

LOCAL CHURCH PROPERTY SALE, TRANSFER, LEASE AND MORTGAGE CHECKLIST

2016 *Book of Discipline* Requirements

The following checklist has been developed to assist the local church to follow *Discipline* provisions when selling, transferring, leasing and mortgaging real property. The first section deals with unincorporated churches and the second section deals with incorporated churches. It is essential that you know the “corporate” status of your church so you can follow the proper procedures.

SECTION ONE

Sale, Transfer, Lease and Mortgage of Property by an Unincorporated Church (¶ 2540)

1. ___ Notice given, from the pulpit and in the weekly bulletin/newsletter, of the proposed sale, transfer, lease or mortgage and of the date and time of the charge conference’s meeting, at least ten days prior to the meeting. ¶ 2540.1. The district superintendent, in consultation with the church, schedules the time of the meeting of the charge conference. ¶ 246.4. Local legal counsel should be consulted to see if state laws require more than ten days notice.

2. ___ Charge conference approval of the proposed sale, transfer, mortgage, or 30+ day lease. The resolution is presented at the charge conference meeting and requires a majority vote of the members present and voting. ¶ 2540.2. If the charge consists of two or more local churches, the local church conference provisions in ¶ 2525 should be followed. The church must be mindful of the restriction in ¶ 2543 on the use of proceeds of a sale or mortgage to pay for the current budget or operating expenses of the local church.

3. ___ Written consent of the pastor, district superintendent, and district board of church location and building, who must ensure that the following requirements of ¶ 2540.3 are met:

- Full investigation must be made and an appropriate plan of action must be developed for future missional needs of the community.
- All sale documents and transferred paperwork must conform with the *Discipline*.
- Congregations that will no longer continue as a United Methodist church may not sell facilities to another United Methodist church. (They may transfer the facilities.)
- Congregations that are relocating must first offer to sell its property to another United Methodist church or agency.

4. ___ Affix written consents to the final deed or other document. ¶ 2540.3. When real property is sold in conformity with provisions of the *Discipline*, such proper actions and conformity are sufficient to transfer titles and constitute a release and discharge of the real property sold and conveyed from the trust laws or clauses. ¶ 2542. The certification by the district superintendent that he or she has complied with the requirements of ¶ 2540.3 is conclusive evidence of the same.

5. Signing of documents by authorized representatives. Any contract, deed, bill of sale, mortgage or other written documents may be executed by and on behalf of the local church by two of the officers of the board of trustees. ¶ 2540.4.

SECTION TWO

Sale, Transfer, Lease and Mortgage of Property by an Incorporated Church (¶ 2541)

1. ___ Notice given, from the pulpit and in the weekly bulletin/newsletter, of the proposed sale, transfer, lease or mortgage and of the date and time of the charge conference's meeting, at least ten days prior to the meeting. If local law and the church's by laws require action by the corporate board (typically the board of trustees), notice of their meeting must also be given. ¶ 2541.1. The district superintendent, in consultation with the church, schedules the time of the meeting of the charge conference. ¶ 246.4. Local legal counsel should be consulted to see if state laws require more than ten days notice.

2. ___ Charge conference approval, as members of the corporate body, of the proposed sale, transfer, mortgage, or 30+ day lease. The resolution is presented at the charge conference and requires a majority vote of the members present and voting. ¶ 2541.2. The church must be mindful of the restriction in ¶ 2543 on the use of proceeds of a sale or mortgage to pay for the current budget or operating expenses of the local church.

3. ___ Written consent of the pastor, district superintendent, and district board of church location and building, who must ensure that the following requirements of ¶ 2541.3 are met:

- Full investigation must be made and an appropriate plan of action must be developed for future missional needs of the community.
- All sale documents and transferred paperwork must conform with the *Discipline*.
- Congregations that will no longer continue as a United Methodist church may not sell facilities to another United Methodist church. (They may transfer the facilities.)
- Congregations that are relocating must first offer to sell its property to another United Methodist church or agency.

4.____Affix written consents to the final deed or other document. ¶ 2541.3. When real property is sold in conformity with provisions of the *Discipline*, such proper actions and conformity are sufficient to transfer titles and constitute a release and discharge of the real property sold and conveyed from the trust laws or clauses. ¶ 2542. The certification by the district superintendent that he or she has complied with the requirements of ¶ 2541.3 is conclusive evidence of the same.

5.____Signing of documents by authorized representatives. The authorizing resolutions must direct the board of directors to execute the contract, deed, bill of sale, mortgage or other written documents, which must be carried, on behalf of the corporate board of directors, by two of the corporate officers. ¶¶ 2541.4, .6.

6.____Take any actions necessary to adopt corporate resolutions in compliance with state and local law. ¶ 2541.5.

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