

## **Presbytery of Los Ranchos Property Policy and Procedures**

### **Part I**

#### **Introduction and Purpose of the Document**

The Presbyterian Church USA has a long and storied history which stands as testimony to God's faithfulness among us. Echoing the earliest Christian proclamation that Jesus is Lord and remaining anchored in scripture, we have been shaped by our Reformed theological tradition. At our very best we are an authentic expression of the hope we have experienced in Jesus Christ. Currently the largest Presbyterian denomination in the United States, our strong missional impact has stood as a testimony to the work of God's kingdom across the globe.

Trusting Christ as the foundation of the church we believe that any discussion of forward movement should be grounded in Paul's description found in Colossians:

*In Christ all the fullness of God was pleased to dwell, and through Christ God reconciles all things, whether on earth or in heaven, making peace by the blood of the cross (Col. 1:19-20).*

In the name of Christ, we are sent to bear witness of reconciliation with God, with others and with all creation. In Christ, the church receives its truth and appeal, its holiness and its unity (F-1.0204-05).

Centered in Christ, Presbytery of Los Ranchos strives to be faithful stewards of God's blessings. Together we seek to discern God's will as we strive to be effective missional congregations to the world.

To that end, we understand the following:

1. The Presbytery of Los Ranchos is navigating through new and dynamic ministry environments. Additionally some of our local congregations are struggling in various degrees to discover missional effectiveness in our changing culture within diverse ministry contexts.
2. At this moment in our Presbytery's history, we have the opportunity to be intentional in coming alongside congregations, pastors and staff by making good use of the tensions and conflicts many congregations are experiencing in their efforts to discern their missional objectives and purpose.
3. The Presbytery seeks thoughtful ways to respond to those congregations that are struggling with their affiliation with the PC(USA), and perhaps with their ongoing fellowship and participation in our Presbytery.
4. The Presbytery has elected a task force to develop clear policies and procedures for congregations and the Presbytery to use when considering a request for dismissal.

We understand the charge of this task force has not been to resolve the differences we face but rather to provide a process that will offer opportunities for all views to be respectfully heard and considered and methods of discerning together how best to serve the interests of God's kingdom

in the journey forward. Any resolution will come through the prayerful and devoted work in each individual case as we humbly seek the leading of God's Spirit.

Therefore the contents of this document are policies and procedures to guide congregations and the Presbytery. At its heart, the policy is a process to assist the congregation and the Presbytery in seeking God's will in a complex and difficult situation

### **The Goal of the Document**

Since we see our ministry as one of mission and reconciliation, we believe our Presbytery Mission Statement gives us a framework on which to base our policies and procedures regarding requests for dismissal.

*The Mission of the Presbytery of Los Ranchos is to further the Kingdom of God by being a learning community that fosters effective missional congregations that embody the Great Ends of the Church through;*

- *faithful stewardship of our theological traditions, shared values and resources*
- *cultivating missional partnerships*
- *brokering resources for missional effectiveness*
- *securing and nurturing effective missional leaders*
- *fostering creativity and excellence*
- *challenging presbyters and churches to continual missional learning and experimentation*

By God's grace, Presbytery of Los Ranchos is called to a ministry of furthering the wider Kingdom of God, which includes our churches and the communities we serve. This is the heart of a mission-minded faith. Whatever decisions are made, we believe it is in our calling to continue relationships and mission together and to provide avenues of restoration of affiliations if conditions change.

To accomplish this we see ourselves as a learning community, people who humbly seek God's will in our lives, listening to God's Spirit and to each other to discern God's leading. This is the way that will foster effective missional congregations. The result of our policies and procedures must model our calling to be learning missional people in today's world and be an example to our churches of how we want to live as God's people in all circumstances of our lives.

This means we must draw from the rich heritage of our Reformed roots, claiming and shaping our distinctive way of living in a new time. First, we seek to live as people guided by the Scriptures. Second, we want to be faithful stewards of our theological traditions, respecting one another when we disagree on points of view and maximizing the financial, real and human resources that God has provided through the faithful witness of many generations.

As a faith community, we do not serve God in a vacuum or alone. We claim that "great cloud of witnesses" as our past heritage and the ecumenical partners that make up God's wider kingdom.

Our policies and procedures need to honor those who have gone before us, those with whom we serve now and the generations of Presbyterians to whom we will leave our legacy.

Our Presbytery seeks to maintain integrity and trust with the ruling and teaching elders who comprise our membership. Each and every policy and procedure must reflect our common mission and beliefs. It is only as we discern together that all of us can be better equipped as missional leaders. Our denomination has survived theological and cultural changes in the past. Often the tensions and pressures have pushed us to bring about healthy change in better ways. This document intends to foster creativity and excellence among our churches to become a more effective Presbytery. When we work through our current struggles to more excellent solutions, we will hopefully avert the need for requesting dismissal.

Our strength will come from facing the challenges that lie at the heart of the controversies in our denomination. In an open, honest, thorough process of examination, confession, repentance and redemption we can and will be transformed into a more effective missional outpost of God's kingdom. This may take a time of experimentation, failures, restarts and successes that can only come when we stay together through the struggles and heartaches.

### **Working Together Toward Resolution**

Guided by Scripture, this task force has sought to be led by our Presbytery Mission Statement which underscores the importance of mutual partnerships and the wide variety of collaborative ministries that we hope to continue into the future, whatever path we each choose to follow. As we know, the constitution of the PC(USA), which all of us have taken vows to uphold, provides protection and accountability for present congregations, pastors and presbyteries with regards to process and property while honoring the contributions of the saints of past generations and those who will follow. The policy seeks to understand and look at these issues through the relational lenses of these kingdom partnerships.

We seek a clear understanding of the trust clause in our constitution as it relates to our property and our shared roles in this three-pronged relationship of congregation, Presbytery and the PC(USA). We have realized that the intent of the trust clause is to create partnerships whereby the congregation is usually the donor, the PC(USA) is the beneficiary and the Presbytery is the Trustee. As such, the Presbytery has the fiduciary responsibility for protecting the use of the property consistent with the Book of Order. All three have important roles to fill in our connectional form of government and when working properly the trust clause upholds our deeply held convictions of relationships in a mutually respectful and dynamic kingdom partnership.

## PART II

### CONGREGATIONS CONSIDERING THEIR RELATIONSHIP TO THE PRESBYTERIAN CHURCH (USA) (2008 AI, G-3.0301a)

#### I. Engage in Dialogue

- A. Congregations which, for whatever reason, wish to examine their covenant relationship with the Presbyterian Church (U.S.A.) are encouraged to engage in a three to nine month period of discernment of how, in light of their understanding of their mission, the congregation's self-understanding is consistent or inconsistent with that of the Presbytery and denomination.

#### STEP 1

1. At the request of the Session, the dialogue process shall begin when the Presbytery receives an invitation to partner with the leaders and congregation in this process. Upon invitation, the Presbytery's role would be one of participating with the congregation through the process and providing additional resources.
  2. At this time, the Stated Clerk and the Moderator of Council and the Moderator of the Trustees will assign a Dialogue Team, which will include representatives from Council, Trustees and PLR staff.
  3. A congregational straw vote or a detailing of reasons for seeking dismissal is premature until after conversation with the Dialogue Team.
  4. At the end of this time of dialogue and reflection, if the Session believes it is the desire of the Session to continue this conversation with the congregation, it will invite the Presbytery into more formal conversations with the congregation. A congregational straw vote is premature prior to this invitation to Presbytery for dialogue with the congregation.
- B. The Session will commit to partner with the Presbytery in discerning God's leading for the future ministry of the congregation. This will include:
1. Begin with questions and answers addressed by both Session and PLR Dialogue Team. This time is used to clarify the degree of alignment between the mission and ministry of the PC(USA) and that of the congregation.
  2. The Session will be asked to provide copies of any communication with the congregation regarding the alignment of the mission and ministry of the PCUSA and that of the congregation.
  3. Explore with Presbytery the extent to which the mission of the Presbytery and other congregations within the Presbytery might be negatively impacted if the congregation is released to another reformed body;
  4. Consider any covenantal ties of the congregation to the Presbytery, its congregations, the PC(USA), and the saints who have preceded and will follow the congregation. *Tom v San Francisco, Rationale below Specification of Error#7.* "The Trust Clause reflects our understanding of the church as a communion of saints across time, with responsibilities both to those who came before and those who will follow."
  5. Articulate the manner and extent to which the ministry of the congregation might be enhanced by dismissal to another reformed denomination.

6. Articulate the manner and extent to which the ministry of the congregation might be negatively affected by dismissal. This will include outlining the “due diligence” (research) done with respect to potential benefits and problems with membership in another denomination.
7. Gauge the extent and manner in which the congregation would be impacted by the fulfillment of the congregation’s responsibilities if there is an agreement for dismissal consistent with Tom v Presbytery of San Francisco.
8. Such other factors as the Session or Dialogue Team determine to be appropriate to discernment.

**STEP 3**

- C. The Presbytery’s Dialogue Team will engage in a season of education and dialogue with the congregation.
1. If the Session has already communicated to the congregation regarding the alignment of the mission and ministry of the PCUSA, either in written or verbal form, the Session will make those available to the Dialogue Team. The Dialogue Team will address any such communications during this season of education and dialogue.
  2. The Dialogue Team will meet with congregation members who do not wish to transfer to different denomination.

**STEP 4**

- D. After the Session and the Presbytery’s Dialogue Team are satisfied
- that the congregation members have received enough accurate information about the issues to form well-founded opinions and
  - that they each need meaningful indications of how the congregation members would like to act on the information, together they should move to conduct a deliberate test of the congregational sentiments.
- E. The Session and the Presbytery’s Dialogue Team shall spend at least one joint meeting in consideration of the results of the poll. Ultimately, the Session is responsible for acting on the results subject to the normal provisions of accountability in the Form of Government.
- F. Request for Dismissal: After engaging in the discernment process, and eliciting input from the congregation, the Session, in its discretion, may submit a written request for dismissal to the Stated Clerk of the Presbytery, along with any other information the Session believes would be helpful to the Presbytery.

Each request for dismissal will be approached on its individual merits. There will be no single formula for determining decisions and no agreement to dismiss will be considered a precedent for any other congregation seeking dismissal.

Note: Any congregation which has already requested the assignment of a JDT before the adoption of this revised policy by Los Ranchos Presbytery, may elect to begin the revised policy at this point or at the beginning of the policy.

**II. Teams Working toward a Joint Solution**

- A. The Presbytery shall elect, train, and commission at least ten individuals who are available to serve at least one year as Presbytery Representatives on teams of up to four members.
  - 1. Presbytery Representatives shall be nominated by the Nominating Committee, elected by the Presbytery, and trained by the Presbytery staff and/or others with specific expertise.
  - 2. This group shall function as a “Presbytery Representative Pool” elected by and accountable to the Presbytery.
  - 3. The Presbytery representatives, along with the Congregational Representatives, will serve as a “Joint Solution Team” and will be commissioned to bring a Joint Solution to the Presbytery as a whole for action.
  
- B. The Moderator of Council, the Moderator of the Committee on Ministry, the Moderator of the Strategic Coordinating Team, the Moderator of the Trustees, and the Moderator of the Presbytery shall assign the Presbytery Representatives in each instance of a Request for Dismissal. The Presbytery shall appoint the team of Presbytery Representatives in response to a written request from a congregation as promptly as is practical.
  
- C. Congregational Representatives
  - 1. The Session of the congregation should elect Congregational Representatives to join with the Presbytery Representatives to form a “Joint Solution Team” to work with the congregation and the Presbytery to generate a Joint Solution to the request for dismissal.
  - 2. The number of Congregational Representatives shall be equal to the number of Presbytery Representatives.
  - 3. This prayerful dialogue will be directed to a good faith exchange of ideas and information, seeking a solution consistent with the procedure and the health and mission of the Presbytery and the congregation. The Joint Solution Team shall have at least two meetings with the Session and at least one meeting with the congregation. (2010 PJC, G-3.0301a)

### III. Joint Solution

STEP 5

- A. G-3.0301 “The Presbytery is responsible for the government of the church throughout its district and for assisting and supporting the witness of congregations to the sovereign activity of God in the world, so that all congregations become communities of faith, hope, love, and witness. As it leads and guides the witness of its congregations, the Presbytery shall keep before it the marks of the Church, the notes by which Presbyterian and Reformed communities have identified themselves through history (F-1.0303) and the six greats ends of the church.”

G-3.0303a “Develop strategy for the mission of the church in its district”

- B. A Joint Solution will assess the manner and the extent to which the ministry of the Presbytery or its other congregations might be enhanced and/or diminished by the dismissal. *Tom v San Francisco, Rationale below Specification of Error #7*
- C. A Joint Solution will assess the manner and extent to which the ministry of the congregation might be enhanced and/or diminished by dismissal.
- D. The Joint Solution Team will review any Joint Solution for consistency with the Factors Determining Value checklist (see Appendix B) pursuant to *Tom v Presbytery of San Francisco, Rationale below Specification of Error #7*, especially “Failure to consider the property value and the PC(USA)’s beneficial interest in the property was a fatal omission of the trustee’s duty to the PC(USA).”
- E. Prior to bringing a recommendation to Presbytery, the Presbytery representatives shall ascertain whether there is a schism in the congregation to which the provisions of G-4.0207 should be applied. If so, it shall become part of the Joint Solution.
- F. The Joint Solution Team will engage with representatives from the Council, and the Trustees, in a process of discerning the relationship of the congregation and its property to the Presbytery’s understanding of its mission (G-3.0303a) in this time and place and the interests of the PC(USA) as a beneficiary of the property. *Tom v San Francisco, Rationale below Specification of Error #7.*
- G. The Joint Solution Team shall counsel with clergy of the congregation about their decision to remain in the PCUSA or to seek dismissal with the congregation, with guidance from the Committee on Ministry as needed.
- H. The Joint Solution Team shall advise any Inquirers or Candidates for Ministry under care of the congregation about options for remaining in the PCUSA or being dismissed with the congregation, with guidance from the Committee on Preparation for Ministry as needed.
- I. The Joint Solution Team shall prepare a recommended Joint Solution that specifies the provisions for granting the request for dismissal—if the recommendation is to grant dismissal (see Section IV. if a Joint Solution cannot be reached).
- J. The Joint Solution Team shall submit a preliminary draft of the Joint Solution to the Session, the Presbytery Council, the Trustees, and the Committee on Ministry for review and suggestions. The recipients should respond to the Joint Solution Team within 30 days. The Joint Solution Team will have 30 days to respond and/or make changes. A second review by the recipients, along with response by the Joint Solution Team, may be necessary.
- K. The Joint Solution Team presents to the Presbytery for a first reading a recommendation: either a Joint Solution for dismissal to another denomination, or such other recommendation as is required by this situation. The Joint Solution shall be made

STEP 6

STEP 7

available seven days prior to the meeting. Comments regarding the merits of the recommended Joint Solution may be offered as well as suggestions for improvement. Amendments shall be welcomed at the first reading, but may not be voted upon until the second reading. Suggested amendments with financial or legal implications shall be referred to the Presbytery's Trustees.

- L. Following at least a 30 day season of discernment, the Presbytery shall exercise its broad powers regarding congregations:
  - 1. The body shall fully debate the recommended Joint Solution, acting on any motions consistent with Robert's Rules of Order. Motions with financial or legal implications will only be considered if they have first been submitted (1) to the Presbytery's Trustees for review and comment and (2) to the Stated Clerk for communication to other affected parties.
  - 2. After full debate and consideration of any motions such as those described in [L-1], the body shall either accept the recommendation (as amended, if applicable) or reject the recommendation in its entirety.

**STEP 8**

- M. The decision of the Presbytery shall be communicated forthwith to the Session of the congregation. If the decision is to accept, the Session and congregation have 90 days to take action on the proposal.

#### **IV. Unable to Agree to a Joint Solution**

- A. If the Joint Solution Team cannot reach agreement, a new Joint Solution Team will be assigned. No members of the prior Joint Solution Team shall serve again on the new Joint Solution Team.
- B. If the decision of the Presbytery is to reject the proposed Joint Solution, the Joint Solution Team will attempt to resolve the impasse.
- C. If a solution is approved by Presbytery, but the Session and congregation do not accept that action, they shall be deemed to have rejected the offer to be dismissed and the Presbytery Representatives will enter into conversations with the Session to help the congregation move forward in its ministry as a member of the Presbytery of Los Ranchos. The expectation is that a congregation will normally not seek dismissal again for at least three years.

#### **V. Conclusion**

- A. Upon acceptance of the Joint Solution for dismissal by the Presbytery and the congregation, the Presbytery, the Session and the congregation will promptly begin performing all tasks and securing and executing all documents necessary to bring about a transfer of denomination. The congregation shall be dismissed upon acknowledgement by the Stated Clerk.

- B. Even after a congregation is dismissed, the Presbytery of Los Ranchos will graciously consider receiving the congregation back into the PC(USA) according to the constitutional provisions which are then in effect.

## APPENDIX A

### Tom v San Francisco (Decision of the General Assembly of the Presbyterian Church (U.S.A.) 2012)

#### Specifications of Error

*Specification of Error No. 1: (Appellants' Specification of Error No. 1) The proceedings of the Synod Permanent Judicial Commission (SPJC) were irregular, in that the decision is inconsistent with substantial evidence from the testimony of witnesses at the trial, that in determining the terms of its dismissal of a large suburban church the Presbytery of San Francisco (Presbytery) failed to consider or to understand the meaning of the property trust clause (G-4.0202, formerly G-8.0201) or that the church property in question was in fact unequivocally owned by the Presbyterian Church (U.S.A.).*

This Specification of Error is sustained.

*See the rationale below Specification of Error 7.*

*Specification of Error No. 2: (Appellants' Specification of Error No. 10) The SPJC erred in constitutional interpretation, in that it failed to apprehend or give effect to the plain meaning of the language of the express trust now at G-4.0203 (formerly G-8.0201) in the context of a church seeking dismissal, that all property held by a congregation "is held in trust nevertheless for the use and benefit of the Presbyterian Church (U.S.A.)."*

This Specification of Error is sustained.

*See the rationale below Specification of Error 7.*

*Specification of Error No. 3: (Appellants' Specification of Error No. 11) The SPJC erred in constitutional interpretation, in that it failed to consider or give effect to a relevant Authoritative Interpretation (AI) of the Book of Order (Request 9-88), an answer provided by the General Assembly of 1988 on the recommendation of the Advisory Committee on the Constitution (ACC) which, in the context of a Presbytery's response to a church seeking dismissal, interprets the property trust clause to require proper consideration to be given to the interests of the Presbyterian Church (U.S.A.) as provided in Chapter VIII. This AI goes on to say, "in particular, G-8.0201 recognizes the principle that all property for or by a particular church is held in trust for the use and benefit of the Presbyterian Church (U.S.A.) Thus the Presbyterian Church (U.S.A.) is a party in interest when a Presbytery takes action with respect to a request to dismiss a church with its property."*

This Specification of Error is sustained.

*See the rationale below Specification of Error No. 7.*

*Specification of Error No. 4: (Appellants' Specification of Error No. 12) The SPJC erred in constitutional interpretation, in that it failed to consider or give effect to a subsequent AI of the property trust clause, in an answer provided by the General Assembly in 1989 on the recommendation of the ACC: "When dealing with a request by a church for dismissal with its property pursuant to G-11.0103i and G-11.0103y, the Presbytery is responsible for exercising the express trust provisions of G-8.0201 recognizing and protecting the interests of the Presbyterian Church (U.S.A.). Separate consideration should be given to the questions of dismissing the congregation, the disposal of property, and the relationships of ministers of Word and Sacrament." "Each request for dismissal should be considered in the light of the particular situation and circumstances involved."*

This Specification of Error is sustained.

*See the rationale below Specification of Error No. 7.*

*Specification of Error No. 5: (Appellants' Specification of Error No. 13) The SPJC erred in constitutional interpretation, in that it disregarded testimony of members of the Presbytery's PET who had negotiated*

*the terms of dismissal of the CPCD and whose recommendation the Presbytery had adopted. This testimony demonstrated, among other things, a consistent failure to understand the meaning of the property trust clause as expressed in the Book of Order, a failure to have read or considered relevant Authoritative Interpretations of the Constitution, an apparent failure to understand that the PC (U.S.A.) owned the church property, a failure to grasp the fact that a transfer of the real property without consideration amounted to a gift, an exclusive reliance on the Presbytery's previously approved dismissal policy as understood by members of the PET, a failure to understand how to apply the trust clause other than in the context of specific process steps in the policy, and a belief that the policy precluded even having a discussion about having the church property remain in the hands of the denomination or asking for any payment for the property upon its transfer.*

This Specification of Error is sustained.

*See the rationale below Specification of Error No. 7.*

*Specification of Error No. 6: (Appellants' Specification of Error No. 14) The SPJC erred in constitutional interpretation, in that it upheld the Presbytery's action as being within its discretion as trustee of the church property, based on Presbytery's contention that the transfer of the property without consideration would serve "the Great Ends of the Church" and further the "total ministry and witness for Christ," thus making any further recognition of the property trust unnecessary or inappropriate.*

This Specification of Error is sustained.

*See the rationale below Specification of Error No. 7.*

*Specification of Error No. 7: (Appellants' Specification of Error No. 15) The SPJC erred in constitutional interpretation, in that its decision would indicate that a Presbytery has unfettered discretion with respect to church property being used by a congregation seeking dismissal to another Reformed denomination, while the Book of Order places the fiduciary and related responsibilities of a trustee of the property on the Presbytery.*

This Specification of Error is sustained.

Presbytery voted to approve the transfer of the valuable Danville property unless a complaint or stay was filed within 90 days. A complaint was so filed. Following the ruling by SPJC, a new implementation date for the agreement was set. In the interim, an appeal was filed to this Commission and accepted with a preliminary order being entered May 18, 2012. Nevertheless, on May 21, 2012, Presbytery executed a quitclaim deed to Danville before this Commission was able to conduct the hearing on this appeal.

Presbytery, having transferred title while this case was pending, argued that the transfer of title renders the case moot because the quitclaim deed had been signed and could not be revoked.. Notwithstanding the transfer of title, in cases where circumstances prevent a remedy, this Commission may exercise its declaratory authority to provide guidance to lower councils and prevent future violations. *Daniel J. McKittrick v. The Session of the West End Presbyterian Church (Remedial Case 215-5, 2003).*

The *Book of Order* provides in G-8.0201 (now G-4.0203) that:

*All property held by or for a congregation, a Presbytery, a synod, the General Assembly, or the Presbyterian Church (U.S.A.), whether legal title is lodged in a corporation, a trustee or trustees, or an unincorporated association, and whether the property is used in programs of a congregation or of a higher council or retained for the production of income, is held in trust nevertheless for the use and benefit of the Presbyterian Church (U.S.A.).*

Under the Trust Clause, a Presbytery's discretionary authority to determine property rights, while broad, must be guided by the Presbytery acting as a fiduciary for the benefit of the PC(U.S.A.), the beneficiary of the Trust Clause. A congregation's financial and all other assets are also understood to be covered by the Trust Clause. *Chesterbrook Taiwanese PC v. National Capital Presbytery*, Remedial Case 217-12,

2006.

Under the fiduciary obligations inherent in the Trust Clause, a Presbytery must take into consideration the PC(U.S.A.)'s use and benefit of the property in every decision concerning its disposition. To comply with the Trust Clause, the Presbytery must consider the interest of PC(U.S.A.) as a beneficiary of the property. Payments for per capita or mission obligations are not satisfactory substitutes for valuations of the property held in trust. (G-4.0203)

The Trust Clause reflects our understanding of the church as a communion of saints across time, with responsibilities both to those who came before and those who will follow. When a congregation seeks to leave the PC(U.S.A.), it is breaking what is often a significant historic relationship; it is also departing from a fellowship in which its officers have participated, by whose polity they have pledged to be governed, and with which many members may feel bonds of affection.

Based on an examination of the record, this Commission finds that the GDP developed by Presbytery, its implementation, and SPJC in its trial decision, failed to duly consider the economic interests of the PC(U.S.A.). Such consideration is essential. SPJC's exclusion of documents which were the most convincing evidence of the position of PC(U.S.A.) in regard to the Trust Clause and of the financial position of Danville, strongly supports the allegation of erroneous interpretation. Failure to consider the property value and the PC(U.S.A.)'s beneficial interest in the property was a fatal omission of the trustee's duty to the PC(U.S.A.).

The justification given by Presbytery for dismissal of the Danville church with property, which included only "Great Ends of the Church" and avoidance of litigation, was erroneously upheld by SPJC. While certainly valid, such considerations alone are not sufficient to satisfy the due diligence requirement imposed by the Trust Clause. SPJC erred in finding that due consideration had been given to the interest of the PC(U.S.A.) as the trust beneficiary under the *Constitution*. Due diligence, of necessity, will include not only the spiritual needs of the congregation and its circumstances, but an examination of the congregation's financial position and the value of the property at stake. It is undisputed that Presbytery failed to make such an examination. SPJC erred in failing to require that financial due diligence be undertaken by Presbytery.

### **Decision**

When the lower council's actions cannot be undone, this Commission may exercise its declaratory authority to provide guidance to lower councils and to prevent future violations.

When a congregation seeks dismissal under G-11.0103i (now G-3.0301a), it is the responsibility of the Presbytery to fulfill its fiduciary duty under the Trust Clause. This fiduciary duty requires that the Presbytery exercise due diligence regarding the value of the property of the congregation seeking dismissal. Due diligence, of necessity, includes not only an evaluation of the spiritual needs of the congregation and its circumstances but also financial analysis of the value of the property at stake. Payments for per capita or mission obligations are not satisfactory substitutes for the separate evaluation of the value of the property held in trust.

**APPENDIX B – FACTORS DETERMINING VALUE TO PC(USA)  
For the Purpose of a Joint Solution if the Congregation Seeks to be Dismissed**

Name of Congregation: \_\_\_\_\_ City: \_\_\_\_\_

Year formed: \_\_\_\_\_ Year chartered: \_\_\_\_\_

**MEMBERSHIP**

Membership at present: \_\_\_\_\_

Membership at end of last calendar year: \_\_\_\_\_

Membership at end of previous calendar year: \_\_\_\_\_

Percentage of membership that has joined in the past 5 years: \_\_\_\_\_

**PROPERTY VALUE AND INCOME**

1. Current replacement value insurance on this piece of property, excluding contents. \_\_\_\_\_

2. Current insurance value of contents (furniture, musical instruments, equipment, supplies, etc.). \_\_\_\_\_

3. Current appraised value of the “property” (buildings and land) based on appraisal by a neutral appraiser approved by the Presbytery’s Trustees. \_\_\_\_\_

4. Current amount of “cash” investments (bonds, CD’s, stock, MM, mutual funds, etc.) \_\_\_\_\_

5. Current value of any “non-cash” assets (non-contiguous property, vacant property, restricted gifts, personal property, vehicles, art, etc.). \_\_\_\_\_

6. Annual rental income (cell towers, land, buildings, other). Please specify and include a copy of all rental agreements. \_\_\_\_\_

7. Additional income, other than tithes and contributions, not accounted for above. \_\_\_\_\_

8. Has the congregation transferred any assets to another legal entity in the past 5 years?  
If yes, please specify.

\_\_\_\_\_

INDEBTEDNESS

9. What is the current amount of indebtedness? Please list specifics.

Mortgage

\_\_\_\_\_

Other loans

\_\_\_\_\_

10. What is the current financial position of the church?  
Please include a copy of audits, full financial reviews,  
budgets and actuals for the past 3 years.

\_\_\_\_\_

MONIES RECEIVED FROM THE CONNECTIONAL CHURCH (LOANS, GRANTS, PROGRAM, ETC.)

11. Sources of funding for original purchase of property (Board of National Mission, Synod, General Assembly, Presbytery, living members, deceased members, etc.) Please list and specify amount:

12. How much funding has the denomination/Presbytery provided as:

a. Purchase of land

\_\_\_\_\_

b. New church development pastor

\_\_\_\_\_

c. Expenses of congregation prior to chartering

\_\_\_\_\_

d. Subsidy for pastoral compensation

\_\_\_\_\_

e. Non repaid payment of loans due

\_\_\_\_\_

f. Assistance with legal services

\_\_\_\_\_

g. Grants to pastor

\_\_\_\_\_

h. Program ministry grants in past 25 years

\_\_\_\_\_

i. Assistance with maintenance of building  
or grounds

\_\_\_\_\_

j. Low cost/below market loans  
for any construction or improvements

\_\_\_\_\_

k. Other (please specify)

\_\_\_\_\_

13. Did the denomination provide any assistance in the form of capital campaign consultants? If yes, please specify.

\_\_\_\_\_

MONIES PAID TO THE CONNECTIONAL CHURCH (PER CAPITA, MISSION GIVING, SPECIAL OFFERINGS)

14. Beginning with the last calendar year, please list the previous 5 years to the right:					
a. Per capita owed					
b. Per capita paid					
c. Mission giving to Los Ranchos Presbytery					
d. Shared mission support to General Assembly and/or Synod					
e. Special mission giving to PC(USA) Mission (other than c.) e.g. One Great Hour of Sharing, Christmas, Peacemaking, Disaster Relief, specific PC(USA) mission personnel, East Africa, PLR local ministry (RV ministry, "Not Church", etc.)					

OTHER

15. List names and contact information for Inquirers and Candidates presently under care of this congregation:

JOINT SOLUTION TEAM MEMBERS:

Name

Home Church

Please include any copies requested in Appendix B as a separate appendix at the end of the Joint Solution document.

## FORMAT FOR FINAL DOCUMENT SUBMISSION FOR FIRST READING PROCEDURE

1. Number all pages. Please format so document can be printed double-sided.
2. Cover: completed copy of Appendix B. Do not add additional cover page  
Any documents requested in Appendix B should be attached at the end of the Joint Solution document and NOT as a part of Appendix B cover page.
3. Recommended Joint Solution to include
  - a) Name of church, city, current membership
  - b) Amount and timing of payment(s)
  - c) Payment of all outstanding financial commitments to the Presbytery (BoP, D and D, and medical dues)
  - d) Reversion clause - minimum 5 years
  - e) Provision for the congregation's teaching elder(s)
  - f) Provision for transition of the members of the congregation
  - g) Provision for pastoral care to members, candidates, and inquirers who prefer to remain in PCUSA
  - h) Provision for transfer of archival copy of all church records since the church's founding to Presbyterian Historical Society
  - i) Terms of acceptance by congregation within 90 days
4. Report of Joint Solution Team to include
  - a) Concise summary of how the congregation's mission and ministry might be hindered by remaining in PCUSA  
(to be agreed upon by Presbytery Representatives and Congregational Representatives)
  - b) Copy of
    - i. Summary of appraisal
    - ii. Audits/Full Financial Reviews, budgets, and actuals for past three years
    - iii. Property deeds
    - iv. Rental agreements
    - v. Mortgage or other loan agreements