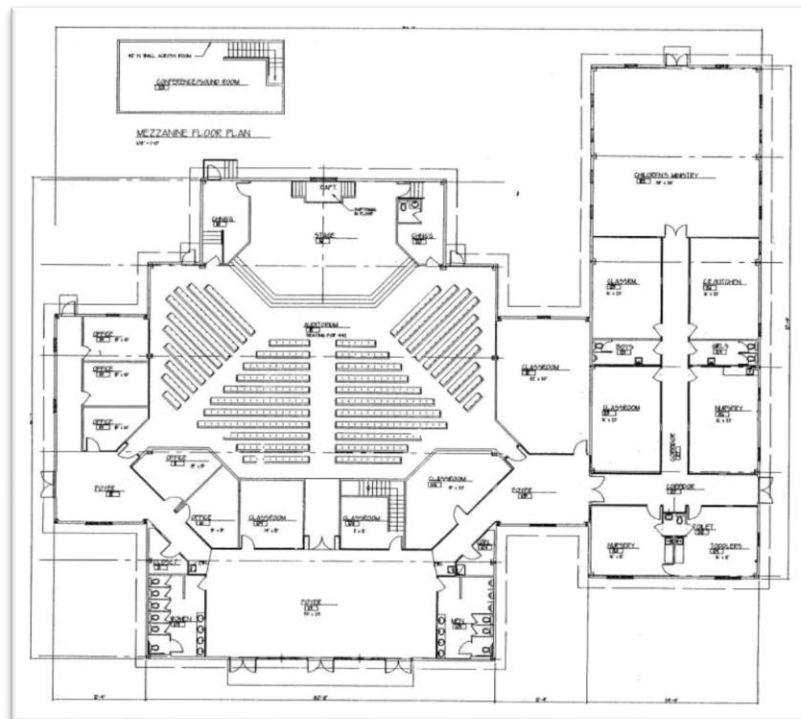




District Church Properties Board Policies Manual

May 2019



Duties of the District Church Properties Board

(per Church of the Nazarene *Manual* 2017-2021)

L. The District Church Properties Board

236. The District Church Properties Board shall be composed of the district superintendent ex-officio and no fewer than two assigned ministers and two lay members. Members may be elected by the district assembly to serve for a term of four years or until their successors are elected and qualified. The District Advisory Board may serve as the District Church Properties Board upon favorable vote of the district assembly.

237. The duties of the District Church Properties Board are:

237.1. To advance the cause of constructing church-related buildings within the bounds of the assembly district, in cooperation with the District Advisory Board.

237.2. To verify and conserve the titles to local church property.

237.3. To consider propositions submitted by local churches relating to the purchase or sale of real estate or the erection of church buildings or parsonages, and to advise them concerning the propositions submitted. (103–104)

237.4. To approve or disapprove, in conjunction with the district superintendent, propositions submitted by local churches relative to church building plans and the incurring of indebtedness in the purchase of real estate or the erection of buildings. The Church Properties Board shall normally approve a request to increase indebtedness subject to the following guidelines:

1. The local church requesting approval to increase indebtedness paid all financial apportionments in full for the two years preceding the request.
2. The amount of total indebtedness will not exceed three times the average of the amount raised for all purposes in each of the preceding three years.
3. The details of the planned remodeling or construction shall have been approved by the Church Properties Board.
4. The amount of indebtedness and the terms of payment will not jeopardize the spiritual life of the church.

The Church Properties Board may approve requests that do not meet these guidelines only with the approval of the district superintendent and the District Advisory Board. (103–104)

237.5. To do whatever else the district assembly may direct regarding the matter of local church property.

103. Property. The local church considering the purchase or sale of real estate, the erection of churches or church-related buildings, a major remodeling of either, or leasing real property for any reason, shall submit its proposal to the district superintendent and the District Church Properties Board for their consideration, advice, and approval. No indebtedness, whether involving a mortgage or not, shall be incurred in the purchase of real estate or the erection of buildings or a major remodeling of either, without the written approval of the district superintendent and the District Church Properties Board. The local church shall submit quarterly financial and status reports to this board throughout the construction process. (236–237.5)

103.1. In case agreement cannot be reached between the church board and the district superintendent and the District Church Properties Board, the issue may be submitted to the general superintendent having jurisdiction, for a decision. Either the church or the district superintendent may appeal such decision to the Board of General Superintendents for a final decision. All such appeals, rebuttals of appeals, or arguments pertaining thereto, whether to the general superintendent in jurisdiction or the Board of General Superintendents, shall be in writing. A copy of the appeal, rebuttals of appeals, or arguments pertaining thereto by either the church board or the district superintendent shall be sent to the other party involved. The minute record of a church board appeal shall include the appeal resolution, arguments sustaining it, and the record of the vote taken.

104. Restrictions. The local church may not purchase or lease real estate, nor sell, mortgage, refinance with accrual of additional debt, exchange, or in any other way encumber real property, or otherwise dispose of real estate unless approved by a two-thirds vote of the members present at an annual meeting, or at a special meeting properly called. If a church is refinancing an existing debt, and the refinancing arrangement does not increase the debt of the church and does not further encumber the real estate of the church, approval for the refinancing may be granted by a two-thirds vote of the board, without the need to take a congregational vote on the matter. The church board may approve by two-thirds vote of its members present and voting, the disposition of properties donated for the specific purpose of providing funds for the local church. All items above require the written approval of the district superintendent and the District Church Properties Board. (113.3–113.4, 113.7–113.8, 237.3–237.4)

113.3. Business Transactions. Business, including elections, in harmony with the spirit and order of the church, and not otherwise specially provided for, may be transacted at any church meeting.

113.4. Comply with Civil Law. In all cases where the civil law requires a specific course of procedure in calling and conducting church meetings, that course should be strictly followed. (142)

113.7. Annual Meeting. An annual church meeting shall be held within 90 days prior to the meeting of the district assembly. Public notice of the annual meeting must be given from the pulpit on at least two Sundays before the meeting. This annual meeting may be conducted on more than one day or in more than one service upon approval by the church board.

113.8. Special Meetings. Special church meetings may be called at any time by the pastor, or by the church board after having obtained the consent of the pastor or of the district superintendent or of the general superintendent having jurisdiction. Public notice of special church meetings shall always be given from the pulpit in at least two preceding regular services, or in such manner as meets the requirements of civil law. (104, 113.1, 115–115.1, 123–123.7, 137, 139, 142.1, 144)

Southwest Indiana District (SWID) Church Properties Board (CPB) Policies

This section explains the processes and policies the CPB uses as we work with the District Advisory Board (DAB), local church boards and others involved in the purchasing, selling, building, remodeling, mortgaging, refinancing, and related matters for both local and district properties. All binding district policies also require approval of the DAB. It should also be noted that most of these approvals require local congregational votes after receiving CPB approval.

Administration

1. **Officers:** The district superintendent will serve as the chairman of the CPB. The CPB will elect a secretary from its elected members. In the absence or at the direction of the District Superintendent, the secretary shall perform the duties of chairman of the CPB.
2. **DAB Reporting:** The CPB secretary will report to the DAB on the activities of the CPB and will attend meetings of the DAB as required. The CPB is responsible to record all legal actions of the CPB on behalf of SWID and communicate those actions to the DAB through the report of the secretary to the DAB.
3. **Subcommittees:** The CPB may form subcommittees to help fulfill their roles for the district. All subcommittees will contain at least one member of the CPB who will act as chair of the subcommittee and report on its activities to the CPB.
4. **District Properties:** If requested by the DAB or district superintendent, the CPB will be responsible for the sale, rental, lease and maintenance of all district-operated property. They are authorized to spend money previously budgeted by the DAB for the upkeep and maintenance of district-operated properties. If requested, the CPB will provide an update on the value of all district-operated property to the district treasurer.

CPB Required Approvals

It is strongly encouraged by the CPB that church debt be avoided and minimized to the extent possible. It is the desire of the CPB to approve projects that are only brought forward after significant and prayerful consideration and that demonstrate faithful stewardship of God's resources.

1. **New or Additional Debt:** All additions or increases in church indebtedness must be approved in advance by the CPB. Indebtedness that does not meet the criteria of *Manual* paragraph 237.4 will generally not be approved. Any such approvals shall only be approved after recommendation by the CPB and approval by the DAB and district superintendent. The most effective way to prove that the indebtedness will not jeopardize the spiritual health of the church is to begin setting aside the amount of the expected indebtedness payment as soon as the project is conceived while still meeting all church financial obligations.

2. **Refinancing:** Any refinancing that increases indebtedness, including extensions of loans that have the effect of increasing the total payoff value of the loan, must be approved in advance by the CPB in conjunction with the district superintendent.
3. **Local Church Sales:** A local church shall not sell church property without prior approval of the CPB. A sale (especially of a parsonage or former parsonage) generally will not be approved unless it is; 1. Being old in conjunction with a project that includes its replacement or 2. Property donated to the church with the intention that the property be sold to raise money. Furthermore, parsonage sales will generally not be approved unless 75% of the funds from the sale are set aside by the church in a CD or similar approved means in conjunction with the DAB and district superintendent for the express purpose of replacing the parsonage in the future. Once the property has been sold it is expected that the pastor/church will contact the district superintendent so that next steps may be taken.
4. **Local Church Rental or Lease:** A local church shall not rent or lease church property without the approval of the CPB. The CPB will evaluate the rent or lease plan to ensure the church property will be properly protected and maintained for the duration of the rental or lease.
5. **Additions/Remodels:** A local church shall not undergo any major addition/remodel (regardless of indebtedness) without the approval of the CPB. For the purposes of this approval, a major addition/remodel include projects that exceed 25% of the most current annual church income, a projected cost of more than 10% of the total property value, or any project exceeding \$50,000.

Additional Reviews and Guidance

1. **Advisory Reviews:** The CPB desires to provide additional assistance and guidance in conjunction with projects that are seeking approvals, as well as potential future projects. Local churches may apply for advisory reviews from the CPB to gain input and assistance in developing a construction plan.
2. **Additional Resources:** The CPB shall create and maintain a database from their work with local and district church properties of helpful hints when building and remodeling and also common mistakes to avoid when building and remodeling. As time and talent allow, the CPB may also provide expertise to local churches on construction and remodeling, while not assuming or functioning in the role of architect or general contractor for the project.
3. **Plan Review:** When building plans are submitted to the CPB as part of the construction approval process, the CPB shall provide a timely review of the plans. The CPB shall not function as an architectural or general contractor review of the plans. The CPB, as expertise allows, will provide suggestions to the local church. Suggestions from the CPB are not binding on the local church. If major omissions, obstacles or problems are noted in the plans, the CPB may ask the local church for clarification. The CPB is empowered by the DAB to determine all final local property decisions of this nature.

4. **Quarterly Reports:** As required, local churches with construction and major remodeling projects shall provide quarterly progress reports to the CPB (103).

Legal Documents

1. **Property Deeds and Titles:** It is mandatory that all churches maintain a copy of both the deed and title of their church property(s) and send an electronic copy of both deed and title to the CPB. The CPB will maintain an up-to-date copy of all district-operated properties' deeds and titles, as well as those of each local church. ***Failure by local churches to comply with this policy puts at risk the sacrifice of previous generations and their commitment that gave our church its current assets and properties.***
2. **Church Compliance:** The CPB will issue an annual report on the level of compliance of churches with the property deed and title requirements and provide that report to the DAB.
3. **Facility Use Agreements:** Local churches should have facility use and hold harmless agreements with other entities and individuals that use their facilities for purposes other than normal church functions.

Property Maintenance

1. **Evaluation of Church Properties:** The CPB has been tasked by the district superintendent to evaluate as needed the level of maintenance being accomplished by local churches to maintain what has been provided to them by the sacrificial giving of previous generations of Nazarenes. Pursuant to *Manual* paragraph 211.3 ("In circumstances where the district superintendent has determined that a church is in an unhealthy, declining situation, the continuation of which threatens the viability of the church and its effectiveness, the district superintendent may pursue contact with the pastor or the pastor and the church board to evaluate the circumstances") the CPB may enter churches, parsonages and other local church owned properties to evaluate their continued viability.
2. **Insurance:** All local churches are expected to carry insurance sufficient for full replacement of the facilities, equipment and material of the local church and protection from legal judgments against the church. The CPB may evaluate local church insurance coverage for adequacy as required.