

October 7, 2021

## FAQs: The UMC and the Boy Scouts

### *1. What is the crux of the disagreement between the Boy Scouts and The United Methodist Church?*

The Boy Scouts of America (BSA) and its local councils have entered an \$850 million settlement to address approximately 84,000 child sexual abuse claims. The bankruptcy counsel representing the various local churches and the national committee with Chancellors and other leaders representing The United Methodist Church's interests in the BSA bankruptcy is very disappointed and quite concerned that the BSA did not include its sponsoring organizations, charter groups like the local UMC churches, in the \$850 million settlement with the claimants.

The BSA agreed to indemnify the local UMC churches against a number of things, including the claims of child sexual abuse, and those indemnity provisions are in the Charter Agreements. The indemnity was placed in the Charter Agreements to ensure the BSA would cover any costs associated with claims like those being made by the survivors of child sex abuse. The local UMC churches were not supposed to be required to pay anything toward a settlement involving issues with the conduct of anyone associated with the BSA.

The BSA is offering to cover all charter organizations for any claims after 1976 but that offer comes with some inappropriate strings attached. In order for the BSA to honor their indemnity agreement, they are now requiring all UMC local churches to provide their insurance coverage for any specific claims not covered by the BSA insurance. That means that any congregation with a non-BSA claim for the same year there is a BSA claim, the local church **will not** have insurance coverage for that non-BSA claim. Our lawyers and leaders have rejected this offer from the BSA because of the improper strings attached that are not part of the indemnity in the Charter Agreements. Our local churches should not have to surrender their insurance policies to have the BSA provide the indemnity in the Charter Agreements. The BSA is not honoring their commitment to indemnify the local UMC churches.

The bankruptcy lawyers representing the local churches that filed proofs of claim last year, the national committee, and the Virginia Conference leadership strongly believe the BSA has a legal and moral obligation to honor the indemnity provision in the Charter Agreements.

The BSA's failure to do so is distressing. Nationwide, as many as 5,000 United Methodist congregations – or more than 15 percent of U.S. congregations – are now

exposed to potential claims by the survivor claimants. Charter Organizations were promised by the BSA to be covered by their insurance, but at this time, it is not clear to what extent United Methodist congregations will be covered by the BSA. The UMC is proceeding to deal with this issue without support from the BSA as they agreed in the Charter Agreements. The local UMC churches now need to protect themselves going forward.

***2. What is the current agreement between the Boy Scouts and The United Methodist Church regarding ongoing scouting activities?***

On October 4, 2021, the Conference was notified that an agreement was reached between the United Methodist leadership and the Boy Scouts of America (BSA) pertaining to Boy Scouts' activities through March 2022. Here is a joint statement from United Methodist leadership and the BSA summarizing the agreement. This went out on October 6, 2021 in a letter from Bishop Lewis:

“The Boy Scouts of America and United Methodist leadership continue to work together to resolve matters related to BSA’s financial restructuring and have agreed, in the best interest of the young people who participate in Scouting, to strongly recommend to United Methodist chartering organizations and Boy Scout Councils to extend existing charter agreements and facility use agreements in force at this time through March 31, 2022. There will be no additional fee required from those chartering organizations through March 31, 2022. This will pause new chartering, re-chartering and the use of facility use agreements with United Methodist churches. This automatic extension will allow Boy Scouts of America, United Methodist leadership, and other parties in the bankruptcy case time to resolve important issues affecting chartered organizations, including a favorable release for chartered organizations for any Scout abuse claims.”

***3. Why did the Conference recommend that churches enter a Facilities Use Agreement (FUA) before the October 6, 2021 announcement was made in the letter from Bishop Lewis?***

Simply put, an FUA provides greater protection to a church than a charter agreement. Bishop Lewis followed the recommendation of United Methodist leadership in calling for this change several weeks ago because it was clear at that time that the BSA refused to honor their indemnity clause in the charter agreements. The Conference did what was necessary to protect the local churches in their relationship with the BSA. The BSA bankruptcy process is very fluid and the United Methodist leadership is continuing to negotiate with the BSA (see Question 1). Importantly, the FUA in no way impairs scouting activities.

***4. What is a Facilities Use Agreement and why has the church wanted the Boy Scouts to sign one?***

A Facilities Use Agreement, or FUA, is a contract that governs how a third party is allowed to use local church property. The Conference has provided a FUA that is being used by the other Conferences during this most difficult time instead of the Charter Agreement. The FUA requires that the Boy Scouts abide by the rules, regulations, policies, and directives of the local UMC church and under it the BSA assumes all liability pertaining to the activities it engages in the local church.

The Charter Agreement put certain legal requirements on the local UMC church and the local UMC church took on those legal requirements when the BSA agreed to indemnify the local UMC church for any damages or legal fees.

***5. From a practical standpoint, what does the FUA mean for scouting activities at a church?***

The FUA does not alter in any way a church's ability to be fully supportive of the Boy Scouts. Rather, it shifts the legal liability to the Boy Scouts, where it should be, and better protects the church from claims in the future.

If the local UMC church decides to keep the current Charter Agreement in place or sign a new Charter Agreement, it should make sure that there is enough insurance in place to cover any claims that may arise with the BSA using the local UMC church's facility. It is unlikely that most churches will be able to afford the insurance premiums necessary to provide the level of protection necessary.

***6. Who owns a troop's assets and how will that be impacted by the shift to a Facilities Use Agreement?***

A Boy Scout Troop is not a legal entity. The Troop is like a Sunday School class of the local church, a gathered group whose activities can take place in many locations.

As such, any assets that are used by the Troop are assets of the chartered organization, the local church. Even if the Troop raised money to purchase something, it is owned by the chartered organization, the local church. The local church can transfer those assets to another chartered organization if the local church ceases being a sponsor of the Troop.

***7. Who from the Boy Scouts should sign the FUA agreement?***

The Boy Scouts local council is the entity that should sign the FUA for a Troop, as the local council is the proper legal entity, not the Troop. Whether the local council is willing to sign the FUA is a different matter, and they may refuse.

### ***8. What about the Cub Scouts?***

They are part of the Boy Scouts of America. As such, Cub Scout matters should be addressed in the same way as Boy Scouts matters.

### ***9. Where can I get additional information?***

Here are links to three notable documents

[August 25 National UMC Press Release](#)

[September 8, 2021 Letter from Bishop Lewis](#)

[September 10, 2021 Letter from Steve Summers on FUAs](#)

[October 6, 2021 Letter from Bishop Lewis](#)

### ***10. What is next in this process?***

A national United Methodist leadership team has been formed to help develop principles, guidelines, and action steps to lead the church through the unfolding BSA bankruptcy and its impact on United Methodist chartered organizations. The team, chaired by Bishop John Schol, includes representatives of the Council of Bishops, as well as persons with financial, legal, and communications expertise.

We will share information throughout the Virginia Conference as it becomes available.

### ***11. What can I do to help with this situation?***

First and foremost, pray and pray fervently for the survivors of child sex abuse and their families. This tragedy is also a reminder to be vigilant, to update your Safe Sanctuary Policy, and continue to review your policy to ensure the congregation is following the policy.

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