

Voluntary Withdrawal of Congregations from The Presbyterian Church in Canada

Procedures

Please read the appendices for further details.

1. **Any Session** contemplating recommending voluntary withdrawal to their congregation and presbytery initiates procedures by (1) submitting written notification to presbytery of this possibility and (2) seeking presbytery assistance as the presbytery is responsible for the care and good order of congregations within its bounds. Written notification, on behalf of the members of a congregation who may wish to consider departing due to the outcome of Remits B and C, 2019, must be submitted to the presbytery no earlier than November 1, 2022 and no later than May 31, 2024. (See Appendix 2 for illustrative timelines of the procedures.)
2. **The Presbytery** appoints a committee to help the session and the members of the congregation discern the mind of Christ on this important matter.
3. **The Presbytery Committee, session and congregation** explore options. When the Presbytery Committee has completed this work, it reports to the presbytery at a duly called presbytery meeting and makes recommendations concerning the session's written notification of voluntary withdrawal.
4. **The Presbytery** cites the congregation to appear before the presbytery by chosen representatives before the presbytery makes its final decision regarding the session's written notification for voluntary withdrawal. This is to provide an opportunity for the representatives to speak to the session's recommendation.
5. **If the Presbytery** determines that a session's request to consider voluntary departure is in order, the **presbytery and session** will establish protocols for managing together the subsequent procedures.
6. **The Presbytery Committee** provides an information package to the congregation prior to an initial congregational vote and ensures the session and congregation understand the implications of the adoption of the remits and the implications of a decision to withdraw from the denomination. (See Appendix 3 for what could be included the information package and those responsible for preparation of its content.)
7. **The Presbytery Committee** convenes a congregational meeting at which the congregation considers and votes on the question of voluntary withdrawal from the denomination. If sufficient support is achieved, then this decision shall be considered a "First Positive Vote". Voluntary withdrawal procedures stop if there is not sufficient support. Voluntary Withdrawal cannot be revisited by the congregation if either the 1st or 2nd vote does not receive sufficient support. The committee reports the result of this meeting to the presbytery. (See General Terms below for what constitutes sufficient support.)
8. **The Presbytery Committee** convenes a second congregational meeting, at least six months after the first provided there was sufficient support at the first congregational meeting to proceed. The congregation considers and votes on the question of voluntary withdrawal from the denomination a second time. If the vote demonstrates sufficient support for voluntary withdrawal, the congregation is considered a "departing fellowship" and the date of that meeting, or a date close to it, is designated the "date of voluntary withdrawal". The Presbytery Committee guides the congregation through the remaining procedures for voluntary withdrawal including financial withdrawal matters, issuance of membership certificates and relationship(s) with the minister(s). If there is not sufficient support expressed at this meeting, voluntary withdrawal procedures stop. The Presbytery Committee reports the result of this meeting to the presbytery. (See General Terms below for what constitutes sufficient support.)

9. **The Presbytery**, through its clerk, will notify Commission on Assets of Dissolved or Amalgamated Congregations (Commission on Assets), through the Chief Financial Officer, if the congregation has decided, with sufficient support, to voluntarily withdraw from The Presbyterian Church in Canada.
10. **The session**, under presbytery's oversight, prepares the prescribed Statement of Residual Assets and Distributable Assets and supporting documentation as at the date of voluntary withdrawal. Residual assets are net asset amounts after market value adjustments and deduction of obligations and assessments. Distributable assets are items available for transfer to a new fellowship based on the stipulated portion and those that will be retained by The Presbyterian Church in Canada. (See Appendix 4)
11. **If the Presbytery** approves the voluntary withdrawal request, it adopts a motion to dissolve the congregation and the clerk of presbytery notifies the Commission on Assets of the dissolution in writing through the Chief Financial Officer.
12. **The Presbytery** files the Statement of Residual Assets and Distributable Assets with the Commission on Assets through the Chief Financial Officer. (See Appendix 4)
13. **The Presbytery** assists with the orderly transfer of the church property and other assets of the departing fellowship to the Trustee Board once the above procedures have been completed according to law and policies of The Presbyterian Church in Canada.
14. **The new fellowship** outside The Presbyterian Church in Canada, at its own expense, shall incorporate a legal entity for the purposes of receiving the stipulated portion of church property and other net assets from The Presbyterian Church in Canada and shall obtain registration approval as a charity from the Canada Revenue Agency prior to transfer of such stipulated portion.
15. Upon receiving the confirmation of the Trustee Board, the **Chief Financial Officer** distributes the stipulated portion of the net assets based on the Statement of Residual Assets and Distributable Assets to the congregation departing from The Presbyterian Church in Canada provided the Commission on Assets is satisfied that all liabilities and obligations have been settled and legal requirements and documents in connection with the conveyance have been completed or executed.
16. **The Presbytery** prepares a mission plan for its portion of the proceeds realized by the voluntary withdrawal and submits it to the Commission on Assets. On the advice of the Commission on Assets, the Trustee Board, through the Chief Financial Officer, distributes the presbytery's portion of the proceeds realized. The presbytery's portion would be 60% of the remaining assets once the stipulated portion of the net assets have been distributed to the new fellowship outside The Presbyterian Church in Canada.

General Terms

Good faith

Session, presbytery, The Presbyterian Church in Canada, the congregation that is departing and the new fellowship and its officers outside of The Presbyterian Church in Canada will undertake such other actions and execute such other documents as may be necessary or prudent to implement voluntary withdrawal acting in good faith.

Sufficient support of votes

It is important that the support of a decision to leave the denomination be very high. For the purposes of measuring support for voluntary withdrawal, an indication of substantial support for a congregational vote is described as:

- A) 80 percent of professing members in attendance at a congregational meeting and
- B) 67 percent of all members on the professing members roll of the congregation as recorded at the time written notification was made to presbytery for voluntary withdrawal.

Example:

If a congregation has 100 members on its professing members roll and 75 of them attend a meeting to vote on the question of withdrawal, at least 60 of them would need to vote in favour of withdrawal to achieve 80% of those in attendance, however, at least 67 of them would need to vote in favour of withdrawal to achieve 67% of the members on the roll. Therefore, in this example, 67 of 75 members in attendance at the meeting would need to vote in favour for the voluntary departure process to continue.

Because a decision to withdraw is, in effect, a decision to dispose of property, only members are included in the percentage calculations. (Book of Forms 155)

An updated professing members roll must accompany the results of the congregational vote. The Presbyterian Church in Canada has no provision for proxy votes.

If members of a congregation vote in favour of voluntary withdrawal but with less than the 80% and 67% thresholds, session should consider if there is sufficient support for a viable new fellowship outside The Presbyterian Church in Canada. Likewise, the presbytery should consider the percentage of the vote to determine if a congregation can proceed from the first congregation vote one to the second congregation vote.

Notification

The church leadership of the new fellowship shall publish a statement publicly announcing, at least to the relevant congregation and presbytery, the decision to withdraw from The Presbyterian Church in Canada no later than the date of voluntary withdrawal. Further, after publication of this statement, the new fellowship discontinues representing any association with The Presbyterian Church of Canada. (See procedure #8 for definition of "date of voluntary withdrawal".

Pension Plan

Members of The Presbyterian Church in Canada's Pension Plan who leave the denomination will receive benefits as and when they qualify for payment, earned up to the date of when they leave the denomination.

Companion resource for procedures

The companion resource in Appendix 1 provides further illustration of the contemplated activities associated with the foregoing procedures for voluntary withdrawal.

APPENDIX 1

Companion Resource for Procedures

The *italicized text* is intended to be a resource for implementation of some of the procedures for voluntary withdrawal to promote consistency and to illustrate concepts of the procedures.

Procedure 1

Any Session contemplating recommending voluntary withdrawal to their congregation and presbytery initiates procedures by (1) submitting written notification to presbytery of this possibility and (2) seeking presbytery assistance as the presbytery is responsible for the care and good order of congregations within its bounds. Written notification, on behalf of the members of a congregation who may wish to consider departing due to the outcome of Remits B and C, 2019, must be submitted to the presbytery no earlier than November 1, 2022 and no later than May 31, 2024. (See Appendix 2 for illustrative timelines of the procedures.)

1A When a session contemplates recommending voluntary withdrawal, it should be satisfied that:

- (i) the session and congregational membership believe that its mission could be enhanced if it were to withdraw from The Presbyterian Church in Canada,*
- (ii) it can no longer function effectively in its present relationship within The Presbyterian Church in Canada and its courts,*
- (iii) there is a sufficient level of support for voluntary withdrawal, and*
- (iv) the viability of a new Christian fellowship outside of The Presbyterian Church in Canada is achievable after fulfilling obligations related to voluntary withdrawal asset distribution provisions contained in the Statement of Residual Assets and Distributable Assets.*

1B In furtherance of Christ's mission, the session and congregation are encouraged to continue support of Presbyterians Sharing and other missions (to which they have already made financial commitments and are committed financially) until the second vote has been taken and the date of voluntary withdrawal is determined and are also encouraged to give sufficient notice before concluding support. (See Procedure 8 for meaning of "date of voluntary withdrawal" meaning.)

1C A session should consider the necessity and timing of updating its professing membership roll because voluntary withdrawal includes two congregation meetings at which members will consider and vote on session's recommendation to withdraw. An updated professing membership roll must accompany the documentation of voting results. There is no provision for proxy voting within the polity of the PCC.

1D Voluntary withdrawal is restricted to the outcome of Remits B and C, 2019.

1E If either the 1st or 2nd congregational vote fails to secure the required support of the congregation, the issue of Voluntary Withdrawal cannot be revisited.

Procedure 2

The Presbytery appoints a committee to help the session and the members of the congregation discern the mind of Christ on this important matter.

2A The General Assembly Office can assist the presbytery with resources to aid in this discernment.

Procedure 3

The Presbytery Committee, session and congregation explore options. When the Presbytery Committee has completed this work, it reports to the presbytery at a duly called presbytery meeting and makes recommendations concerning the session's written notification of voluntary withdrawal.

- 3A *When exploring options, consideration is provided to understanding the motives and the process that session and the congregation have taken to come to the request to withdraw, assessing the degree of support for the request and to determining if there is a way for the petitioners to remain a part of The Presbyterian Church in Canada.*
- 3B *Discernment should consider the ability of the petitioners to continue as a viable new Christian fellowship outside of The Presbyterian Church in Canada after application of the asset distribution provisions.*
- 3C *The presbytery shall notify the Trustee Board through the Chief Financial Officer about the potential withdrawal at the same time that the congregation is cited for the first congregational meeting.*
- 4C *Voluntary withdrawal stops if the motives are not related to the outcome of Remits B and C, 2019*

Procedure 4

The Presbytery cites the congregation to appear before the presbytery by chosen representatives before the presbytery makes its final decision regarding the session's written notification for voluntary withdrawal. This is to provide an opportunity for the representatives to speak to the session's recommendation.

- 4A *Presbytery adopts a recommendation that the session's petition is in order for voluntary withdrawal, if applicable.*

Procedure 5

If the Presbytery determines that a session's request to consider voluntary departure is in order, the presbytery and session will establish protocols for managing together the subsequent procedures.

- 5A *To provide impartial leadership, the presbytery will appoint an interim moderator (part of the appointed Presbytery Committee) to moderate session and congregational meetings related to voluntary withdrawal, and request of presbytery, if deemed necessary, non-voting assessor elders or an assessor session. A Presbytery may request assistance from a Synod if necessary.*

Procedure 6

The Presbytery Committee provides an information package to the congregation and ensures the session and congregation understand the implications of the adoption of the remits and the implications of a decision to withdraw from the denomination. (See Appendix 3 for what could be included the information package and those responsible for preparation of its content.)

- 6A *Session shall prepare a statement of the net assets of the congregation, including all real and personal property and any liabilities. Trust funds are included in this statement. Instructions for the preparation of this statement in accordance with generally accepted accounting principles in Canada shall be obtained from the Commission on Assets.*

- 6B Session shall prepare a Proforma Statement of Residual Assets and Distributable Assets prior to the date of the 1st congregational vote. This statement includes:
- (i) net assets of the congregation at a date not more than 120 days prior to the date of a first congregational meeting,
 - (ii) an appraisal adjustment between the book value of real property of the congregation in the foregoing net assets and its estimated fair market value,
 - (iii) any and all
 - (a) pension and health benefits obligations to forecasted date of disaffiliation, and
 - (b) potential employment liabilities related to the voluntary withdrawal decision that are the sole obligation of the congregation, including but not limited to financial obligations for professional church workers who choose to remain within the denomination.

Instructions for the preparation of this statement shall be prepared by the Commission on Assets. (See Appendix 4 for an example of this statement.)

- 6C The congregation must engage an independent auditor to render an opinion on the statement. The opinion shall be distributed with the written materials no later than those prepared and distributed for the second congregational vote. Session may choose to engage an auditor earlier in the process. The Proforma Statement of Residual Assets and Distributable Assets is shared with the Commission on Assets to help them prepare for what they need to do.
- 6D A congregation is responsible for the fees of those professionals engaged in connection with session's recommendation for voluntary withdrawal, including an auditor, and if required an appraiser and others.

Procedure 7

The Presbytery Committee convenes a congregational meeting at which the congregation considers and votes on the question of voluntary withdrawal from the denomination. If sufficient support is achieved, then this decision shall be considered a "First Positive Vote". Voluntary withdrawal procedures stop if there is not sufficient support. The committee reports the result of this meeting to the presbytery. (See General Terms below for what constitutes sufficient support.)

- 7A A first congregational meeting will be duly called with written materials (see Appendix 3, Congregation Information Package) circulated to all members of the congregation at least 30 days but not more than 60 days before the scheduled meeting date, such materials to provide a thorough explanation of the proposed change in relationship with The Presbyterian Church in Canada and the consequences of voluntary withdrawal from the denomination for the congregation, its members and adherents, its minister(s) and other professional church workers. The written materials must be reviewed and approved beforehand by the session and the interim moderator and will include the material prepared by the Commission on Assets of The Presbyterian Church in Canada.
- 7B The interim moderator will moderate the first congregational meeting. Members on the professing membership roll of the congregation as at the time of session's written notification seeking withdrawal filed with the presbytery may participate in the vote. A vote by ballot shall be used to approve or not approve session's recommendation for voluntary withdrawal. If sufficient support is achieved, then this first vote shall be considered a "First Positive Vote". Voluntary withdrawal procedures stop if sufficient support is not the outcome.
- 7C The session may choose the format of the congregational meeting. If the congregational meeting is not held in person, the session may wish to contact the Clerks of Assembly for further guidance.

Procedure 8

The Presbytery Committee convenes a second congregational meeting, at least six months after the first provided there was sufficient support at the first congregational meeting to proceed. The congregation considers and votes on the question of voluntary withdrawal from the denomination a second time. If the vote demonstrates sufficient support for voluntary withdrawal, the congregation is considered a “departing fellowship” and the date of that meeting, or a date close to it, is designated the “date of voluntary withdrawal”. The Presbytery Committee guides the congregation through the remaining procedures for voluntary withdrawal including financial withdrawal matters, issuance of membership certificates and relationship(s) with the minister(s). If there is not sufficient support expressed at this meeting, voluntary withdrawal procedures stop. The Presbytery Committee reports the result of this meeting to the presbytery. (See General Terms below for what constitutes sufficient support.)

8A If the outcome at both of the congregational meetings demonstrates sufficient support for voluntary withdrawal, the Presbytery Committee guides the congregation through the remaining procedures for voluntary withdrawal including financial matters, issuance of membership certificates, and relationships with minister(s).

8B If the congregation is dissolved as a result of congregational votes, every member will be issued a membership certificate (to the extent permitted by the Book of Forms) by the session to facilitate the member's leaving of the congregation as it is constituted within The Presbyterian Church in Canada for either another congregation within The Presbyterian Church in Canada or the new fellowship or another Christian congregation.

8C A minister of the congregation who wishes to leave the denomination must request a letter of standing from the Presbytery, thereby leaving the jurisdiction of the denomination.

8D Session, with the supervision of the presbytery, negotiates a transition allowance with any minister wishing to remain a minister within The Presbyterian Church in Canada (as stipulated by the Policy for the Dissolution of Pastoral ties) and severance packages with church employees not wishing to leave with the departing fellowship.

Procedure 9

No additional illustrations.

Procedure 10

No additional illustrations.

Procedure 11

No additional illustrations.

Procedure 12

No additional illustrations.

Procedure 13

No additional illustrations.

Procedure 14

No additional illustrations.

Procedure 15

Upon receiving the confirmation of the Trustee Board, the Chief Financial Officer distributes the stipulated portion of the net assets based on the Statement of Residual Assets and Distributable Assets to the congregation departing from The Presbyterian Church in Canada provided the Commission on Assets is satisfied that all liabilities and obligations have been settled and legal requirements and documents in connection with the conveyance have been completed or executed.

15A The Chief Financial officer is satisfied that all liabilities of the congregation undertaking voluntary withdrawal have been satisfactorily addressed and that neither the Trustee Board nor the denomination generally will have any liabilities due to voluntary withdrawal of the congregation.

15B Recognizing that there may be a transition period when the new fellowship commences activities and all of the conditions precedent are completed, The Trustee Board of The Presbyterian Church in Canada may enter into arrangements to facilitate new fellowship activities and to settle any obligations arising from these arrangements

15C If the departing fellowship wishes to consider purchasing the building or other property, an interim rental agreement may be considered by the Trustee Board through the Commission on Assets and the departing fellowship may be granted the right of first refusal to purchase. (See also Appendix 4.)

Procedure 16

No additional illustrations.

APPENDIX 2 Illustrative Timelines

The following timelines have been prepared to illustrate the timeline and procedures associated with voluntary withdrawal. The top timeline assumes a session advises presbytery by written notification to seek voluntary withdrawal on November 1, 2022 and proceeds with minimal delay. The bottom timeline assumes a session advises on the last possible date of May 31, 2024 and places more time between congregation votes to complete voluntary withdrawal.

Indicative timeframe of 23 months from GA Approval to Anticipated Transfer to New Fellowship on or about April 2024 for voluntary withdrawal notification to presbytery on 1 November 2022				
Procedures by Timeframe, Courts and Members	Procedures:	[1 to 4]	[5]	[6 to 11]
	June 2022 GA Approval	1 November 2022 Notification & Presbytery Oversight	15 March 2023 / 15 September 2023 Congregation Vote 1 / Vote 2	To April 2024 Implement withdrawal
	Session Activities	Session Activities	Session Activities	Session Preparation
	Discernment <ul style="list-style-type: none"> ✓ Mission of congregation ✓ Support within congregation ✓ Financial implications ✓ Updating Roll ✓ Assessing legal matters ✓ Vote of session to express to Presbytery of desire to leave PCC Planning for process <ul style="list-style-type: none"> ✓ Advise presbytery ✓ Selecting timeline for congregation ✓ Collecting required documents ✓ Professional advisors (Auditor, Appraiser, Lawyer) 	Transmit written voluntary withdrawal notification to presbytery Continue with withdrawal activities Preparation, approval and distribution of prescribed Information Package Presbytery Oversight <ul style="list-style-type: none"> ✓ Appoint committee members ✓ Explore options ✓ Assure impartial leadership ✓ Confirm withdrawal is for Remits ✓ Approval of Information Package for congregation Vote 1 prior to its distribution to members ✓ Notify CFO/Treasurer Initiate consideration of mission plan for proceeds due to withdrawal	Continue with required voluntary withdrawal procedures Votes by members after consideration of Information Package Assess completeness of necessary documentation Presbytery oversight Fulfill withdrawal vote roles For Vote 2, approve updated Information Package Prepare Mission Plan for proceeds arising from withdrawal Continue oversight of congregation	Implement withdrawal decision, including required financial settlements, assuming "Yes" Create new fellowship Presbytery oversight Advise C of A of outcome of withdrawal vote, if yes. Mission plan to C of A Commission on Assets Fulfill legal & fiduciary duties Distribute stipulated church property and other net assets based on GA direction
	Commission on Assets to be a resource to respond to questions concerning process			

Indicative timeframe of 48 months from GA Approval to Anticipated Transfer to New Fellowship on or about 31 May 2026 with voluntary withdrawal notification to presbytery on 31 May 2024				
Procedures by Timeframe, Courts and Members	Procedures:	[1 to 4]	[5]	[6 to 11]
	June 2022 GA Approval	31 May 2024 Notification & Presbytery Oversight	15 January 2025 / 15 October 2025 Congregation Vote 1 / Vote 2	To 31 May 2026 Implement withdrawal
	Session Activities	Session Activities	Session Activities	Session Preparation
	Discernment <ul style="list-style-type: none"> ✓ Mission of congregation ✓ Support within congregation ✓ Financial implications ✓ Updating Roll ✓ Assessing legal matters ✓ Vote of session to express to Presbytery of desire to leave PCC Planning for process <ul style="list-style-type: none"> ✓ Advise presbytery ✓ Selecting timeline for congregation ✓ Collecting required documents ✓ Professional advisors (Auditor, Appraiser, Lawyer) 	Transmit written voluntary withdrawal notification to presbytery Continue with withdrawal activities Preparation, approval and distribution of prescribed Information Package Presbytery Oversight <ul style="list-style-type: none"> ✓ Appoint committee members ✓ Explore options ✓ Assure impartial leadership ✓ Confirm withdrawal is for Remits ✓ Approval of Information Package for congregation Vote 1 prior to its distribution to members ✓ Notify CFO/Treasurer Initiate consideration of mission plan for proceeds due to withdrawal	Continue with required voluntary withdrawal procedures Votes by members after consideration of Information Package Assess completeness of necessary documentation Presbytery oversight Fulfill withdrawal vote roles For Vote 2, approve updated Information Package Prepare Mission Plan for proceeds arising from withdrawal Continue oversight of congregation	Implement withdrawal decision, including required financial settlements, assuming "Yes" Create new fellowship Presbytery oversight Advise C of A of outcome of withdrawal vote, if yes. Mission plan to C of A Commission on Assets Fulfill legal & fiduciary duties Distribute stipulated church property and other net assets based on GA direction
	Commission on Assets to be a resource to respond to questions concerning process			

APPENDIX 3

Illustrative Contents of a Congregation Information Package

Procedure 6 for voluntary withdrawal requires an information package to be prepared by session, approved by presbytery and distributed to members in advance of a congregation meeting to vote on leaving The Presbyterian Church in Canada. **This process will take time and need detailed attention. Care should be taken not to rush the process.** The contemplated contents of a congregation information package are set out below.

Information provided by Session

1. Approach and procedures adopted by session for withdrawal including:
 - A. Summary of discernment process
 - B. Options explored
 - C. Reasons for voluntary withdrawal
 - D. Vision for future fellowship
 - E. Why remaining within The Presbyterian Church in Canada hinders mission
 - F. Session recommendation/motion regarding voluntary withdrawal
 - G. Additional information
2. Proposed timeframe for withdrawal
3. Financial information:
 - A. Congregation's financial statements
(must be audited for second congregation meeting)
 - B. Projected statement of residual assets and distributable assets prepared as at the assumed voluntary withdrawal date, including anticipated changes in the congregation's net fund balances in the foregoing financial statements and the net fund balances at the assumed voluntary withdrawal date and the expected adjustments for:
 - (i) assessments and donation commitments,
 - (ii) withdrawal costs, and
 - (iii) market value adjustments related to voluntary withdrawal.
4. Future relationship with
 - A. Community for mission
 - B. Minister(s)
 - C. Church employees
5. Resolution of relationship with Ministers and church employees.
6. Steps taken to develop awareness of congregational members to enable withdrawal decision:
 - A. Why voluntary withdrawal is sought by session
 - B. Process to form consensus among members of congregation before a vote
 - C. Opportunity for members to pose questions, obtain responses, share
7. Choices for minority wishing to remain within The Presbyterian Church in Canada:
 - A. Continue as The Presbyterian Church in Canada congregation?
 - B. Transfer to another congregation of The Presbyterian Church in Canada?
 - C. Transfer to the fellowship of the fellowship of another denomination?
8. Provide membership transfer certificates where applicable
9. Options for ministers wishing to remain within The Presbyterian Church in Canada
10. New fellowship – provides proof of new legal entity and charitable registration with CRA

Provided by Presbytery

1. Presbytery responsibilities including oversight of all information provided congregation
2. Plans for two congregational meetings
3. Determination of residual assets
4. Measurement at market value of property
5. Settlement of obligations to The Presbyterian Church in Canada and others
6. Approval/disapproval outcome:
 - A) Minority choices for those that do not want to leave The Presbyterian Church in Canada (Continue as The Presbyterian Church in Canada congregation (if viable) or transfer to another congregation of The Presbyterian Church in Canada or to another fellowship; also ministers).
 - B) Membership certificates.
 - C) Resolution of relationship with ministers and church employees.
7. Consideration of donor wishes, in consultation with the Trustee Board as necessary
8. Care for members and ministers who do not wish to leave the denomination
9. Care for any session responsibilities not completed or left undone
10. Letter of Standing for ministers, as required
11. Legal Matters:
 - A) Confirms new fellowship forms as new legal entity, register with CRA.
 - B) Dissolves congregation if it voluntarily withdraws

Provided by the National Office and Trustee Board

1. Purpose and basis of preparation:
 - A. Summary of voluntary withdrawal decision of the 2022 General Assembly
 - B. Voluntary Withdrawal Procedures and Appendices
 - C. Vote support required for a withdrawal decision
2. Reconfiguration of relationships [current, reconfigured]:
 - A. Status of Membership in The Presbyterian Church in Canada
Any congregation that chooses voluntary withdrawal ceases to be part of The Presbyterian Church in Canada.
 - B. Status of employees, ordained and non-ordained
Those employees, ordained and non-ordained, who choose to leave with the departing fellowship stop contributing to the pension plan where applicable and those who are eligible may begin receiving pension payments at any time.
3. Steps taken to develop awareness of members of congregation to enable decision about withdrawal:
 - A. Remits B and C, 2019, basis of their development, Barrier Act, liberty of conscience, respect.
4. Achieving voluntary withdrawal:
 - A. Two congregational votes by ballot [What happens at each vote, and after].
5. Financial matters:
 - A. Determination of residual assets: Measurement at market value, settlement of obligations to The Presbyterian Church in Canada and others, Trustee Board Act, consideration of donor wishes.
 - B. Distribution of stipulated determined net assets reflecting decision of the 2022 General Assembly.
6. Trustee Board Act

7. FAQs

- What is The Presbyterian Church in Canada?
- What is congregation's history within The Presbyterian Church in Canada?
- What is the General Assembly?
- What is the presbytery?
- What is the synod?
- What is the session?
- What is the Trustee Board?
- What is the Commission on Assets?
- What is within the authority of the members of the congregation?
- Has session decided to disaffiliate from The Presbyterian Church in Canada?
- Has session decided to form a new fellowship?
- What will change for the congregation?
- Isn't the decision for voluntary withdrawal a foregone conclusion?
- Options for staying with The Presbyterian Church in Canada.
- What happens to the assets that are not transferred to a departing fellowship?

APPENDIX 4

Determination of the Value of Church Assets that may be Distributed Upon Withdrawal

Two examples of the statement of residual assets and distributable assets in connection with a voluntary withdrawal are provided to illustrate the concepts for determining the value of church assets that may be distributed to a new fellowship provided all other procedures for voluntary withdrawal have been completed. Prior to the voluntary withdrawal date, a predicted or pro-forma statement of residual assets and distributable assets is provided to members of a congregation when voting on withdrawal. A final statement is provided to the Commission on Assets to determine the stipulated portion that may be transferred to a new fellowship once all other voluntary withdrawal procedures are completed. Residual assets are net asset amounts after market value adjustments and deduction of obligations and assessments.

Distributable assets are items available for transfer to a new fellowship based on the stipulated portion and those that will be retained by The Presbyterian Church in Canada. This approach provides a new fellowship with flexibility to discern their church's mission and those assets to support mission subject to financial capacity to support capital assets such as a church building.

Total fund balances from the audited financial statements for a church is the first amount to determine the stipulated portion of the value of assets that may ultimately be distributed upon withdrawal. The total fund balances shall include amounts for the general operating fund for day-to-day operations of the church, endowment funds, internally restricted funds, and externally (donor) restricted funds. Generally, all of these funds will be included in the residual assets to be split on a 50/50 basis as proposed to, and approved by, General Assembly. There may be certain circumstances where a fund balance is not split based on the external arrangements for them such as third-party administration agreements. These circumstances will be considered for each situation based on the underlying facts and through discussion with the Commission on Assets.

Example 1 is for a church that has cash and investments in its general fund and trust funds that are available to retain the appraised value of the church property and to receive other net cash assets, while fully funding the amounts due to and retained by The Presbyterian Church in Canada.

Example 2 is for a church where the market value of its church building compared to its cash and investment balances are insufficient for the new fellowship to receive the church property based on the approach for voluntary withdrawal. Due to the insufficiency, Example 2 assumes the Trustee Board will sell the property and the actual net cash proceeds will be used in the determination of distributable assets. Not reflected in the example is the possibility of additional funds that could be contributed as an offset to settle the insufficiency if members of the new fellowship wish to retain the building.

Example 1: Statement of Residual Assets and Distributable Assets**Residual Assets****Financial statement items to determine cash/near cash balance**

FS.1	Net fund balances at voluntary withdrawal date (includes trust/ endowment funds)	4,821,556
FS.2	Less: book value of church property	536,481
FS.3	Net fund balances excluding church property (FS.1 less FS.2)	4,285,075
FS.4	Less: restricted funds managed post withdrawal by PCC as related to a PCC agency	45,000
FS.5	Subtotal (cash/near cash balance)	4,240,075

Assessments and donation commitments, pro-rata to completion of withdrawal

AD.1	Pension and health benefits	2,000
AD.2	Presbytery/synod	10,000
AD.3	Presbyterians Sharing and other donation commitments	2,000
AD.4	Subtotal (assessments and donation commitments)	14,000

Withdrawal costs fully incurred by departing fellowship (not absorbed by PCC)

WC.1	Severance (ministers and church employees)	25,000
WC.2	Professional advisors (auditor, appraiser and others)	25,000
WC.3	Subtotal (withdrawal costs)	50,000

Market value adjustments

MV.1	Church property, appraisal value	1,250,000
MV.2	Investments (for significant changes)	5,025
MV.3	Subtotal (market value adjustments)	1,255,025

Determination of residual assets

RA.1	Residual Assets (sum of FS.5 and MV.3, less sum of, AD.4 and WC.3)	5,431,100
RA.2	Stipulated portion of residual assets re: new fellowship, at 50% of RA.1	2,715,550

Distributable assets**Sufficiency of cash assets for new fellowship to retain church buildings under distribution formula**

DA.1	Available cash/near cash (FS.5 less sum of AD.4 and WC.3)	4,176,075
DA.2	Funding sufficiency / (insufficiency) (DA.1 less RA.2)	1,460,525

If positive, sufficient cash/near cash assets for new fellowship to retain church buildings**Settle residual assets with new fellowship**

DA.3	Church building, appraised value (assumes new fellowship retains church buildings)	1,250,000
DA.4	Other cash/near cash assets (from cash/near cash: DA.1)	1,465,550
DA.5	Distribution to new fellowship (stipulated portion: RA.2)	2,715,550

This statement must be prepared on a pro-form basis for distribution at each congregation meeting when voting occurs. A final statement is prepared for the determination of the actual residual balance to be distributed to the new fellowship assuming all other related procedures have been completed.

PCC = The Presbyterian Church in Canada

Example 2: Statement of Residual Assets and Distributable Assets**Residual Assets****Financial statement items to determine cash/near cash balance**

FS.1	Net fund balances at voluntary withdrawal date (includes trust/endowment funds)	300,000
FS.2	Less: book value of church property	50,000
FS.3	Net fund balances excluding church property (FS.1 less FS.2)	250,000
FS.4	Less: restricted funds managed post withdrawal by PCC as related to a PCC agency	5,000
FS.5	Subtotal (cash/near cash balance)	245,000

Assessments and donation commitments, pro-rata to completion of withdrawal

AD.1	Pension and health benefits	1,000
AD.2	Presbytery/synod	1,000
AD.3	Presbyterians Sharing and other donation commitments	1,000
AD.4	Subtotal (assessments and donation commitments)	3,000

Withdrawal costs fully incurred by departing fellowship (not absorbed by PCC)

WC.1	Severance (ministers and church employees)	15,000
WC.2	Professional advisors (auditor, appraiser, and others)	15,000
WC.3	Subtotal (withdrawal costs)	30,000

Market value adjustments

MV.1	Church property, appraisal value	600,000
MV.2	Investments	nil
MV.3	Subtotal (market value adjustments)	600,000

Determination of residual assets

RA.1	Residual Assets (sum of FS.5 and MV.3, less sum of, AD.4 and WC.3)	812,000
RA.2	Stipulated portion of residual assets re: new fellowship, at 50% of RA.1	406,000

Distributable assets

Sufficiency of cash assets for new fellowship to retain church buildings under distribution formula

DA.1	Available cash/near cash (FS.5 less sum of AD.4 and WC.3)	212,000
DA.2	Funding sufficiency / (insufficiency) (DA.1 less RA.2)	(194,000)

If positive, sufficient cash/near cash assets for new fellowship to retain church buildings

Settle residual assets with new fellowship

DA.3	Available cash/near cash (FS.5 less sum of AD.4 and WC.3)	212,000
DA.4	Disposal of church property at appraised value (a final settlement will use realized proceeds if they vary from appraisal value)	600,000
DA.5	Funding sources available, in cash	812,000
DA.6	Distribution to new fellowship, in cash (stipulated portion: RA.2)	406,000

In this example, the total residual assets of the departing fellowship are \$812,000. Based on the proposed approach for voluntary withdrawal this balance is divided equally between the new fellowship and The Presbyterian Church in Canada. The estimated value of the church property is \$600,000 and it exceeds by \$194,000 the stipulated portion for the new fellowship of \$406,000. Therefore, the example assumes that the church building is sold and then used to fund the distribution to the new fellowship. This difference of \$194,000 if raised by example from members of the congregation by way of a mortgage, community partners, or contributions could enable the new fellowship to retain the ownership of the building by making an equalization payment.

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This statement must be prepared on a pro-form basis for distribution at each congregation meeting when voting occurs for voluntary withdrawal. A final statement is prepared for the determination of the actual residual balance to be distributed to the new fellowship assuming all other related procedures have been completed.

* In this example the insufficiency of \$194,000 described in the note beside Settlement to PCC represents the assessed value of the church building (\$600,000) minus the 50% portion of assets available to the new fellowship (\$406,000) This amount, if raised by members of the congregation by way of a mortgage or contributions could enable the new fellowship to retain ownership of the building.

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APPENDIX 5

Chronology

2015 General Assembly

The General Assembly received one overture (Overture No. 37, A&P 2015, p. 610) to develop a process for a congregation for leaving the denomination, several for full inclusion in church life of all persons regardless of sexual orientation and gender identity, and a number for affirmation of the church's statement on human sexuality (1994). Overture No. 37, 2015 was referred for response to the Clerks of Assembly in consultation with the Trustee Board, the Assembly Council, and the Pension and Benefits Board, (A&P 2015, p. 249, 17). Briefly, the prayer of these overtures was to permit congregations to leave the denomination with church property if the denomination either: a) approves either a redefinition of marriage to include same sex couples or the ordination of those leaders who are in a same sex marriage (in the case of the large majority of those overtures) or b) disapproves such redefinition and ordination (in the case of a few overtures). A term "gracious dismissal" was used in many of the overtures.

2016 General Assembly

The General Assembly received three overtures seeking a policy for congregations for leaving the denomination. The Clerks of Assembly provided a response to The General Assembly describing church polity and identified a way to permit congregations leaving the denomination to purchase church property. This was adopted (A&P 2016, p. 23). Other overtures were received on the matter of human sexuality before the church. The Life and Mission Agency and Committee on Church Doctrine provided reports on the matter of human sexuality.

2017 General Assembly

The General Assembly received further overtures. The General Assembly adopted a motion to establish a special committee re overtures and petitions re congregations considering leaving the denomination with a view to identify and summarize common concerns and to suggest a comprehensive approach for further study, and to report back to the General Assembly. A report was provided at the General Assembly. It affirmed that the denomination does not have a process for a congregation to leave and it included this paragraph: "It is clear to the Special Committee that significant consultation with and input from the Clerks of Assembly, the Assembly Council, the Committee on Church Doctrine, the Committee on Church History, the Pension and Benefits Board, and the Trustee Board would be required in seeking to formulate any policy concerning gracious dismissal, and effecting any such policy or practice would require consultation with presbyteries involved in congregational oversight." It also observed, "It is the observation of the special committee that the multiplicity of overtures clearly points to the existence of not only deep concerns over a doctrinal issue but also monumental implications for the unity of The Presbyterian Church in Canada. We need to pursue issues of doctrine, and equally issues of living together within the broader family which is the church. A comprehensive approach for further study must hold these two commitments in dynamic relationship with each other." (A&P 2017, p. 41-42)

2018 General Assembly

The General Assembly received the 2018 Clerks report, now referred to Assembly Council. The report included reference to their 2016 Clerks report, the 2017 special committee, a consultation processing arising from the 2017 special committee, and proposed "A Way Forward".

The General Assembly received and considered various reports concerning sexuality. The General Assembly established a Special Committee of Former Moderators "to propose a way ahead that allows the mission and ministry of The Presbyterian Church in Canada to continue" (A&P 2018, P. 25-26), taking into consideration the sexuality overtures and the related reports from the various committees and agencies of the church, in parallel with the ongoing work of the Rainbow Communion."

2019 General Assembly

The General Assembly received and considered the report of the Special Committee of Former Moderators that included four possible pathways as the way ahead. The 2019 General Assembly adopted Pathway B – Full Inclusion. When creating remits for voting under the Barrier Act the 2019 General Assembly adopted a recommendation to replace Full Inclusion with Remit B and Remit C and that congregations, sessions, ruling and teaching elders be granted liberty of conscience and action as contained therein on marriage and ordination. The remits were approved and were remitted to presbyteries under the Barrier Act.

2021 General Assembly

For the remits sent down under the Barrier Act by the 2019 General Assembly a report was received of the replies from the presbyteries for Remit B, 2019 and Remit C, 2019 of approved or disapproved.

The 2019 General Assembly approved Remits B and C, 2019 and they were added to the Book of Forms.

The General Assembly approved the decision of the Assembly Council to provide a response to the 2018 Clerks report at a future General Assembly committing to a report at the General Assembly 2022.

Prior to the General Assembly, a number of overtures were transmitted with a prayer to receive the Gracious Dismissal Committee report that had been completed by the committee but not received by the Assembly Council. The General Assembly did not agree to deal with the Gracious Dismissal Committee report since the Assembly Council had not considered it prior to the General Assembly and it would have been out of order to do so.