

4.000 COMMITTEES OF PRESBYTERY: COMMITTEE ON MINISTRY, CHURCH PROPERTY

4.102 The Purchase or Sale of Church Property

- A. The Book of Order states in G8.0501: "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." (When applicable, see 4.104: "Use of the Proceeds from the Sale of Manse" policy.)
- B. The commission shall consult the Presbytery's Manual of Operations 4.102 (The Purchase or Sale of Church Property) and 4.103 (Administrative Commission Report Form for Encumbrance or Sale of Church Property) and note in its report that it has complied or not with the provisions of these policies. In addition, when the church plans to encumber its property, it should complete the Churches and Their Work form for such purpose and get the approval of that group prior to the Congregational Meeting.
1. For a church to borrow money it is required that the church have a minimum of one-third of the required funds on hand, an additional one third of the funds pledged, and no more than two-thirds can be borrowed. If the borrowing is for the purpose of refinancing an existing loan with no additional funds, these requirements may be relaxed by the Trustees, at their discretion.
 2. Once the Session has determined it wants to sell, mortgage, or encumber real property or to purchase property, it must call a congregational meeting to authorize the action. It is recommended that the congregation place either a floor in selling property or a ceiling in purchasing property. (Book of Order G7.0402) The church must come to the Trustees for their approval before the Committee on Ministry forms an Administrative Commission to approve the loan in behalf of Presbytery.

Similarly, when a church proposes to refinance an existing loan or to apply for a loan from the Synod, it must come to the Trustees for their approval, and then also seek the approval of the Committee on Ministry.
 3. Once the Congregation has voted, the Session is to transmit its action to the Presbytery through its Committee on Ministry. The Presbytery and the Committee on Ministry will act on such requests only after the congregation has acted. (BOO G8.0500)
 4. The Committee on Ministry may request that the Presbytery or the Presbytery Council form an Administrative Commission consisting of an elder and a minister of the church, the area representatives from the Committee on Ministry, another minister and an elder from the Presbytery, and the Moderator of Presbytery or his/her designee. This Commission

will have the authority to approve the purchase or sale agreement and the terms of a mortgage, if such is required.

5. When a purchase or sale agreement is made, it will state that it is contingent upon action of The Presbytery of Northern Waters through its duly elected commission acting on behalf of the Presbytery. The church shall provide the legal description, the purchase or sale agreement and the terms of the mortgage, if such is required, to the Administrative Commission. The Administrative Commission may then grant permission for the transaction. When so granted, the Moderator of the Commission will transmit the Presbytery's permission in writing to the Clerk of Session and to the proper civil authorities.
6. Once the transaction is completed, the Administrative Commission will make a report to Presbytery and request that the Commission be dissolved upon the Presbytery's approval of its report.
7. The Trustees require that they receive an annual report from all lending institutions where churches have encumbered their church property. The Trustees also require from the church a written plan for the repayment of the loan(s).