

## DECISION 1261

### ***IN RE: Review of a Bishop's Decisions of Law in the Greater New Jersey Annual Conference Regarding the Relationship Between the Annual Conference and "A Future with Hope" in Light of Judicial Council Decision 1259***

#### DIGEST OF CASE

The bishop's decision of law is affirmed. The non-profit corporation A Future with Hope, Incorporated, is not a conference agency.

#### STATEMENT OF FACTS

During the 2013 Session of the Greater New Jersey Annual Conference, May 30 - June 1, 2013, the conference approved a strategic ministry plan and a ministry in response to Superstorm Sandy. As part of the strategy, the conference approved A Future with Hope Mission Fund Campaign to raise \$12 million, \$7 million of which was for Superstorm Sandy Relief, and elected a board of directors for the nonprofit corporation, A Future with Hope, Incorporated. Mr. John Bishop was elected President of the Board of Directors of A Future with Hope Corporation. By virtue of serving on the General Council on Finance and Administration of The United Methodist Church he was a member of the Greater New Jersey Annual Conference Council on Finance and Administration and also served as its president.

On Friday, May 31, 2013, a clergy member of the Annual Conference submitted in writing four questions of law to the presiding bishop. The Conference Secretary read these four questions into the record. They related to items discussed during the Annual Conference session.

Initially, the Bishop did not submit these questions to the Judicial Council for deliberation because of his understanding that ¶ 2609.6 of the *2012 Discipline* mandated support by one-fifth of the annual conference before such matters were submitted. After further reflection, the bishop determined that all decisions of law raised in the regular business session of an annual conference were to be submitted to the Judicial Council, with or without a vote of the annual conference. On July 20, 2013, the bishop filed his decisions on the questions of law.

In addition, the Bishop provided the complete Daily Proceedings of the 2013 Annual Conference, an outline of the pre-conference journal, a copy of the resolution establishing A Future with Hope Campaign Fund, a copy of the Strategic Ministry Plan resolution, a copy of the Strategic Ministry Plan, and a Sandy Relief Case Statement (information about A Future with Hope, Incorporated, including the budget and the funding campaign).

A clergy member of the annual conference filed an *amicus curiae* brief. In turn, the bishop submitted a response to that *amicus* brief.

In response to a request from a member of the Judicial Council, the Conference Treasurer provided copies of the following: the 2012 Annual Conference budget; the 2012 budget vs. actual report; the 2013 budget; the 2013 budget vs. actual report as of September 30, 2013; the 2014 annual conference budget; and the 2014 budget for A Future with Hope, Incorporated.

Decision 1259, which is the matter at hand, pertains to the third question submitted:

**Question 3**

Is the proposal on page 98, lines 28-30 of the Greater New Jersey Annual Conference *Pre-Conference Journal*, that The Greater New Jersey Annual Conference of The United Methodist Church, the 580 United Methodist Congregations will serve as the organization the (*sic*) underwrites the administrative overhead for *A Future with Hope* and provides volunteers and loans administrative staff to a *Future of (sic) Hope* a form of category budgeting that prevents the Annual Conference from its duty as the basic body in the church to present and approve specific line item allocations for its proposed annual budget? Does this provision in the Future with Hope legislation not establish a formal link between the Annual Conference and the Future with Hope non-profit corporation that makes the Annual Conference a guarantor of any failed obligations that may accrue from its [the Future with Hope's] administrative and program activities?

The decision of the bishop is as follows:

**Answer 3**

The provisions referred to in the question of law, are from a December 2012 case statement that was included in the report section of the preconference journal by "A Future with Hope". It was not legislation but a case statement included with the reports. As mentioned previously, these reports were received and were not and could not be debated or changed by the Annual Conference. At the time of the writing of the case statement, funds for the Sandy Relief ministry were for direct services in keeping with UMCOR guidelines and it was anticipated that there was a need for administrative support. Since that time, "A Future with Hope" has raised funds for its own administrative personnel and overhead and no conference budgeted funds have been used or will be used to support A "Future with Hope". The budget approved by the Annual Conference designates all the monies to be collected and spent by the Annual Conference, with specific line item allocations. There were no items budgeted for "A Future with Hope" and the relief ministry. The 580 local church congregations have already been actively involved in raising money and donating money, time, and supplies to this ministry. No vote or action by the Annual Conference or any of its agencies has been taken to establish the annual conference as a guarantor of the "A Future with Hope" corporation in any way and no conference funds have been used by "A Future with Hope". The only funds used by a "Future with Hope", are funds raised and designated for Sandy

Relief through the Advance and from contributions from individuals, foundations and corporations. The only links between the Greater New Jersey Annual Conference and "A Future with Hope" are

1. the conference elected the Board of Trustees as requested by "A Future with Hope",
2. the elected trustees are United Methodists within the Greater New Jersey Conference, and
3. the Annual Conference has affirmed "A Future with Hope" as the organization to carry out the United Methodist conference's primary strategy following Superstorm Sandy. The Greater New Jersey Conference and "A Future with Hope" are separate non-profit New Jersey corporations, each with their own separate EIN and separate Board of Trustees. In summary, there are no Annual Conference funds underwriting "A Future with Hope", the Annual Conference has made no commitment to fund "A Future with Hope", the Annual Conference forwards to "A Future with Hope" funds designated for Sandy relief ministry and the conference has made no commitment to be the guarantor nor has "A Future with Hope" requested the conference to be a guarantor.

In Decision 1259 the Judicial Council identified two questions to be addressed:

1. Is the non-profit corporation, A Future with Hope, Incorporated, a conference agency?
2. Does A Future with Hope, Incorporated, participate in the funds of any conference budget?

The second question has been answered in Decision 1258, leaving the first question still to be answered.

In Decision 1259 the Judicial Council retained jurisdiction and requested appropriate documents be submitted to the Secretary of the Judicial Council no later than 30 days after the date of Decision 1259. The Greater New Jersey Annual Conference submitted the documentation in a timely fashion.

The Judicial Council also received an *amicus curiae* brief from the General Council on Finance and Administration.

## **JURISDICTION**

The Judicial Council has continuing jurisdiction under ¶¶ 51 and 56.3 of the Constitution and ¶ 2609.6 of the *2012 Discipline* as modified by Decision 1244.

## **ANALYSIS AND RATIONALE**

The primary question at hand, as stated in Decision 1259, is "Is the non-profit corporation A Future with Hope, Incorporated, a conference agency?" The Judicial Council's

jurisdiction over this matter only permits it to answer the question from the perspective of the *Book of Discipline* of The United Methodist Church. A Future with Hope, Incorporated was granted 501(c)(3) non-taxable status (confirmed by letter dated June 9, 2013). While the corporation is clearly organized at the impetus of the Greater New Jersey Annual Conference, its local churches and its members, the information provided in their application to the Internal Revenue Service does not preclude nor discourage involvement by other individuals and groups who wish to enter into the ministry of the Corporation. It also states that it is “independent legally and structurally from The United Methodist Church”, although it “shall comply with all applicable provisions of The Book of Discipline of The United Methodist Church and as amended over time.” By including this latter proviso in its self-description A Future with Hope, Incorporated, places itself in relationship with The United Methodist Church. There is no requirement in their regulations that trustees be members of The United Methodist Church. However, a cooperative relationship with the annual conference does exist. This does not make it a conference agency.

Paragraph 701.2 in the *2012 Discipline* states “...The term ‘agency’ wherever it appears in the *Book of Discipline*, is a term used to describe the various councils, boards, commissions, committees, divisions, or other units constituted within the various levels of Church organization (general, jurisdictional, central, annual, district, and charge conferences) under authority granted by the *Book of Discipline*.”

The Statement of Relationship Between The Greater New Jersey Annual Conference of The United Methodist Church and A Future With Hope, Incorporated, states, “Although the Annual Conference and A Future With Hope, Inc. share missional purposes and goals and although both of them support conformity with the high standards of service, each recognizes the other as an independent entity, making independent governing decisions.” Because A Future with Hope, Incorporated, is not “constituted within the [annual conference] under authority granted by the *Book of Discipline*,” it is not an agency, as defined in the *Discipline*.

In answering Question 3, he stated, “The only links between the Greater New Jersey Annual Conference and ‘A Future with Hope’ are 1. the conference elected the Board of Trustees as requested by ‘A Future with Hope’, 2. the elected trustees are United Methodists within the Greater New Jersey Conference, and 3. the Annual Conference has affirmed ‘A Future with Hope’ as the organization to carry out the United Methodist conference's primary strategy following Superstorm Sandy.” None of these rises to the definition of an agency of the church. This does not in any way negate Decision 1258.

The role of the Judicial Council is to interpret and apply church law to specific situations in the life of the church. It is not intended to interpret and apply civil law. It is important that due diligence be exercised in separating church and civil law in any given situation. Structurally, A Future with Hope, Incorporated, follows a pattern established for independent entities, such as colleges and retirement facilities related to The United Methodist Church. Such relationships require careful monitoring by both parties. This will be particularly necessary because A Future With Hope, Incorporated, was created quickly to address an unanticipated crisis.

## **DECISION**

The bishop's decision of law is affirmed. The non-profit corporation A Future with Hope, Incorporated, is not a conference agency.

Dennis Blackwell recused and did not participate in this decision.

Timothy K. Bruster, first clergy alternate, participated in this decision.

Ruben Reyes was absent.

Beth Capen was absent.

Sandra Lutz, first lay alternate, participated in this decision.

Randall Miller, third lay alternate, participated in this decision.

William B. Lawrence, President

F. Belton Joyner, Jr., Secretary

April 26, 2014