

CHECKLIST # 1 FOR RISEM DISTRICT BUILDING & LOCATION COMMITTEE

***This first Checklist is designed for use when considering
a PURCHASE or a REMODELING.***

2016 Book of Discipline, paragraphs 2536 - 2544

The Discipline mandates that this committee review and approve any plans for a new local church building site, construction or purchase of a new church building, educational building, parsonage, or any remodeling of a present building that exceeds 25% of the value of the building. *The committee can be used for "second opinions" for all remodeling projects.*

Note: Be sure and check what town/city approvals are needed for your project.

Things to be considered:

1. final architectural plans and specifications.
2. a detailed and reliable estimate of the cost of the project
3. the suitability of any existing building to be purchased
4. the impact of the cost of the project on the operating budget of the congregation and any other church budgets
5. handicapped accessibility
6. securing any local permits that are needed
7. securing a loan if one is needed
8. the financing of the project - mortgage, capital campaign, invested funds, etc.
9. approval of the project by the District Superintendent, the Charge Conference, and the Pastor as well as this committee
10. The Building and Location committee is also charged with assessing the impact of the project on the Ministry and Mission of the local church.
11. **An agreement to purchase real estate needs to include this language:**
"This sale is contingent on all the provisions of the 2016 edition of the United Methodist Book of Discipline being met, including but not limited to, the approval of the Pastor, the Charge Conference, the District Committee on Building & Location, and the District Superintendent."

This language is carried forward and included in a Purchase & Sale Agreement.

CHECKLIST # 2 for RISEM DISTRICT BUILDING AND LOCATION COMMITTEE

This second Checklist is designed for use when considering a SALE.

2016 Book of Discipline, paragraphs 2536 - 2544

The Discipline mandates that this committee review and approve any plans for the sale of a church building, parsonage, other real estate, or land.

The decision to sell requires the approval of the Charge Conference, the Pastor, the Building & Location committee, and the District Superintendent,.

Things to be considered:

1. What is the purpose of selling?
2. How will this sale impact the ministry and mission of the local church?
3. Discussion and consideration of a sale would normally begin with the Board of Trustees and/or the governing body of the local church (Ad Council, Church Council, Leadership Team, etc whatever model of governance is being used).
4. When a sale is under active consideration, the Pastor, the D.S., and the District Committee on Building and Location should be notified. (Note # 9 below)
5. Any legal documents concerning a sale are signed by the chair of the Board of Trustees acting in that capacity.
6. If the Pastor, the Charge Conference, and the D.S. have given approval for a sale, the Building and Location committee must be informed of it.
7. The Building and Location committee is charged with assessing the impact of the project on the Ministry and Mission of the Local Church.
8. The Building and Location committee is charged with assuring that the provisions of the Book of Discipline are followed.
9. Approval of the sale by the District Superintendent, the Charge Conference, and the Pastor as well as this committee are needed to complete the sale.
10. An agreement to offer real estate for sale needs to include this language:
"This sale is contingent on all the provisions of the 2016 edition of the United Methodist Book of Discipline being met, including but not limited to, the approval of the Pastor, the Charge Conference, the District Committee on Building & Location, and the District Superintendent."

This language is carried forward and included in a Purchase & Sale Agreement.

This procedure goes more smoothly if the following are included in the vote(s) of the Charge Conference:

1. A motion to sell with the following:
 - an asking price
 - the minimum price the Charge Conference will accept
 - an outline of how the proceeds from the sale will be used

The maker of the motion - Board of Trustees, governing body (i.e. church council) - should provide a clear rationale for the sale and the use of the proceeds.

The asking price, the minimum price acceptable, and the use of the proceeds can be changed at a later date:

- The asking price by governing body action (i.e. church council)
- The minimum price acceptable and the uses of the proceeds by Charge Conference action

The Building & Location committee will be asking how the use of the proceeds impacts the ministry and mission of the local church. Getting the committee involved earlier rather than later is helpful.

There are some Disciplinary restrictions as to how the proceeds from the sale of capital assets can be used. It is best to seek the D.S.'s opinion about this. His/Her approval is necessary in any case.

Further Notes about the Work of the District Committee:

- A) Book of Discipline, 2016 edition, paragraph 2540 and 2541:
No local church can be a party to a **long term lease agreement** without the approval of the District Superintendent and the Building & Location Committee.

Long term is considered one year or longer.

The rationale is this: the needs of the local church for ministry and mission may change suddenly and the leased space needs to be unencumbered.

examples: If you leased out the parsonage when the pastor had his/her own housing and a pastoral change was made by the bishop.

If you leased space for a ministry or mission and then the need for, or the needs of, that program changed.

If you leased out the steeple for an antenna, the leasee might want you to maintain the steeple for the length of the lease.

B)

“Paragraph 2503 of the *2016 Book of Discipline* has the trust clause language for various types of UM-owned property.”

C) Further comments about the “Trust Clause”.

If one UMC is acquiring property (from a private party or another UMC entity), the deed(s) should contain the “Trust Clause” language (although the *Discipline* says the failure to include it does not mean it does not apply). The Trust clause indicates that the local church and its Trustees must adhere to the *Discipline* of the church, which includes the fact that upon dissolution or closure, the properties become the property of the Conference. The *Discipline* governs how a local church can sell or mortgage its property.

If a local church is “selling” to a third party, the *Discipline* requires the various approvals noted below, and says that if those approvals are obtained, then the Trust clause is “released” and no longer applies to the property.

“This sale is contingent on all the provisions of the 2016 edition of the United Methodist Book of Discipline being met, including but not limited to, the approval of the Pastor, the Charge Conference, the District Committee on Building & Location, and the District Superintendent.”