



The Maritime Conference  
The United Church of Canada  
L'Eglise Unie du Canada

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**RE: Guidelines for Church Property Sales and Proceeds of Sale**

Managing the assets and resources entrusted to us for the benefit of the church is an ongoing privilege and challenge. It can come as a surprise that church property is not the exclusive domain of the congregation, but that property *in* The United Church of Canada is, in fact, property *of* The United Church of Canada. It is used locally and held locally by Trustees, but in trust for The United Church of Canada. Presbytery is most often the authority designated by the United Church Manual with responsibility to make final decisions regarding church property. Occasionally Conference has this privilege. In either case, consultation with and proposals from congregations must be taken into account, with the final decision resting with Presbytery (and sometimes Conference).

Attached to this letter is the final version of the document, *Guidelines for Church Property Sales and Proceeds of Sale*, as approved by the 88<sup>th</sup> Maritime Conference Annual Meeting (2013). As was discussed at the Conference Annual Meeting, these guidelines cannot supersede or overrule the United Church Manual, but are intended to summarize the key intentions of the Manual as well as offer support and guidance in addressing other important procedural requirements.

Of particular concern prior to and at the Conference Annual Meeting was the section on Proceeds of Sale. The key line in this section is, "Presbytery and Conference will be open to proposals..." Again, it is important to remember that final authority for property matters, including the disposition of proceeds of sale, is with Presbytery and sometimes with Conference, depending on the particular circumstance. The suggestion that some funds might go to sectors of the wider United Church is intended to be challenging, and encourage consideration of these important wider ministries. However, they are still guidelines, and local considerations may suggest other proportions for distribution. In all cases, a plan shall be made for the proceeds of sale, and shall be presented to Presbytery (and sometimes Conference) for final approval.

Congregations beginning to consider major changes with respect to church property are encouraged to engage Presbytery in discussion early in the process. Conference is also ready to assist as necessary. Throughout this document the word "Presbytery" is also intended to include the Wesleyan Synod of Bermuda, except in cases where Bermuda law prevents implementation.

In Peace,

David Hewitt  
Executive Secretary



## Maritime Conference The United Church of Canada

### Guidelines for Church Property Sales and Proceeds of Sale

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#### Principles

- 1) Church properties are the legacy of generations of United Church members who have donated time, money and energy to the church. These assets shall normally remain within The United Church of Canada to support the ongoing mission and ministry of the Church.
- 2) Proceeds of sale should not be considered as infusions of operating income but should be used in ways that seek to maintain their legacy capital and/or property value.
- 3) Presbytery (and occasionally, Conference) is authorized to make final decisions about property. Congregations and Pastoral Charges must be consulted and are encouraged to make proposals about the use and/or sale of property and the disposition of proceeds of sale.

#### Before a Sale

- 1) While the identity of a congregation often has a deep spiritual connection with a particular building and/or property, decisions about the ongoing life and mission of a congregation should be made separately from any final disposition of a building and/or property. Options include disbanding, merger, amalgamation, relocation, cooperative ministry, ecumenical shared ministry, etc. Presbytery and/or Conference should be approached for support and assistance in this discernment process.
- 2) Before seeking the consent of Presbytery to list a property for sale, all reasonable steps shall be taken to ensure that such sale is the very best decision for the circumstances. Consultation and discernment should take place with wide representation from the congregation and community. A mission clarification and assessment process (Joint Needs Assessment) may be advisable.
- 3) If the property is deemed no longer necessary or suitable for its primary purpose, determine if there is another proposed purpose for this property that is consistent with the mission and ministry of the United Church within the Pastoral Charge, neighbouring Pastoral Charges or Presbytery.

#### Preparing for a Sale

- 1) The Trustees of the property are responsible for carrying out the decisions made with respect to the sale of the property. This responsibility may extend beyond what individual Trustees are prepared to offer. Trustees may resign and be replaced at the decision of the continuing congregation and/or Pastoral Charge. If none can be found in this way, the Presbytery will name Trustees. If a particular situation is beyond the ability of Presbytery to address, Conference can be invited to take on a lead role.
- 2) A professional appraisal (or three market value assessments by qualified realtors) of the property shall be secured. Consideration should be given to the marketing approach that will return the best value for the property.
- 3) Municipal regulations with respect to zoning, lot size, road access, water and sewage, shall be consulted.
- 4) If there is a cemetery associated with this property:
  - a. Determine if it is possible to sever off a lot and building for sale. If not, determine if the building should be sold for removal, or should be demolished.

- b. A plan for the appropriate care of any associated cemeteries shall be prepared. Determine if there is an existing group within the Pastoral Charge that can take on this responsibility. If not, determine if there is another cemetery board in the area that can do so.
- 5) A plan shall be presented to the Presbytery for approval. Presbytery should consult with Conference as to what processes and permissions are required before proceeding.

#### During a Sale

- 1) Sales are most often at fair market value, as professionally determined.
- 2) Properties may be transferred to other United Church of Canada congregations or organizations for the cost of expenses related to the transfer (can be charged to the receiving body.)
- 3) Discounted proposals from community groups or other organizations (must be registered charities) may be considered in light of other described values of the church. Typically, these values might be:
  - a. Significant, related community value
  - b. Benefit for other church or religious groups
  - c. Preservation of environmental values

#### Proceeds of Sale

- 1) Expenses related to the disposition of property shall typically be paid from the proceeds of sale. Further distribution shall take place after these expenses have been deducted.
- 2) Presbytery and Conference will be open to proposals as to how to disburse the remaining funds, in keeping with the above principles and guidelines. Distribution should include concern for:
  - a. Support for the wider mission of the United Church through the Mission and Service Endowment Fund of The United Church of Canada Foundation. (Recommendation: a tithe of at least 10%.)
  - b. Support for the ongoing work of the Conference and Archives. (Recommendation: a minimum of 25%. Once the goals of this project are met the recommendation will revert to a 10% tithe to support the ongoing work of the Conference and Archives.)
  - c. Upkeep and maintenance of remaining cemeteries.
  - d. Ongoing mission and ministry of the United Church in the immediate region of the sold property.
  - e. Ongoing mission and ministry of the United Church in the region surrounding the sold property.
  - f. Special missions of the United Church in the Presbytery and/or Conference.

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#### Support documentation:

- Procedures Regarding Amalgamations, Disbanding, Ceasing To Exist, And Property Transactions Of Congregations Within The United Church Of Canada. (note: this document will need to be updated with the release of the 2013 Manual) <http://marconf.ca/resources/procedures-for-amalgamations-etc/>
- GS16 Distribution of Funds by Disbanding Congregations (attached, available in the 2013 Manual)

May 25, 2013

## **GS 16 DISTRIBUTION OF FUNDS BY DISBANDING CONGREGATIONS**

**Origin: General Secretary, General Council**

**The General Secretary, General Council proposes:**

**That the Executive of the General Council amend the by-laws as follows, to implement the policy in proposal GCE 2u adopted by the 41<sup>st</sup> General Council 2012:**

### **G. CONGREGATIONAL LIFE**

#### **1.5 Ending**

A congregation ceases to exist when the presbytery makes a decision to disband the congregation.

The process for disbanding is set out below. The congregation, presbytery, and Conference are each responsible for the steps assigned to them.

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#### **1.5.4 Property**

The congregation makes a proposal to the presbytery for dealing with the congregation's property, which must be used for the mission of the congregation or the wider United Church. The presbytery makes a decision on the proposal. Both must follow the requirements for dealing with congregational property.

### **BACKGROUND:**

The 41<sup>st</sup> General Council 2012 adopted the following proposal GCE2u:

That the General Council adopt a policy that a disbanding congregation must use its assets for the mission of the congregation or the wider United Church, and only with the approval of the presbytery.