

New Hope Presbytery Procedure Selling Encumbering or Leasing Church Property

1. Pastor and Session should review Chapter VIII THE CHURCH AND ITS PROPERTY in the Book of Order
2. Session takes action to sell, encumber or lease the property in question. The action should include provision for the disposition of proceeds from the sale or activity and, if encumbering a property, a financial plan for debt reduction. Church legal counsel should review all sales agreements and contracts before proceeding
3. Session refers the action to the church Board of Trustees, if a separate body, for development of the recommendations to implement the decision, i.e., title search; survey; and exact legal property description; a professional appraisal of the property; realtor/attorney consulted or used; estimated sale/purchase/borrowing value; all conditions and contingencies in the action.
4. The pastor or clerk contacts in writing the Presbytery Stated Clerk and/or Treasurer to consult on the proposed action and to determine the date by which all documents must be in the hands of Council's Committee on Finance and Property and Council for consideration at its next meeting.
- 5.. Session calls a special meeting of the congregation, to consider the recommendations from session and the church Trustees. Both the corporate and the ecclesiastical aspects of this transaction can be covered in the same single congregational meeting. The Book of Order required that the call of a special meeting of the congregation be read from the pulpit on two successive Sundays before the date on which the meeting is to be held. The call of a special meeting must state the exact purpose of the meeting
- 6.. The congregation votes on the recommendation of its Session and Trustees adding the phrase "**contingent upon approval of Presbytery.**" The decision is made by simple majority vote, a quorum being present. Absentee and proxy votes are not permitted.
7. If the recommendations are adopted by the congregation the clerk of session forwards the request for sale/encumbrance/etc to the Business Administrator of Presbytery, who in turn, will forward the request to the Committees on Finance and Property. The legal property description, appraisal (if appropriate), proposed disposition of funds, clear' mission statement financing plan for repayment, the last two years audited financial statements and other pertinent documents must accompany the request. The committees will study and recommend to Council appropriate presbytery action or contact the church for additional information.
8. The session may wish to be represented at the Council and subsequent Presbytery meeting at which the request is considered to answer questions that may arise.
9. Contracts, sales agreements or other legal actions cannot proceed according to the terms approved until after Presbytery has acted favorably.

APPLICATION
for
PERMISSION OF PRESBYTERY
TO SELL MORTGAGE, ENCUMBER OR LEASE REAL PROPERTY OR ACQUIRE REAL
PROPERTY SUBJECT TO AN ENCUMBRANCE

Form of Government, The Constitution of the Presbyterian Church (U S A) Chapters VII, The Particular Church and VIII, The Church and its Property, provide:

G-70402 Powers - 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 church; 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 church, all subject to the authority of the session and under the provisions of the Constitution of the Presbyterian Church (U.SA), provided further 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. (G-8.0500)

G-8.0501 Selling, Encumbrance or Leasing Church Property- A particular church 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 particular church

G-8/0502 Leasing Church Property - A particular church shall not lease its real property used for purposed 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 particular church.

Policy of the Presbytery of New Hope

This application should be submitted to Council's Committees on Finance and Property for consideration and recommendation ONE MONTH before the regular meeting of Council, which meets about six times per year.

Such requests should be mailed to:

Chuck Noonan, Associate Executive/Comptroller New Hope Presbytery
2309 Sunset Avenue
Rocky Mount, NC 27804

Distribution of Forms:

1 Copy -	To be used for work copy
2 Copies -	Return to New Hope Presbytery (1 copy returned with certification)

APPLICATION
For
PERMISSION OF PRFSBYTERY
TO SELL, MORTGAGE, ENCUMBER. OR LEASE REAL PROPERTY
OR ACQUIRE REAL PROPERTY SUBJECT TO AN ENCUMBRANCE

To the Finance Committee
Presbytery of New Hope

THIS IS TO CERTTFY that a duly called REGULAR/SPECIAL meeting of the Corporation of the _____ Presbyterian Church of _____, North Carolina,, held _____ 20____, at which a quorum was present, the Board of Trustees of the said Church was authorized to SELL/MORTGAGE/ENCUMBER/LEASE/ACQUIRE (SUBJECT" TO AN ENCUMBRANCE) real property for the Church Corporation as follows:

Street Address or Roads: _____ ...

City: _____

Borough: _____ .•

Township: _____

Buildings erected thereon _____

Recorded in Recorder of Deeds Office. _____ County PBV_____. Page # _____
If to be acquired. subject to an encumbrance. give details including lien holder, amount, interest rate, number of payments and due date _____

___ If to be BOUGHT/SOLD, for what price? \$_____ On what Terms: _____

Appraisal Amount _____

If to be MORTGAGED. in what amount? _____

If to be LEASED. for how many Years? _____ and at what rent: _____

Reasons for the action _____

If to be SOLD or LEASED will the proceeds be conserved? a. ___ yes b. ___ No

If "Yes" In what manner? _____

If "No" what use planned? _____

APPLICATION
for
PERMISSION OF PRESBYTERY
TO SELL, MORTGAGE, ENCUMBER OR LEASE REAL PROPERTY
OR ACQUIRE REAL PROPERTY SUBJECT TO AN ENCUMBRANCE

The Trustees of _____ Presbyterian Church Corporation certify that the corporation at a REGULAR / SPECIAL, CALLED meeting held on _____, 20____.

a. _____ Approved b. _____ Disapproved

the selling / mortgaging / encumbering / leasing / acquiring (subject to an encumbrance) the real property herein described.

And this is to further certify that the Finance and Property Committee knows of no reservation or restriction in connection with the foregoing proposed transaction, except as noted here in.

In accordance with the Form of Government of the Presbyterian Church (USA), the * Board of Trustees of the _____, _____ Church requests the written permission of New Hope Presbytery for the foregoing proposed transaction.

(Signed) _____
Clerk of Session

Attest:

Secretary Board of Trustees

The Session of the _____ Presbyterian Church of _____, North Carolina, in transmitting the foregoing

request of the Board of Trustees, certifies that the Congregation at a REGULAR / SPECIAL-CALLED meeting held on _____ 20____, _____ and a) _____ approved; b) _____ disapproved the foregoing proposed transaction.

* Some sessions are also Trustees of Congregations, other churches have elected Trustees.