall be in-kind and not a direct grant of funds.

**Rationale:**

Paragraph 810.1 restricts the use of general Church funds by the General Council on Finance and Administration for purposes specifically authorized by the General Conference in fulfillment of its fiscal responsibilities. They are restricted assets and are not funds of the local churches, annual or jurisdictional conferences, or other units of the denomination.

***Suggested Title: Conference Chancellors Association***  
***Discipline Paragraph Number: 807.22***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Insert a new ¶ 807.22 as follows and renumber accordingly:**

To provide guidance and consultation to the **United Methodist Church Conference Chancellors Association** and to encourage annual conference chancellor participation in that organization. The council may provide such staff and in-kind services to the association as it deems appropriate.

**Rationale:**

This addition reflects the recent establishment of the chancellor's association and the role of the General Council on Finance and Administration in providing appropriate guidance and assistance in a manner consistent with its work with other associations of United Methodist members in financial and administrative roles.

***Suggested Title: Audits of General Church Funds***  
***Discipline Paragraph Number: 810.1***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Add the following language to the end of ¶ 810.1:**

The General Council on Finance and Administration’s Committee on Audit and Review shall review the internal and external audits of these funds and report the results of its findings to the treasuries receiving these funds, the General Council on Finance and Administration, and/or any other entity it deems appropriate. The provisions of ¶ 806.12 shall apply to this function of the Committee on Audit and Review.

**Rationale:**

The added language clarifies that the General Council on Finance and Administration’s Audit and Review Committee shall monitor compliance with the use of all of these general Church funds.

***Suggested Title: COB Ecumenical Officer and Executive Secretary***

***Discipline Paragraph Number: 817.2***

***General Church Budget Implications: None***

***Global Implications: None***

**Amend ¶ 817.2 as follows:**

The council shall recommend to each quadrennial session of the General Conference for its action and determination: (1) the amounts to be fixed as salaries of the effective bishops or a formula by which the council shall fix the salaries; (2) a schedule of such amounts as may be judged adequate to provide for their office expense; (3) provision for an annual operating budget for the Council of Bishops, including the salaries and offices office and travel expenses of the executive secretary and the ecumenical officer of the Council of Bishops...

**Rationale:**

The purpose of this change is to clarify that the Episcopal Fund is to provide for the salaries and expenses for the Council of Bishops Ecumenical Officer and Executive Secretary.

***Suggested Title: Housing Grants for Episcopal Areas***  
***Discipline Paragraph Number: 817.5***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend ¶ 817.5 as follows:**

The General Council on Finance and Administration shall provide an annual grant from the Episcopal Fund to share in the costs of providing ~~an~~ the episcopal residence owned by the annual or central conference(s) in the episcopal area. ~~The amount of such grant is to be approved by the General Conference on recommendation of the council. The treasurer of the General Council on Finance and Administration shall remit the annual housing grant to the respective annual or central conference(s) in the episcopal area. office designated by the episcopal residence committee to receive such housing payments.~~ The amount of such grant is to be approved by the General Conference on recommendation of the council. The treasurer of the General Council on Finance and Administration shall remit the annual housing grant to the respective annual or central conference(s) in the episcopal area. ~~office designated by the episcopal residence committee to receive such housing payments.~~ The treasurer shall also remit periodic installments of the amount approved by the council as office expenses to each bishop, or to the office designated by the bishop to receive such payments.

**Rationale:**

This change makes clear that this housing grant from the Episcopal Fund shall only be used to maintain the official episcopal residence owned by the annual conference(s) in the respective episcopal areas.

***Suggested Title: The Advance***  
***Discipline Paragraph Number: 821***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend ¶ 821.1 as follows:**

The Advance for Christ and His Church (hereafter referred to as the Advance) is an official program within The United Methodist Church through which support may be designated for projects approved by the Advance Committee of the General Board of Global Ministries (hereafter referred to as the Advance Committee.) Cultivation for the Advance shall be through channels of the eChurch other than United Methodist Women who have other means of mission giving.

**Amend ¶ 821.2c as follows:**

Rather than being given to a specific project, an Advance Special Gift may be given to the ~~following designated mission~~ program units of the General Board of Global Ministries: ~~Evangelization and Church Growth Program Area, Community and Institutional Ministries Program Area, Mission Contexts and Relationships Program Area, Mission Personnel Program Area, and~~ or the United Methodist Committee on Relief. In such cases the program unit shall determine the Advance Special project(s) to which such a gift shall be allocated, ~~inform the donor where the gift has been invested, and, as far as practicable, establish communication between donor and recipient.~~

**Amend ¶ 821.3c as follows:**

~~Funds~~Donor-designated gifts received through the Advance shall be used solely for project support and are not to be used for general Church administration or promotional costs. ~~There may be a transaction fee for online contributions as charged by the financial institution.~~Donors will be offered the option to add an additional contribution to cover administrative costs.

**Amend ¶ 821.3e as follows:**

Upon receipt of funds for a general Advance Special, ~~each administering program unit~~ the General Board of Global Ministries shall communicate promptly with the donor, acknowledging receipt of the gift and suggesting avenues for communication if communication has not already been established.

**Amend the last sentence of ¶ 821.4 as follows:**

Individuals may remit directly to respective program units in a manner determined by the treasurer of the General Council on Finance and Administration, including online giving, with these remittances reported to the annual conference treasurer by ~~the respective program units~~ General Council on Finance and Administration.

**Rationale:**

These changes reflect the revised organizational structure of the General Board of Global Ministries

that has responsibility for implementing the work supported by the Advance. They also clarify some of the administrative procedures related to processing and acknowledging receipt of gifts, including the use of new technology.

***Suggested Title: General Directives for the Advance***  
***Discipline Paragraph Number: 822***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend the first sentence of ¶ 822.4 as follows:**

The appeal for Advance Specials shall be channeled through bishops, district superintendents, ~~and~~ pastors, and other individuals.

**Delete ¶ 822.6.**

**Rationale:**

These changes reflect the revised organizational structure of the General Board of Global Ministries that has responsibility for promoting and implementing the work supported by the Advance. They also clarify some of the administrative procedures related to processing and acknowledging receipt of gifts.

***Suggested Title: Gift Vouchers***  
***Discipline Paragraph Number: 823.8***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Delete the second sentence in ¶ 823.8.**

~~A special gift voucher for contributions to the offerings will be issued when appropriate.~~

**Rationale:**

Special gift vouchers are no longer used, so the reference to them should be deleted.

***Suggested Title: UMM Proposed Budget***  
***Discipline Paragraph Number: 2303.6***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Delete the last sentence in ¶ 2303.6.**

~~This shall include meeting and related expenses for the central conference representative.~~

**Rationale:**

The meeting and related expenses for the central conference representative are now included in the agency's proposed budget, as they are for all other general agencies receiving general Church funds.

***Suggested Title: Charge Conference Authority***  
***Discipline Paragraph Number: 2528***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend ¶ 2528 as follows:**

~~The board of trustees shall be responsible to the charge conference.~~ In a pastoral charge consisting of one local church, the charge conference, constituted as set forth in ¶¶ 246-247, shall be vested with power and authority as hereinafter set forth in connection with the property, both real and personal, of the said local church. In fulfilling that duty, the charge conference may delegate certain duties and responsibilities to the board of trustees as described below. However, the board of trustees shall always be subject to the direction of the charge conference. The charge conference may:

**Rationale:**

These changes make it clear that the board of trustees is always subject to the direction of the charge conference.

**Suggested Title: Local Church Incorporation**  
**Discipline Paragraph Number: 2528.1**  
**General Church Budget Implications: None**  
**Global Implications: None**

**Amend ¶ 2528.1 as follows:**

1. *a)* If it so elects, to 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.

*b)* 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.

*c)* The organizing documents (articles of incorporation, charter, bylaws or equivalents) of a local church shall reflect its connectional relationship to The United Methodist Church. The adoption or modification of a local church's organizing documents must be approved, in writing, by its pastor and district superintendent. Specifically, local church organizing documents shall, at a minimum:

(1) require the local church to be organized and operated in compliance with the *Discipline*;

(2) prohibit the local church from acting in a manner contrary to the purpose of The United Methodist Church, the annual conference, or the *Discipline*;

(3) prohibit the local church from severing its connectional relationship to The United Methodist Church without the annual conference's consent;

(4) require the pastor and the district superintendent to approve, in writing, the adoption of, and changes to, the local church's organizing documents; and

(5) include language consistent with the Internal Revenue Code to protect the local church's tax-exempt status.

*d)* The failure of a local church's organizing documents to meet the requirements of ¶¶ 2528.1c(1)-(4) does not relieve the local church of its connectional responsibilities to The United Methodist Church, nor does it absolve its pastor and membership of the responsibility to operate the local church as a United Methodist church, in accordance with the *Discipline*. The organizing documents are deemed modified to the extent necessary to comply with ¶¶ 2528.1c(1)-(4) if any of the circumstances described in ¶¶ 2503.6a-c apply.

**Rationale:**

These changes impose requirements on local church organizing documents (articles of incorporation, charter, bylaws or equivalents) similar to the trust clause requirements for deeds. They also provide for uniformity and consistency in local church organizing documents.

***Suggested Title: Local Church Board of Trustees Vacancies***  
***Discipline Paragraph Number: 2530***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend the title of ¶ 2530 as follows:**

¶ 2530. Removal of Local Church Trustees; Vacancies

**Add the following sentence to the end of ¶ 2530.3:**

A vacancy occurring ad interim may be filled until the next charge conference by the church council.

**Rationale:**

The added language provides a specific mechanism for filling vacancies that occur between charge conferences.

**Suggested Title: Disposition of Property of a Closed Local Church**  
**Discipline Paragraph Number: 2548**  
**General Church Budget Implications: None**  
**Global Implications: None**

**Delete ¶ 2548 and replace with the following:**

¶ 2548. Disposition of Property of a Closed Local Church—1. Except as provided in ¶ 2548.3, the district superintendent may, pursuant to this paragraph, recommend the closure of a local church, upon a finding that:

a) The local church no longer serves the purpose for which it was organized or incorporated (¶¶ 201-204); or

b) The local church property is no longer used, kept, or maintained by its membership as a place of divine worship of The United Methodist Church.

2. Procedure—a) Prior to a recommendation to close a local church, the district superintendent shall:

(1) Guide the congregation in an assessment of its potential as outlined in ¶ 213, in consultation with the appropriate agency assigned the responsibility of the conference parish and community development strategy;

(2) 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;

(3) Develop, in consultation with the appropriate district board of church location and building, a plan for the future use of all the real and personal, tangible and intangible property of the local church; and

(4) Develop a plan for the transfer of the membership of the local church (¶ 229).

b) Upon a recommendation by the district superintendent, and with the consent of the presiding bishop, a majority of the district superintendents, and the appropriate district board of church location and building, the annual conference may declare a local church closed. If the annual conference closes a local church, title to all the real and personal, tangible and intangible property of the local church shall immediately vest in the annual conference board of trustees, who shall hold said property in trust for the benefit of the annual conference.

c) The annual conference board of trustees may retain, sell, lease, or otherwise dispose of the property of a closed local church in accordance with the direction of the annual conference, if any. It shall be the duty of the annual conference board of trustees to remove, insofar as reasonably practicable or necessary, all Christian and United Methodist insignia and symbols from such property. In the event of loss, damage to, or destruction of such local church property, the annual conference board of trustees, as the duly and legally authorized representative of such local church, is authorized to make a claim for, and collect on, any applicable insurance policies. If the annual conference board of trustees sells or leases the property, consideration should be given to selling or leasing the property to one of the other denominations represented in the Commission on Pan-Methodist Cooperation and Union.

d) If the annual conference closes any local church, the failure to complete any of the prior steps will not invalidate such closure.

3. Ad Interim Procedures—a) At any time between sessions of annual conference, a local church may voluntarily transfer title to all its real and personal, tangible and intangible property to the annual conference board of trustees following the procedures set forth in ¶ 2539 or ¶ 2540. In such case, the annual conference board of trustees shall hold or dispose of such property in its sole

discretion, subject to any standing rule of the annual conference. When it next meets, the annual conference shall decide whether to formally close the local church.

b) At any time between sessions of annual conference, if the presiding bishop, the majority of the district superintendents, and the appropriate district board of church location and building all consent, they may, in their sole discretion, declare that exigent circumstances exist that require immediate protection of the local church's property, for the benefit of the denomination. In such case, title to all the real and personal, tangible and intangible property of the local church shall immediately vest in the annual conference board of trustees who may hold or dispose of such property in its sole discretion, subject to any standing rule of the annual conference. Exigent circumstances include, but are not limited to, situations where a local church no longer serves the purpose for which it was organized or incorporated (§§ 201-204) or where the local church property is no longer used, kept, or maintained by its membership as a place of divine worship of The United Methodist Church. When it next meets, the annual conference shall decide whether to formally close the local church.

4. All the deeds, records, and other official and legal papers, including the contents of the cornerstone, of a closed local church shall be collected by the district superintendent and shall be deposited for permanent safekeeping with the annual conference commission on archives and history.

5. The annual conference board of trustees shall review all gifts held in trust, assets of any endowment funds, and assets of any foundation of the closed local church. The annual conference board of trustees shall dispose of the property in its discretion, unless otherwise directed by the annual conference or as required by law.

6. Any gift, legacy, devise, annuity, or other benefit that accrues to a closed local church shall become the property of the annual conference board of trustees. The annual conference board of trustees shall dispose of the property in its discretion, unless otherwise directed by the annual conference or as required by law.

7. If a local church in an urban center with more than 50,000 population is closed, any proceeds of the sale of its property 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.

**Rationale:**

This rewrite removes confusing language and terminology, more clearly outlines the steps that must be taken to close a local church, and describes how to manage the closed church's property.

***Suggested Title: Investment Ethics***  
***Resolution Number: 4071***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Replace current Resolution 4071 with the following:**

**Investment Ethics (Resolution 4071)**

Churches in the Wesleyan tradition have a long history of witness for justice in the economic order. John Wesley and the early Methodists, for example, were firmly opposed to the slave trade, to smuggling and to what we today call conspicuous consumption. Beginning in 1908, social creeds adopted by our predecessor churches focused attention on working conditions and child labor. The United Methodist Church’s investment philosophy is based on the biblical concept that all resources are God-given and can be used to promote the reign of God on earth. Accordingly, the Church believes that social justice must be given consideration together with financial security and financial yield in the investment of funds by individuals, churches, agencies and institutions in the United Methodist family.

The Social Principles recognize “that corporations are responsible not only to their stockholders, but also to other stakeholders: their workers, suppliers, vendors, customers, the communities in which they do business, and for the earth, which supports them.” (§163I.) United Methodist investors, therefore, are active owners, calling upon the companies in which they invest to be good corporate citizens. Significantly, the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act (also known as the Dodd-Frank Act) provides investors additional tools to influence corporations. The legislation gives shareholders increased rights to vote on executive compensation and to nominate directors to serve on corporate boards. It also requires US companies to disclose minerals originating in the Democratic Republic of the Congo, a country where mining activity has been linked to violence and the violation of human rights.

In recent years, leaders across The United Methodist Church have identified four areas of focus to continue and deepen the transforming work of Methodism in the world. Two of the focus areas, engaging in ministry with the poor and eradicating deadly diseases by improving health globally, are especially important as we consider the investments ethics of the Church. Church investors are well-positioned to promote the Church’s ministry in these two areas.

**Socially Responsible Investment Policy**

The investment policy goals of The United Methodist Church are to:

1. invest in corporations, companies, institutions or funds making a positive contribution to the realization of the goals outlined in the Social Principles and *The Book of Resolutions*;
2. exclude from investment companies that violate Church values;
3. persuade corporations to integrate responsible business practices on environmental, social, and governance issues into their operations and to be transparent in monitoring and documenting these practices in public reports;
4. seek to invest in corporations with environmental “best practice” policies and strategies that address conservation, sustainable development, renewable energy, the reduction of greenhouse gas emissions, increased energy efficiency, recycling, eliminating the use of toxic chemicals and materials, and the disclosure of environmental risk.

5. seek opportunities to invest in companies, banks, funds, or ventures owned by women and persons of color or with positive records in hiring and promoting women and persons of color;
6. seek opportunities to invest in Native American financial institutions, non-gambling-related economic enterprises and community development projects;
7. seek opportunities to invest in affordable housing and community development projects;
8. seek opportunities to invest in companies, banks, funds, or ventures located in developing countries or dedicated to alleviating poverty in developing countries provided that those countries respect human and labor rights and have a record of trying to raise national living standards while working to maintain ecological integrity;
9. encourage companies to adopt, implement and monitor for compliance a supplier code of conduct that is consistent with the International Labor Organization's core labor standards and designed to prevent the manufacture, or purchase through subcontracting, of products made with sweatshop, forced or child labor;
10. encourage companies to honor and promote human rights and the dignity of human life consistent with the 10 principles of the United Nations Global Compact and provide disclosure and transparency consistent with the Dodd-Frank Wall Street Reform and Consumer Protection Act;
11. seek opportunities to encourage companies to work in partnerships to address treatment for HIV/AIDS, tuberculosis and malaria and to promote access to medicines and global health care;
12. seek opportunities to commend corporations publicly for transparency, disclosure, socially responsible behavior and efforts to raise industry standards on environmental, social, and governance issues that are of major concern to The United Methodist Church; and
13. consider using investment-portfolio managers and funds that specialize in corporate social responsibility screening or are owned by women and persons of color.

### **Socially Responsible Investing Strategies**

The Church shall pursue its investment policy goals through widely practiced socially responsible investing tools such as:

1. Portfolio screening  
Based on long-standing United Methodist values, the Church does not invest in companies deriving significant revenue (usually 10% or more) from:
  - alcoholic beverages
  - tobacco products;
  - gambling equipment or enterprises;
  - pornography;
  - anti-personnel weapons, armaments, ammunition or weapons-related systems provided for commercial and private markets and nuclear weapons.
2. Social Impact Investing  
General Conference has instructed all Church-related investors to “make a conscious effort to invest in institutions, companies, corporations, or funds whose practices are consistent with the goals outlined in the Social Principles....” Investment strategy, therefore, is based on careful consideration not only of financial returns, but also of social returns across a wide range of issues. Some investments are designed to achieve very specific social outcomes, such as the construction of affordable housing, the renewal of neighborhoods or the

- expansion of business ownership among those traditionally excluded from such ownership.
3. Shareholder Advocacy  
Companies may meet the broad investing guidelines of the Church but still fall short of the goals outlined in the Social Principles and *The Book of Resolutions*. Responsible Christian investing includes seeking to change company business practices to match more closely articulated Church values. As shareholders of corporations, Church investors may engage corporate management in a variety of ways – from writing letters to voting proxies, filing shareholder resolutions, building investor coalitions and engaging in corporate dialogues.
  4. Strategic Partnerships  
Working in collaboration with others strengthens the socially responsible voice and allows the convergence of strategies to engage corporations more forcefully on issues of corporate governance, environmental sustainability and social justice. Strategic partners may include United Methodist boards, agencies, foundations and universities, other faith-based investors, domestic and global nongovernmental organizations, responsible investing affinity groups such as those connected with the United Nations Principles for Responsible Investment (PRI) and other socially responsible investors.
  5. Divestment  
Divestment is one of the socially responsible investing tools available to United Methodist investors but should be considered an investment strategy of last resort. Shareholder advocacy – though it takes time – generally is a more effective and, constructive way to influence corporate decision-making.
  6. Public Policy Initiatives  
Investors, as shareholders, work directly with companies to promote greater corporate responsibility, but good corporate responsibility also is dependent on actions beyond the individual corporate boardroom. Policies emanating from the Securities and Exchange Commission, the Federal Reserve, state and federal legislatures and other regulatory bodies play a significant role in the operation and behavior of companies. Responsible investing involves influencing these bodies to craft policies and procedures that promote greater corporate responsibility.

## **Investing Guidelines**

The General Council on Finance and Administration (GCFA) is responsible for preparing and distributing the socially responsible investment guidelines that are to be used by all general agencies receiving general Church funds. The council shall review and update these guidelines periodically, inviting the input of the agencies and other interested sectors of the Church. GCFA encourages investing agencies to be actively involved in the overview of socially responsible investing as described in this policy.

Each general agency receiving general Church funds shall provide GCFA with a copy of its investment policy. The policy shall be made available upon request to any interested member of the Church.

All organizations affiliated with The United Methodist Church, including annual conferences, local churches, foundations, health-care systems, colleges and universities are strongly urged to follow these guidelines and to make public, either on the Internet or by request, their specific investing policies. Investing organizations may want to consider disclosing all of their socially responsible investing activities on publically accessible web sites.

Where financial considerations preclude immediate divestment of securities held in violation of the

above policies, the affected boards, agencies, and institutions of The United Methodist Church shall develop a plan for complying with the guidelines no later than the 2016 General Conference. All United Methodist investors and users of financial services, whether institutional or individual, are strongly encouraged to use these guidelines.

ADOPTED 1992

AMENDED AND ADOPTED 2000

AMENDED AND READOPTED 2004

AMENDED AND READOPTED 2008

Resolution #213, 2004 *Book of Resolutions*

Resolution #202, 2000 *Book of Resolutions*

See Social Principles, ¶ 163D.

***Suggested Title: Clergy Housing Allowance***  
***Resolution Number: 5012***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend Resolution 5012 as follows:**

**Delete the final paragraph under the heading “A Statement Concerning Church-Government Relations and Tax Exemption,” that is, the paragraph that begins: “We support the . . . .”**

(The provisions of Resolution 5012 shall be effective at the conclusion of the 2012 General Conference.)

**Rationale:**

The housing allowance has historically been very important to the clergy and local churches of The United Methodist Church in the United States.

***Suggested Title: Promotion of Stewardship***  
***Discipline Paragraph Number: 807.2, 1115.7***  
***General Church Budget Implications: Yes***  
***Global Implications: None***

**Delete ¶ 1115.7 and insert a new ¶ 807.2 as follows:**

To call together regularly United Methodist leaders whose ministry includes the subject matter of stewardship to work toward common language, consistent stewardship theology, and coordinated interpretation, for the promotion of giving among the clergy and laity as an essential spiritual discipline. The council shall report regularly to the Connectional Table on the effectiveness of this work.

(The provisions of ¶ 807 and the deletion of ¶ 1115.7 shall be effective at the conclusion of the 2012 General Conference.)

**Rationale:**

This petition shifts responsibility for coordination of stewardship education activity from the General Board of Discipleship to the General Council on Finance and Administration, with periodic reporting to the Connectional Table. The General Board of Discipleship would retain their current list of responsibilities in resourcing local churches and annual conferences. The General Council on Finance and Administration would use its ongoing relationships with annual conference treasurers and foundations to help ensure that the respective roles and responsibilities in implementing stewardship education were known and being carried out most effectively.

***Suggested Title: Apportionment of General Funds***

***Discipline Paragraph Number: 247.14***

***General Church Budget Implications: None***

***Global Implications: None***

**Amend the first sentence of ¶ 247.14 as follows:**

As soon as practicable after the session of annual conference, each district superintendent or designated agent shall notify each local church in the district what amounts have, or the methodology by which they have, been apportioned to it for World Service, conference benevolences and other general Church, jurisdictional, and annual conference funds.

**Rationale:**

This legislation would allow the annual conferences to employ a revenue-based formula to apportion general Church funds in the future if such a change is considered appropriate.

***Suggested Title: Apportionment of General Funds***  
***Discipline Paragraph Number: 615.1***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Amend ¶ 615.1as follows:**

The council, on receiving from the General Council on Finance and Administration a statement of the amount or methodology for apportioning ~~apportioned~~ to the annual conference for the several general funds as authorized by the General Conference, shall apportion the same to the several districts, charges, or churches by whatever method the conference may direct, ~~but without~~ reduction. The council shall make every effort for the full payment of these apportionments as a part of the Church's shared financial covenant.

**Rationale:**

This legislation would allow the annual conferences to employ a revenue-based formula to apportion general Church funds in the future if such a change is considered appropriate.

***Suggested Title: Action Between General Conferences***  
***Discipline Paragraph Number: 16.8***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Add the following sentence to the end of ¶ 16.8:**

The General Conference may authorize and empower other Church units or bodies to carry out these duties between sessions of the Conference, provided that such bodies are directly amenable and subordinate to the General Conference.

**Rationale:**

This constitutional amendment is proposed in order to better adapt to an ever-changing world. The General Conference should have the authority to empower other bodies to initiate and direct the work of the Church between General Conference sessions, so long as those bodies are accountable to the General Conference.

***Suggested Title: Action on Funding Between General Conferences***  
***Discipline Paragraph Number: 16.9***  
***General Church Budget Implications: None***  
***Global Implications: None***

**Add the following sentence to the end of ¶ 16.9:**

The General Conference may authorize and empower other Church units or bodies to carry out these duties between sessions of the Conference, provided that such bodies are directly amenable and subordinate to the General Conference.

**Rationale:**

This constitutional amendment is proposed in order to better adapt to an ever-changing world. The General Conference should have the authority to empower other bodies to initiate and direct the work of the Church between General Conference sessions, so long as those bodies are accountable to the General Conference.