

**PRESBYTERY OF THE
TWIN CITIES AREA
PROPERTY SALE
PACKET**

Adopted by the Board of Trustees on October 18, 2005.

Use of proceeds policy updated September 2006.

Updated March 2014

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I. INTRODUCTION

Congregation sales of real estate require the approval of both the Board of Trustees (BOT) and the Presbytery before the property can be sold. This manual includes copies of background materials, sample documents, a summary of the procedures you need to follow, and the application.

Please direct questions for Board of Trustees to trustees@ptcaweb.org.

II. PROCEDURE FOR APPLICATION

The BOT will review and Presbytery will approve (or disapprove) your application after your session and congregation vote to sell any real estate.

The Procedure follows:

- A. Session approves sale of property.
- B. Inform Presbytery of the project early in your planning, so that you can be assigned a liaison with the BOT to communicate with you about BOT actions, and respond to questions about the application process.
- C. Church holds its meeting and votes on the proposal. Sample documents for your congregation are found in Section VI of this manual.
- D. Church submits application with supporting documents to the BOT for review. The required supporting documents are listed on page 2 of this packet. These need to be submitted at least 14 days prior to the BOT meeting for review and distribution.

A Board of Trustees liaison will review the application and return it to you if the BOT needs additional materials before acting.

- E. Church representatives meet with the BOT. The Board will inform the Church of its action shortly after its meeting.
- F. Presbytery votes on the application of the Sale. After you obtain approval from the BOT, your application will be submitted to the Presbytery for review at their next Stated Meeting. Presbytery approval is required before the property can be sold.

III. APPLICATION

A. Supporting Documents:

- ___ Copy of church Bylaws with certification
- ___ Copy of Articles of Incorporation with certification
- ___ State Certificate of Corporate Good Standing of Articles of Incorporation

- ___ Property survey (if required to lift exceptions to title insurance)
- ___ Congregation meeting call
- ___ Congregation resolution (certified)
- ___ Legal description of property
- ___ Copy of current deed to the property, if owned by the church or Presbytery
- ___ Appraisal
- ___ Proposed Purchase Agreement

B. Mission Strategy Statement

1. Describe how this proposed sale fits into the presbytery's strategy for congregational development.
2. Describe briefly the specific goals and objectives of the congregation for the next twelve months.
3. Describe briefly the nature/scope of the proposed sale and how it will facilitate the implementation of the congregation's goals and objectives.

C. Application Form (see next page)

SALE OF PROPERTY APPLICATION

Corporate Name of Church _____

Address _____

County _____ City _____ State _____ Zip _____

Phone(____) _____ Fax(____) _____ E-mail: _____

CONTACT INFORMATION

Congregation Representative: (We will contact this person concerning scheduling, documents, and approval status)

Name _____

Mailing Address _____

Title _____ Phone(____) _____

Fax _____ E-mail _____

Pastor:

Name _____

Home Address _____

Home Phone(____) _____ Office Phone(____) _____

At church since _____ E-mail _____

Clerk of Session:

Name _____

Mailing Address _____

Home Phone(____) _____ Office Phone(____) _____

E-mail _____

Applicant's Attorney:

Name _____

Mailing Address _____

Phone(____) _____ Fax(____) _____ E-mail: _____

Who holds the title to the church property? _____ the church; _____ the Presbytery

Will all church property serve as collateral for Loan? _____ yes _____ no (if no, please explain on separate page).

Church/project formerly known as _____ in the city of _____

Date church was (or is to be) organized _____

TYPE OF CHURCH (check all that apply):

_____ New Church Development (10 years or less)

_____ Redevelopment

_____ Urban

_____ Rural/small town

_____ Suburban

_____ Federated

_____ Union

TIME LINE

Desired closing date _____

CHURCH INSURANCE INFORMATION

Agent Name & Agency _____

Phone(____) _____ Fax(____) _____ E-mail: _____

Current replacement value coverage \$ _____ Current liability coverage \$ _____

Estimated value of land \$ _____ Number of Acres _____

COMMUNITY DEMOGRAPHIC INFORMATION

Factors expected to contribute to the growth or decline of your parish/community's population and economy _____

What is the economic base of the area served by your congregation? _____

Approximate population of your city/community _____

What is the radius of the area served by your congregation in miles? _____

What is the current population of the area served by your congregation? _____

Projected growth in 5 years? _____

CHURCH STATISTICAL INFORMATION

Active members on the church roll (past five years)

20____ 20____ 20____ 20____ 20____

Average Attendance (past five years)

20__ 20__ 20__ 20__ 20__
____ _____ _____ _____ _____

Expected Membership Growth

One year _____ Three years _____ Five years _____

Pledge Information

Number of possible pledging units in church _____

Number that actually pledge _____ Percent that pledge _____%

Average Pledge _____

Average age of membership _____ % under 45 years _____; % 45-65 _____; % over 65 _____

Financial Plan

Proposed use of proceeds from sale. Please include a copy of endowment documents if you intend to place the sale proceeds into an endowment fund. Information about planned use of the proceeds should be attached to this form.

The Presbyter’s policy on the use of proceeds from the sale of capital assets is: “That the proceeds from the sales of tangible physical assets owned by the Presbytery shall be held for future capital needs of the Presbytery”.

Application Date: _____ Date Received by PTCA Office: _____

Date Reviewed by BOT _____ Action Taken: _____

IV. POLICIES

A. *BOOK OF ORDER*

Introduction: The Book of Order contains the following sections which govern the acquisition, use, encumbrance, sale, and lease of church property. They are reprinted here for your information.

<p>G-4.0203 Church Property Held in Trust</p>	<p>All property held by or for a congregation, a presbytery, a synod, the General Assembly, or the Presbyterian Church (U.S.A.), whether legal title is lodged in a corporation, a trustee or trustees, or an unincorporated association, and whether the property is used in programs or a congregation or of a higher council or retained for the production of income, it is held in trust nevertheless for the use and benefit of the Presbyterian Church (U.S.A.)</p>
<p>G-4.0101 Incorporation and Power</p>	<p>Where permitted by civil law, each congregation shall cause a corporation to be formed and maintained. If incorporation is not permitted, individual trustees shall be elected by the congregation. Any such individual trustees shall be elected from the congregation's members in the same manner as those elected to the ordered ministries of deacon and ruling elder. Terms of service shall be governed by the provisions of G-2.0404.</p> <p>The corporation so formed, or the individual trustees, shall have the following powers; to receive, hold, encumber, manage, and transfer property, real or personal, for the congregation, provided that in buying, selling, and mortgaging real property, the trustees shall act only after the approval of the congregation, granted in a duly constituted meeting; to accept and execute deeds of title to such property, to hold and defend title to such property; to manage any permanent special funds for the furtherance of the purposes of the congregation, all subject to the authority of the session and under the provisions of the Constitution of the Presbyterian Church (U.S.A.). The powers and duties of the trustees shall not infringe upon the powers and duties of the session or the board of deacons.</p> <p>Where permitted by civil law, each presbytery, synod, and the General Assembly shall cause a corporation to be formed and maintained and shall determine a method to constitute the board of trustees by its own rule. The corporation so formed, or individual trustees, shall have the following powers; to receive, hold, encumber, manage and transfer property, real or personal, for and at the direction of the council.</p>
<p>G-4.0204 Property Used Contrary to Constitution</p>	<p>Whenever property of, or held for, a congregation of the Presbyterian Church (U.S.A.) ceases to be used by that congregation as a congregation of the Presbyterian Church (U.S.A.), in accordance with this Constitution, such property shall be held, used, applied, transferred, or sold as provided by the presbytery.</p>

<p>G-4.0205 Property of a Dissolved or Extinct Congregation</p>	<p>Whenever a congregation is formally dissolved by the presbytery, or has become extinct by reason of the dispersal of its members, the abandonment of its work, or other cause, such property as it may have shall be held, used, and applied for such uses, purposes, and trusts as the presbytery may direct, limit, and appoint or such property may be sold or disposed of as the presbytery may direct, in conformity with the Constitution of the Presbyterian Church (U.S.A.)</p>
<p>G-4.0206a Selling, Encumbering, or Leasing Church Property</p>	<p>A Congregation shall not sell, mortgage, or otherwise encumber any of its real property and it shall not acquire real property subject to an encumbrance or condition without the written permission of the presbytery transmitted through the session of the congregation.</p>
<p>G-4.0206b Selling, Encumbering or Leasing Church Property</p>	<p>A congregation shall not lease its real property used for purposes of worship, or lease for more than five years any of its other real property, without the written permission of the presbytery transmitted through the session of the congregation.</p>

Two sections of the Book or Order deal with organization of local congregations. Those sections state:

1. Where permitted by civil law, each congregation shall cause a corporation to be formed and maintained.
2. The corporation so formed, or the individual trustees, shall have the following powers; to receive, hold, encumber, manage and transfer property, real or personal, for the congregation, provided that in buying, selling and mortgaging real property, the trustees shall act only after the approval of the congregation, granted in a duly constituted meeting; to accept and execute deeds of title to such property; to hold and defend title to such property; to manage any permanent special funds for the furtherance of the purposes of the congregation, all subject to the authority of the session and under the provisions of the Constitution of the Presbyterian Church (U.S.A.). The powers and duties of the trustees shall not infringe upon the powers and duties of the session or the board of deacons.

Book of Order G-4.0101

B. Policy Concerning Use of Proceeds from Sale of Real Property

Reported to the Presbytery of the Twin Cities Area at its July 11, 2006, stated meeting. Correction for part C noted in September 12, 2006, report to Presbytery.

Policy Concerning Use of Proceeds from Sale of Real Property

The Board of Trustees reports the adoption of the following policy concerning use of proceeds from sales of real property:

All sales of real property must be approved as required by the *Book of Order*.

1. Proceeds from the sale of property used for worship can be used only for purchase, construction, remodeling or maintenance of facilities used for worship.
2. Proceeds from the sale of real property donated to a congregation and which the congregation does not retain for use by the congregation, may be used as designated by the Session of the congregation.
3. Proceeds from the sale of other real property can be used only for capital expenditures, which may include:
 - a. Maintenance or improvements of other church property.
 - b. New buildings or additions.
 - c. City assessments.
 - d. Purchase of other land.
4. Proceeds from the sale of a manse may also be used for Pastor's housing allowance offset. The congregation's proposal must clearly state the limit of the contribution and a projection of how long such a contribution can be sustained.

V. **SAMPLE DOCUMENTS**

A. **Certificate**

CERTIFICATE

I hereby certify that:

1. I am the duly elected Clerk of Session of _____ Presbyterian Church of _____
(Church name)
_____, a _____ religious corporation (the "Church").
(City or Town) (State)

2. At a meeting of the Session of the Church duly called and held at _____ on _____
(Time a.m. or p.m.) (Month)
_____, _____, the resolutions attached hereto as Exhibit A were duly
(Day) (Year)
adopted by a (_____ votes in favor, _____ opposed and _____ abstaining)
(Number) (Number) (Number)
vote of those in attendance.

3. At a meeting of the congregation of the Church held at _____ on _____,
(Time a.m. or p.m.) (Month and Date)
_____, of which notice was given from the pulpit and in the weekly bulletin on
(Year)
the _____ previous Sundays, the resolution attached hereto as Exhibit A were duly
(Number)
adopted by a vote of the members of the Church (_____ votes in favor, _____
(Number) (Number)
Opposed and _____ abstaining).
(Number)

IN WITNESS WHEREOF I have set my hand this _____ day of _____, _____.
(Month) (Year)

(Signature of Clerk of Session)

Typed Full Name of Clerk of Session
Clerk of Session

B. Resolution

Church Name or
City or Town Name by the
Session and Congregation on
Month, Date, Year

WHEREAS, _____ Presbyterian Church of _____ (the "Church")
(Name of Church) (City or Town)
appointed a Committee to develop a proposal for sale of (e.g. the manse at _____;
(Address)
legal description: _____) by the church; and

WHEREAS, the Committee at its meeting on _____, _____, made its
(Month, Day) (Year)
recommendation to the Session and the congregation that the church proceed with a project to
sell _____.

NOW THEREFORE, BE IT RESOLVED that the Session/congregation approves the sale of:

Insert legal description here, without the box, indented at both ends
so as to be read as a separate quote from the other text.

on the following terms: _____