

COMMUNITIES OF FAITH: SALE OF PROPERTY BY AN EXISTING COMMUNITY OF FAITH

This policy outlines the responsibilities of the Communities of Faith Commission with respect to property transactions when a community of faith is neither closing nor amalgamating.

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BACKGROUND AND CONTEXT:

All property of communities of faith are held by its Board of Trustees on behalf of the United Church of Canada. This includes land, buildings, funds and investments and any other kind of property. The Trustees must comply with the United Church of Canada's requirements for Boards of Trustees in matters related to communities of faith property. The Region is responsible for making decisions on requests from communities of faith in buying, selling, leasing, and renovating community of faith property, and developing a plan to distribute any proceeds within denominational policies and guidelines.

The Communities of Faith Commission is committed to:

- having a broad geographic presence for the United Church in Shining Waters Regional Council,
- making decisions that support healthy and viable communities of faith,
- embracing new possibilities for what a community of faith might look like.

In upholding these commitments, the region will allow greater flexibility in the use of funds from the sale of property, subject to the approval of the Communities of Faith Commission. The commission understands this to be an investment in healthy communities of faith.

At the same time, the commission is committed to maintaining buildings that are strategically important. Resources embedded in buildings are critical to our future as a region and as a church and we have a fiduciary responsibility to manage this. The Communities of Faith Commission may consult with the United Property Resource Corporation and/or Toronto United Church Council before approving any request to sell property.

SELLING CHURCH PROPERTY

When a community of faith that is not closing or amalgamating wishes to sell property, approval from the Communities of Faith Commission is required at each of these stages (*The Manual C.2.6.a*):

- a. Approval to sell the property;
- b. Approval of the realtor chosen;
- c. Approval of the listing agreement; with proof of legal review
- d. Approval of the Offer for Purchase and Sale; with proof of legal review
- e. Approval of the plan for disbursement of funds generated from the sale.

A community of faith that wishes to sell its property must demonstrate the potential for its ongoing long-term viability. It must also provide a mission plan for the use of available funds and the investment of remaining capital. The mission plan must demonstrate how the community of faith will continue to

provide a United Church presence in their location and/or context. Please contact regional staff to obtain guidelines/best practices for viability and a mission plan.

The community of faith will be expected to include an update on this mission plan in their annual self-assessment.

USE OF FUNDS FROM THE SALE OF PROPERTY

The funds generated from the sale of a church property are held in trust and require the approval of the region, through the Communities of Faith Commission, for any expenditure of those funds (including both the capital and any earned interest).

When the sale of property will generate \$100,000 or less, \$5,000 will go into a regional fund related to the Calls to the Church to support Indigenous Ministries both locally and in the wider church. The community of faith will be able to keep and use all remaining proceeds from the sale. Proof of potential for ongoing viability and a mission plan are still required.

For all other property sales, 10% of the proceeds, after costs, will go into a regional fund related to the Calls to the Church to support Indigenous Ministries both locally and in the wider church with a provisional cap of \$1,000,000.

When the sale of property will generate \$100,000 - \$300,000, the community of faith will be able to use up to \$100,000 of the capital. The remainder will be invested and the community of faith will be able to use the annual interest from the investment. Proof of potential for ongoing viability and a mission plan are still required.

When the sale of property will generate \$300,000 - \$1,000,000, the community of faith will be able to use up to \$100,000 of the capital. 5% of the remaining capital will be given to the region. The remainder of the capital will be invested and the community of faith will be able to use the annual interest from the investment. Proof of potential for ongoing viability and a mission plan are still required.

When the sale of property will generate more than \$1,000,000, the community of faith will be able to use up to \$200,000 of the capital. 10% of the remaining capital will be given to the region. The remainder of the capital will be invested and the community of faith will be able to use the annual interest from the investment. Proof of potential for ongoing viability and a mission plan are still required.

When a community of faith wishes to sell their current property and purchase another property, all proceeds from the sale may be used for the purchase of another property. Such purchase must be approved by the Communities of Faith Commission and will be held by the trustees of the community of faith as part of the United Church. They must comply with the United Church's requirements for trustees and property. Proof of potential for ongoing viability and a mission plan are still required.