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Suggested Title: Asset Allocation Process

Discipline Paragraph or Resolution Number, if applicable: *Discipline* New ¶ 2556.12.d

General Church Budget Implications: None

Global Implications: None

Amend new ¶2556.12.d (submitted to the 2020 General Conference) by adding the following:

i. *Asset Pool* – The General Council on Finance and Administration shall identify an asset pool that shall be subject to allocation to the various denominations. That pool shall consist of the net unrestricted assets, net restricted assets (including endowments), and board designated assets, and real property not currently serving as sites for ministry or administration (e.g., investment property) from the following agencies: General Boards of Church and Society, Discipleship Ministries, Global Ministries (excluding United Methodist Committee on Relief), Higher Education and Ministry, General Council on Finance and Administration, General Commissions on Religion and Race, Status and Role of Women, United Methodist Communications, the Upper Room, and Africa University. The amount of assets in the allocation pool from each agency shall be reduced by one year’s operating budget, which shall be retained by the agency, as determined by the quadrennial budget for 2021-24 enacted by the 2020 General Conference. If no such budget is enacted, the annual operating budget shall be based on the 2020 budget. Any of the denominations entitled to participate in the asset allocation may contest the classification of assets to the pool and submit the contest for resolution to the arbitration board formed in ¶ 2556.17.iii, whose decision shall be final. Any such contests shall be made by March 1, 2022, and decided by the arbitration board by May 1, 2022.

ii. *Principles of Allocation* – The following principles shall guide the allocation of the asset pool:

a) The amount of assets from the pool to be allocated to each denomination formed under this paragraph shall be determined by the proportion of the global membership aligning with each denomination to the aggregate of the global membership of all of the denominations formed hereunder as of January 1, 2022, the effective date of the new denominations. Churches becoming independent and annual or central conferences becoming autonomous shall have no share in the asset pool allocation, except as provided in ii.e below.

b) Any donor restrictions placed on funds or assets in the asset pool shall be maintained, regardless of which denomination receives the funds or assets. Restrictions designated by an agency shall be lifted for the purpose of allocating the funds or assets.

c) Restricted assets for which fulfillment of the restriction necessitates fulfillment by a particular agency shall remain with that agency and shall be considered part of the share to be allocated to that denomination.

d) Assets restricted to or designated for a particular geographic area (including a named central or annual conference) shall be allocated to the denomination with the largest number of members residing in that geographic area, central conference, or annual conference, and shall be considered part of the share to be allocated to that denomination.

e) The assets of Africa University shall be allocated to the denomination with which the majority of the annual conferences of Africa align. If all the annual conferences of Africa become autonomous or independent, the assets of Africa University shall be allocated to the largest African autonomous Methodist church formed out of The United Methodist Church. In any event, the assets of Africa University shall not be divided or split between two or more denominations.

iii. *Method of Allocation* – The assets in the pool shall be allocated through negotiation and decision by the Asset Allocation Task Force. Each denomination formed under this paragraph that is eligible to receive an asset allocation shall name persons to the Asset Allocation Task Force as follows: denominations having a membership of 500,000 or more shall name three persons; denominations having a membership less than 500,000 shall name one person. The Task Force shall operate by consensus in applying the principles above (§ 2554.17.ii) to the allocation of assets. Any denomination participating in the Asset Allocation Task Force may contest a decision by the Task Force to an Arbitration Board, whose decisions shall be final. Additionally, if the Task Force is unable to reach a consensus decision, the Arbitration Board shall make the final decision on the allocation of assets. Each denomination entitled to a share in the allocation shall name one member of the Arbitration Board. Members named shall be qualified arbitrators. All the members named by the denominations shall then jointly choose two to three additional members in order to arrive at an odd number of members in total and provide balance to the board. The meeting costs of the Asset Allocation Task Force members shall be borne by each denomination participating and other costs shared proportionally among them. The meeting costs of the Arbitration Board shall be shared proportionally among the denominations participating.

iv. *Timing of Allocation* – Each denomination shall compile and submit its membership totals broken down by annual conference to the arbitration board by April 30, 2022. The membership totals shall reflect the number of professing members counted as of December 31, 2021. All denominations shall be able to substantiate their membership totals by referring to annual conference lists of local churches, with the number of professing members counted in each church or charge.

The Asset Allocation Task Force shall begin meeting in January 2022 to categorize and evaluate the various assets in the asset pool, with the assistance of the General Council on Finance and Administration. Beginning in May 2022, the Task Force shall begin to allocate assets to the various denominations based on the principles above (§ 2556.12.d.ii). Contests of decisions made by the Task Force to the Arbitration Board shall be made within 30 days of any Task Force decision. Assets shall be distributed to the various denominations as expeditiously as possible following the decision of the Task Force and/or the Arbitration Board, and shall be concluded no later than December 31, 2022.