

## **Guidelines on Process for Property Issues Regarding Member Church Withdrawal from The Christian and Missionary Alliance in Canada**

### **A Guideline of The Christian and Missionary Alliance in Canada**

#### **Preamble**

Any consideration of member church withdrawal from The Christian and Missionary Alliance in Canada (the “C&MA”) shall be a matter of interaction between the member church seeking to withdraw (the “Church”) and the district within which this church is located or with which it is affiliated by law (the “district”).

The intent of such interaction is to establish good-faith attempts at understanding and reconciliation, including time for prayer, reflection, and discernment, as follows:

- a) Initial discussion between the lead pastor of the Church or designate and the district superintendent or designate intended to clarify and resolve the key issue(s) prompting the consideration of withdrawal, and if this step has not suspended or concluded the process,
- b) Formal discussion between the Board of the Church (the “Board”) and the district superintendent intended to clarify and resolve the key issue(s) prompting the consideration of withdrawal, and if this step has not suspended or concluded the process,
- c) Consideration of a mediated settlement of unresolved issues conducted by a mediator who is mutually agreed upon by the Board and the District Executive Committee (the “DEXCOM”), in which case the process for the Church to withdraw from the C&MA concludes, and if this step has not suspended or concluded the process,
- d) The consideration and execution of any other mutually acceptable means of resolving the key issue(s) prompting consideration of withdrawal, and if this step has not suspended or concluded the process,
- e) Convening of a meeting of the members of the Church, mutually agreed upon by the Board and the DEXCOM, to consider withdrawal from the C&MA.

If and when all practical options to retain the Church as a member church of the C&MA have been exhausted, and if the Church duly votes to withdraw from the C&MA, these guidelines seek to ensure that all matters of a legal or financial nature are adequately addressed and that the process used by the DEXCOM to make a determination on any changes to the ownership of the real property, appurtenances, and effects (“Assets”) associated with the Church prior to its withdrawal is handled in a timely manner.

In all matters prior to and subsequent to any withdrawal, the district will maintain a cordial relationship with all parties in order to preserve the honour of the name of Christ.

#### **1. Related Policy**

Provision is made for a member church of the C&MA to withdraw from the C&MA. The means by which a member church would withdraw from the C&MA are contained in General Operating Bylaw No.3 (“GOB”), Section 3.2 – Withdrawal of Membership, which states *“Any Member may withdraw from membership by delivering to the district office, within which the Member is located, a formal resolution of resignation approved by special resolution of the people who are members of the local church (i.e. Member) seeking to withdraw.”*

The means by which a church which has withdrawn from membership in the C&MA may be permitted to acquire ownership of some or all of the Assets associated with the church prior to its withdrawal are found in GOB Section

3.4 which states: *“Subject to the Articles, upon any termination of membership, the rights of the Member, including any rights in the property of the Corporation, automatically cease to exist. Notwithstanding the foregoing, should the church cease to be subject to the Manual which includes the Statement of Faith of The Christian and Missionary Alliance in Canada, but continues to abide by a similar Statement of Faith and promote similar purposes, the District Executive Committee of the district within which the church is located or with which it is affiliated by law may allow the church to acquire ownership of the property, appurtenances, and effects associated with the member church prior to its withdrawal.”*

This provision is mirrored in Local Church Constitution, Section 12.1 – Property, para. 5, and in the Constitution for Developing Churches Section 12.1 – Property, para. 5, which both state: *“Should the church cease to be subject to the Manual which includes the Statement of Faith of the C&MA, but continue to abide by a similar statement of faith and promote similar purposes, the District Executive Committee of the district within which this church is located or with which it is affiliated by law may allow the church to acquire ownership of the property, appurtenances, and effects associated with the member church prior to its withdrawal.”*

## **2. Considerations Leading to Possible Transfer of Assets**

- 2.1. In the event that a member church has voted by a two-thirds majority of the members listed on the membership role of the member church to withdraw from the C&MA (the “Withdrawn Church”), in keeping with the provisions of Local Church Constitution Section 12.1 – Property, para. 2, (and the identical wording in the Constitution for Developing Churches Section 12.1 – Property, para. 2) which states “Real property may be acquired, disposed of, improved or encumbered by order of the Board, subject to the approval of the membership and the District Executive Committee. Except as otherwise provided herein, all real property shall be registered in the name of the district in which the property is situated and the district shall be deemed to be the legal and beneficial owner of all real property, appurtenances and effects,” and para. 4 (and the identical wording in the Constitution for Developing Churches Section 12.1 – Property, para. 4), which states “Should the church cease to exist or cease to be subject to the Manual, which includes the Statement of Faith of the C&MA, all of its real property, appurtenances, and effects then associated with the member church prior to its withdrawal shall inure to the benefit of and remain the property of the district corporation of the C&MA within which this church is located or with which it is affiliated by law,” the name, charity status, and business number of the member church shall remain the property of and under the authority of the district. The appropriate government authorities, including Canada Revenue Agency, and other entities with a pecuniary interest, including financial institutions and insurance providers, will be notified by the district that the church is no longer a member church of the C&MA.
- 2.2. A Withdrawn Church that continues to utilize the Assets that were associated with the member church prior to its withdrawal becomes a lessee of the District until the District decides otherwise.
- 2.3. Any and all costs of whatsoever nature related to withdrawing from the C&MA shall be borne by the Withdrawn Church.
- 2.4. If the Withdrawn Church applies to gain ownership of any or all Assets associated with the member church prior to its withdrawal, the Withdrawn Church shall present to the district the doctrinal statement and purposes of the Withdrawn Church within 30 days of delivery to the district of the formal resolution to withdraw.
- 2.5. The district shall respond to the Withdrawn Church within 45 days of receiving the doctrinal statement and purposes of the Withdrawn Church with the determination it has made, at its sole discretion:
  - a) Regarding whether the doctrinal statement of the Withdrawn Church is similar to the statement of faith of the C&MA and whether the purposes of the Withdrawn Church are similar to the purposes of the C&MA; or

- b) Not to accept a request from the Withdrawn Church to gain ownership of any Assets associated with the member church prior to its withdrawal.
- 2.6. In the event that the district determines that the doctrinal statement or the purposes of the Withdrawn Church are not similar to the statement of faith and the purposes of the C&MA, the Assets associated with the member church prior to its withdrawal shall be retained by the district.
- 2.7. In the event that the district determines that the doctrinal statement and the purposes of the Withdrawn Church are similar to the statement of faith and the purposes of the C&MA, any formal letter expressing the application of the Withdrawn Church to acquire some or all of the Assets related to the member church prior to its withdrawal shall be delivered to the district within 30 days of such determination. The letter shall outline the request of the Withdrawn Church in detail and shall include a report of the net assets associated with the member church prior to its withdrawal based on a fair market assessment by an independent appraiser who shall be approved by the Withdrawn Church and the district.
- 2.8. In the event that the Withdrawn Church has applied to acquire some or all of the Assets related to the member church prior to its withdrawal, the district shall, at its sole discretion, within 60 days, determine what portion, if any, of the Assets related to the member church prior to its withdrawal may be transferred to the Withdrawn Church.
  - 2.8.1 Any transfer of Assets to the Withdrawn Church from the district shall be handled within a reasonable time. It is understood that the district (a registered Canadian charity) can only legally transfer assets at less than fair market value to another registered Canadian charity.
- 2.9. In the event of disagreement, the Withdrawn Church has a right to appeal to the Board of Directors of the C&MA. The determination of the Board of Directors shall be final.

### **3. Amendments**

These guidelines may be amended by a majority vote of the Board of Directors.

Adopted – General Assembly 2018

Amended – Board of Directors February 2020