Policy Regarding Proceeds from the Sale of Property

POLICY NAME: Property and Finance	Date Approved: November 9, 2019
	Review date:
Purpose: The purpose of this policy is to clarify expectations of Communities of Faith regarding the sale of Church Property. **The Manual C.2.6.**	

This document outlines the Eastern Central Ontario Regional Council's policy and best practices regarding the disposition of proceeds from the sale of congregational property.

Policy

When Congregational property is being sold by a Community of Faith that is **not disbanding**, the following guidelines for the use of net proceeds from the sale:

a) 10% be remitted to the United Church of Canada for the on-going support of Indigenous Ministry.

b) 90% be retained by the Community of Faith with an approved ministry plan for the use of the proceeds by the Regional Council that is financially sustainable. The Regional Council will normally require that the remaining capital from the sale be protected and invested and that the Community of Faith be limited to drawing up to 5% of the value of the invested capital in any given year to support its operating budget. If the Community of Faith puts before the Regional Council a ministry plan, the Regional Council may allow the Community of Faith to use some or all of the remaining capital from the sale to implement the ministry plan. This may include capital expenses.

When Congregational property is being sold by a Community of Faith that **is disbanding**, the following guidelines apply for the disposition of net proceeds from the sale:

a) 10% be remitted to the United Church of Canada for the on-going support of Indigenous Ministry.

b) 10% to the Toronto United Church Council's Sustainable Energy Loan Fund.

c) 20% be remitted to the Eastern Central Ontario Regional Council to support the Mission Strategy of the Regional Council.

d) 20% be remitted to the United Church of Canada Mission and Ministry for on-going support of the ministry of the wider church.

e) 40% be directed for purposes within The United Church of Canada and which is approved by the Regional Council before the disbanding of the Community of Faith. If a Community of Faith disbands without such a plan, it becomes the responsibility of the Regional Council to determine the disposition of the remaining funds.

Note: Net proceeds means the amount left over after all expenses directly related to the sale of the property have been paid, e.g.: real estate fees, legal fees, cost of surveys and so on.

The Manual 2019 section re C.2.6 Property

The regional council is responsible for:

a) co-operating with the community of faith in buying, selling, leasing, and renovating community of faith property, and distributing any proceeds within denominational policies and guidelines, including

i) making decisions on requests from communities of faith to buy, sell, mortgage, exchange, renovate, lease, or otherwise deal with community of faith property;

The regional council makes decisions relating to the property of amalgamating congregations. See Congregational Life G.1.4.5.

ii) making decisions on the meaning of the terms “other major assets” and “major renovations” for that regional council;

The terms “other major assets” and “major renovations” are explained in Congregational Life G.2.1.2 and G.2.1.3.

iii) communicating the meanings of those terms to each community of faith within the bounds served by the regional council; and

There are three exceptions to the regional council’s responsibility for making decisions about the property of communities of faith that are congregations. They are set out in Congregational Life G.2.2.2, G.2.2.3, and G.2.2.4.

b) making decisions on the property of communities of faith remaining after the communities of faith cease to exist; and

c) buying, selling, leasing, and renovating regional property, and distributing any proceeds within denominational guidelines.