

Section 12

INTERNAL TRANSFERS OF PROPERTY

The Methodist Connexional Property Committee has become aware of several transactions whereby Church property owned by the Methodist Church of New Zealand has been “transferred” to another part or group within the Methodist Church of New Zealand and where a cash consideration has passed between the two parts of the Church.

It is noted that, as all property is held for the ultimate benefit of the Church and under the final authority of the Conference, the appropriateness of a cash payment between the two parts of the Church could raise questions.

The Committee is also aware of other instances where Church property has been shared between a number of congregations, and as some of these congregations have grown and some diminished, the effective oversight and management of Church property has evolved and changed.

The Committee believes that it is important for these changes of stewardship of Church property to be understood within the Church and the ramifications of such transactions to be fully appreciated.

As stated earlier, the Committee starts from and affirms the statement in the Law Book, section 9.1.1, which states: “all property of the Church is held for the ultimate benefit of the Church and is under the final authority of Conference”.

Where the stewardship of Church plant and property evolves from one Methodist Church congregation to another over time and through the natural growth of one congregation and the attrition of the other, the Committee understands that such changes are recorded under the appropriate Conference questions, as advised by Synods.

Principally, such transfers are, therefore, the transfer of the “rights, privileges and responsible stewardship” rather than the transfer of “ownership”. Only in exceptional circumstances should a parish, congregation or group consider it necessary to transfer stewardship of a property to another in return for cash consideration. In such circumstances, the outgoing congregation and the incoming congregation must obtain Synod Property Advisory Committee approval of the transaction and Conference approval through the Methodist Connexional Property Committee.

The Committee’s concern is that the settlement of the transfer of stewardship between Methodist Church groups should be discussed in the context of an agreed sum between the two parties for the transfer of the rights, privileges and responsible stewardship of the property rather than necessarily a valuation based negotiation such as would be the case with an outside party when selling a property.

It is the Committee’s expectation that such a cash transaction would occur where the “outgoing” congregation is to continue in existence and the proceeds of the transfer are required by that group to fund other property purchases or developments of the congregation, or shall be used with appropriate Church authority to further the strategic mission objectives of the congregation or parish. Pending any approved use, the agreed sum for the transfer of stewardship is to be lodged with the Church Building and Loan Fund in the same fashion as a conventional sale to a third party.

The Committee believes that the amount of the agreed sum for the transfer should be determined to reflect the reasonable requirements for the capital of the “outgoing” group and the available funding and benefits of the use of the property to be derived by the “incoming” group.

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When these transfers involve parishes in two Synods, both Synods are to be involved in facilitating the discussions and negotiations. Equally, both Synods are to lead the planning for the appropriate recognition of the new stewardship of the property.

The final settlement agreed upon needs to be carefully and fully recorded and referred through appropriate Church courts for final approval. The physical transfer of stewardship should be undertaken at a service led by both groups and which recognises the significance of the transaction to both parties.