

Canadian Shield Regional Council

Support to Communities of Faith Commission

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# Property Policy and Procedures Manual

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## General Policy

### Approval of Property Transactions

In accordance to the Manual (2019) Section C.2.6, the Canadian Shield 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;

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

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

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.

Types of Transactions:

a) sales;

b) purchases;

c) mortgages;

d) any other borrowing secured by congregational property;

e) leases;

f) major renovations;

g) demolition; and

h) construction of a new building.

## Understanding What it Means to Hold Property in Trust

According to the Trustees Handbook: Congregational property is held by Trustees; they have the title. The term “congregational Property” means any kind of property that a congregation might own. It includes:

- a) land;
- b) buildings;
- c) any other land rights;
- d) money;
- e) investments;
- f) furniture; and
- g) equipment. (Manual 2019 G.2.2.2)

The Trustees hold the property for the use and benefit of the congregation as part of the United Church. **The Trustees must follow the lawful directions of the Official Board or Church Board or Church Council. The Trustees cannot deal with certain property without first obtaining the consent of the Regional Council.** Where an organized congregation ceases to exist, the Regional Council determines how the property is to be used. This method for holding property was legally instituted as part of the formation of the United Church of Canada and was established through Federal legislation and Provincial legislation.

Spiritually, holding property in trust reminds us that we are bound together by the Holy Spirit and connected with the “great cloud of witnesses” (Heb. 12:1) who came before us, and those who will follow us. We do not possess the resources of the church as individuals or congregations. Instead we are stewards of these gifts that have been given and dedicated to the ministry we share as members of the United Church of Canada. Often this represents a legacy that has been passed forward through the generations and into our care. Trustees are

literally entrusted with the care and good management of the congregation's assets and property.

Consequently, decisions about the use of Church property are made in consultation with the wider church, and in keeping with the Model Trust Deed, The United Church Manual and Regional Council policies to ensure that gifts given for the ministry of the United Church continue to be used for this purpose.

### **Definitions:**

There are two groups of property. "Real property" includes the land, building, and anything attached to the land or building. "Personal Property" includes any object not attached (pews, chairs, tables, computers, etc.) Some Personal Property is considered a Major Asset based on the [property policy](#) of each regional council.

## Canadian Shield Regional Council

### Property Policy and Procedures

The regional council understands itself in partnership with the local congregation and with the wider United Church of Canada in the fulfillment of its responsibilities concerning the real and personal property of congregations. The regional council will communicate its policy clearly and be available for consultation and discussion with congregations when they are making decisions in co-operation with the regional council.

### POLICY

#### Congregational Property

A community of Faith must consult with the **Property Resource Team** before taking any action to acquire, sell, mortgage, exchange, lease or renovate congregational property.

According to the Manual (2019) G.2.1 congregational property includes:

- a) land
- b) buildings
- c) any other land rights
- d) money
- e) investments
- f) furniture
- g) equipment

## Major Assets

Major assets include land, buildings, and any other land rights.

## Other Major Assets

Other major assets are defined as any item or group of items (money, investments, furniture and equipment) with an accrued or evaluated value that is equal to, either 50% of the net revenue of the community of faith (as calculated for assessment purposes for the previous calendar year) OR \$75,000.00 whichever is greater.

## Major Renovations

Canadian Shield Regional Council defines “major renovations” as any repair, work, addition, upgrade or capital improvement or like project to the real property of a congregation or pastoral charge estimated or expected to cost \$75,000.00 or more, with all costs in, including without limitation applicable taxes, design, permits, project management and commissions. *(Approved by the Transition Commission in June 2018.)*

A community of faith must consult with the **Property Resource Team** before taking any action to erect, enlarge, demolish, rebuild, or effect “major renovations” to any building held or to be held for any community of faith.

**Property Resource Team** recommends to the **Support to Communities of Faith Commission** which will make the final approval.

## Renovations under \$75,000.00

A community of faith should consult with the **Property Resource Team** staff lead about all proposed renovations estimated or expected to cost less than \$75,000.00, with all costs in, including without limitation applicable taxes, design, permits, project management and commissions.

## **Amalgamation**

When a community of faith is amalgamating with another congregation, the net proceeds of any property that is sold, and all assets will not be declared surplus and will become the property of the newly amalgamated community of faith. The newly amalgamated community of faith must consider both long term and short term needs of their community of faith and the United Church of Canada when using these assets.

## **Disbanding**

When a community of faith closes or disbands, the community of faith with Regional approval has the option to either turn it over to the region or sell the property and distribute the net proceeds.

When the community of faith closes or disbands, the property is transferred to the region. C.2.6 (b) and can be held by the Region solely for strategic purposes.

## **Distribution of Funds**

When a community of faith has decided to disband, the total funds, including proceeds from the sale of property and chattels will be disbursed in the following manner:

First:

- Reimbursement of holding/maintenance/disposal costs
- Covering unpaid past assessments and current year assessment
- Repaying any congregational indebtedness

Then the remaining funds will be distributed as follows:

1. 3% for regional archival purposes.
2. Up to 30% of the funds as proposed in a plan of disposition by the community of faith and approved by the Community of Faith



Commission, for the mission of the congregation or the wider United Church.

3. 10% to a fund related to the Calls to the Church to support Indigenous Ministries both locally and in the wider church.
4. 10% to Mission and Service of The United Church of Canada.
5. Remainder of the funds designated for Regional council use.

## PROCEDURES

### Major Renovations – Basic Steps

1. The governing body consults in a timely fashion with the Canadian Shield Regional Council - **Property Resource Team** about the renovation.
2. After receiving advice from the **Property Resource Team**, the governing body then calls a meeting of the congregation to approve the plan(s) for renovation, and to instruct the Board of Trustees to carry out the wishes of the congregation.
3. The Board of Trustees then shall be called to meet, (8 days notice, hand-delivered or mailed to each Trustee specifying the time, place, and purpose of the meeting) At this meeting a resolution shall be passed setting out the decision to carry out the renovations. This resolution must include the following points of information:
  - the legal description of the subject property
  - the plans for renovation and the costs of same
  - a current statement of financial viability
  - the terms of payment and arrangements for financing
  - the request for **Support to Communities of Faith Commission** approval of the planned renovation and of financing.
4. A copy of the resolution(s) signed by the Chairperson and Secretary of the Board of Trustees must be sent to the **Property Resource Team** immediately for review.
5. **Property Resource Team** will review the proposal and make recommendations to **Support to Communities of Faith Commission** who will give final consent.
6. After receiving the consent of the **Support to Communities of Faith Commission**, the Trustees (or designated committee) may then proceed with the renovation to the church property.

## Sale of Congregational Property

(Based on the Manual 2019 Section G.2. and Board of Trustees Handbook)

1. The governing body decides to sell a piece of property.
2. A congregational meeting is called to approve the proposal.
3. The congregation directs the trustees to proceed with the sale.
4. The trustees consults with the Canadian Shield Regional Council - **Property Resource Team** on the requirements to proceed with the sale and how the congregation will use any proceeds from the sale, after costs for the transaction have been covered.
5. The Board of Trustees holds a special meeting (8 days notice, hand-delivered or mailed to each Trustee specifying the time, place, and purpose of the meeting) and pass a motion requesting regional council consent to sell the property and a proposal for the use of the funds.

The motion includes:

- i. the legal description of the real property (land)
- ii. the price or costs;
- iii. the terms;
- iv. the proposed use or distribution of proceeds;
- v. the request for consent from the Canadian Shield Regional Council - **Support to Communities of Faith Commission**

If the Trustees wish to use another method for selling the property, these details must also be provided (auction, exchange, donation or other)

The community of faith must consider both long term and short term needs of their community of faith and of the United Church of Canada.

6. The motion should be entered in full in the minutes of the Board of Trustees.
7. The sale of property resolution is forwarded to the **Property Resource Team** for review and recommendation to the **Support to Communities of Faith Commission** of Canadian Shield Regional Council who gives approval to proceed with the listing for the sale.

**NOTE:** To ensure the **Property Resource Team** will be able to respond to a request to accept an offer within the legal time frame. Please include in the listing terms:

- “This sale is conditional on the approval of **Support to Communities of Faith Commission**” and
  - A provision for a minimum of 7 business days to respond to an offer as a detail in the listing.
8. When an offer is received, the Trustees seek approval to accept the offer first from the governing body and then the **Support to Communities of Faith Commission**. All details and documentation of the transaction are to be forwarded to the **Support to Communities of Faith Commission** of the Regional Council, along with a request certificate using the same property resolution template found in Appendix A of the Trustees Handbook. Consent from the **Support to Communities of Faith Commission** is legally required prior to the offer being accepted. This request should also include details about the proposed use of

the net proceeds. Please note if there are any differences from the proposal at the time the property was listed for sale.

9. The Canadian Shield Regional Council – **Support to Communities of Faith Commission** makes a decision whether to approve
  - i. The transaction, and
  - ii. The use of any proceeds received by the congregation or pastoral charge in the transaction.
10. Once the offer has been reviewed and approved by the **Support to Communities of Faith Commission**, the Trustees will receive a copy of the motion and a signed certificate verifying that the sale has been approved. If the sale is not completed for any reason, please notify the **Property Resource Team**. Any subsequent offers will need to follow the same process.
11. Upon completion of the sale the trustee will forward the details of the sale to the **Support to Communities of Faith Commission** and **Property Resource Team** with copies to the Regional Council office.

### **Guidelines for Setting a Price:**

The Board of Trustees holds the property in trust for the use of the congregation. As such they are bound to seek Fair Market Value for an asset as part of this obligation. That is why it is important to get 2 or more current market value appraisals to accompany the listing request. That said, if the congregation wants to make an argument for a slightly reduced price to support another charity, a proposal can be made to the **Support to Communities of Faith Commission**. The purpose of the regional council's participation is to ensure that United Church of Canada resources are managed to the benefit of the United Church of Canada and its ministries.

## Other Property Transactions:

In addition to selling congregational property, a community of faith may also engage in other types of transactions such as:

- purchases;
- mortgages;
- any other borrowing that is secured by congregational property
- leases;
- major renovations; (see definition under Regional Property Policy)
- demolition; and
- construction of a new building.

These types of transactions also require consultation with the Canadian Shield Regional Council - **Support to Communities of Faith Commission** and **Property Resource Team**.

The community of faith may have established additional steps which need to be followed.

## Basic Steps:

1. The governing body decides to enter into a congregational property transaction.
2. The governing body consults with the Canadian Shield Regional Council - **Property Resource Team** regarding their plans. The governing body must ensure that the transaction costs and any trustee debt are paid out of the proceeds.
3. The governing body directs the trustees to seek consent from the Canadian Shield Regional Council - **Support to Communities of Faith Commission** and then proceed with the transaction.
4. A (special) meeting of the Board of Trustees shall be called, giving each Trustee at least 8 days notice in writing, specifying the time, place, and purpose of the meeting and pass a resolution setting

out the decision to acquire, mortgage, lease, exchange, construct, enlarge, effect major renovations, demolish, or rebuild.

The template for the motion is found in Appendix A; Property Resolution Trustees.

The motion includes:

- i. the legal description of the real property (land), or an adequate description of the major asset;
- ii. the price or costs;
- iii. the terms;
- iv. the proposed use or distribution of proceeds; or
- v. the proposed source of funds; and
- vi. the request for consent from the Canadian Shield Regional Council - **Support to Communities of Faith Commission**
- vii. A current statement of financial viability.

5. The resolution should be entered in full in the minutes of the Board of Trustees.

6. The property resolution is forwarded to the Canadian Shield Regional Council - **Property Resource Team**.

7. If the request is to construct a new church building or replace an existing church building, other United Church communities of faith may be affected. The regional council must consult with them and consider their opinions before making a decision on the transaction.

8. The **Property Resource Team** recommends to the **Support to Communities of Faith Commission** who makes a decision whether to approve

- i. The transaction, and

- ii. The use of any proceeds received by the congregation or pastoral charge in the transaction.
9. Once the offer has been reviewed and approved by the Canadian Shield Regional Council - **Support to Communities of Faith Commission**, the Trustees will receive a copy of the motion.

### References and Resources:

[The United Church Manual 2019](#)

[Trustees Handbook \(2016\)](#)

[Property Resolution - Trustees](#)

[Horseshoe Falls Regional Council Property Policy](#)

[A Hand Book On Church Property Matters – Conference of Manitoba and Northwestern Ontario](#)