



# TRUSTEES

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*Managing church property,  
equipment, and investments  
to support the vision and mission  
of your church*

*Written by Frank Dunnewind*

## TRUSTEES

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MANUFACTURED IN THE UNITED STATES OF AMERICA

## CONTENTS

### 4/Our Identity, Call, and Mission

### 6/Getting Started

6/What Is My Job?

6/What Are My Basic Responsibilities?

7/What Does the Chairperson Do?

7/Quick-Start Tips

### 7/Handbook

7/How Do I Relate to Other Groups in My Church?

9/How Is the Board of Trustees Organized?

10/Getting Organized

11/Sample Schedule of Tasks

14/How to Manage Bequests, Legacies, and Trusts

14/How to Manage Insurance Coverage

15/How to Manage Church Property

18/How to Manage a Building Program

22/When to Consult an Attorney

### 27/Help!

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# Our Identity, Call, and Mission

**A**bout now a small voice in the back of your mind may be whispering, “What am I doing here? To what have I said yes? What is my role?” At the same time you may be aware that your congregation has extended to you a *call—a call to serve*. And you have said *yes—yes to leading in a vital mission*.

***The mission of The United Methodist Church is to make disciples of Jesus Christ.*** You have agreed to serve as a leader bringing your unique passions, gifts, and abilities to the church. When the leaders focus on the church’s purpose—*its mission of making disciples of Jesus Christ*—and link that purpose to the passions of the people, amazing things can happen.

***The fundamental way we fulfill our mission is to reach out to people in the name of Jesus Christ, to relate people to God, to nurture and strengthen them in their journey of discipleship, and to send them into the world to be the church—inviting and receiving others in the name of Jesus Christ. We call this the primary task of The United Methodist Church.*** Effective leaders keep the whole of the primary task in their sight, working to keep all of its aspects in concert.

***Leaders in the church must be first, and foremost, spiritual leaders*** who model and embrace Christian discipline and teaching. *By practicing the means of grace—prayer, fasting, studying Scripture, corporate worship, celebration of the Lord’s Supper, Christian conversation, and acts of mercy—church leaders stay tuned to the mission of the church and live out the primary task.* Members and would-be members should be able to look to a congregation’s leaders for spiritual example and direction because true leaders are known by their fruits. People’s lives are changed through their influence.

***Leaders use their gifts and talents to enable others to use their gifts and talents to the fullest potential.*** The flow of information, inspiration, guidance, and vision from leaders is an encouragement to others on their spiritual journey. Leaders help others to see new possibilities. When leaders are focused on the mission of the church, community is built and ministry occurs. The church focused on God is alive with creative energy aimed at transformation.

## Four Essential Leadership Functions

*Church leaders support and strengthen the church when they pay attention to these leadership functions: (1) help people discover the current reality in*

*which they live; (2) bring together the congregation's understandings of current reality and desired reality into a shared vision; (3) develop the plans to help the community move from current reality toward the reality of its shared vision; and finally, (4) monitor the whole work of the church as the congregation moves with God's guidance toward its vision.*

### 1. Discovering Current Reality

Accurately describing current reality—the way things are—may be the most important function of leadership. The booklets in this Guideline series offer suggestions for leaders to pay attention to the various committees of the church's ministry. In addition, it is critical for church leaders—lay and clergy—to spend time together discussing the ministry of the whole congregation. The conversation needs to include attentiveness to God's guidance and everything that describes a congregation's "what we are, here and now." Because God is always doing a new thing, this job is continuous. When we pay attention to change, we provide a base of integrity and strength from which to move into the future. Faith in Jesus Christ and a spiritual centering in God offers the strongest foundation to move people fearlessly through the massive changes of the twenty-first century.

### 2. Naming Shared Vision

Ask the question, "What do you want more than anything else in the world?" and most persons will give a response that indicates that they want to live in a world filled with love, faith, security, and meaning. Because persons desire a positive future, they are willing to invest themselves in organizations that are committed to it. By its very nature, the church is devoted to the creation of a better future. When the church promises to move people personally and corporately toward their desired reality, people will invest time, energy, and resources into the church. As people see their own desires linked to the congregational vision and a deeper understanding of God's future, they deepen their commitment and involvement. Building this link is a vital role of leadership.

Naming a shared vision is accomplished by asking people about their lives and their faith, and by listening very carefully. By listening, we mean deep listening—the kind that requires setting aside our own agendas and entering into the worldviews of others, and listening for God through the conversation. It is a significant shift in our understanding of leadership in the church to move from telling people what we think they need to know to listening to people in order to find out who they are and what their desired realities are. Effective spiritual leaders listen to the hearts of people and begin to articulate a shared vision.

### 3. Developing Bridges

To span the gulf between our current reality and the hope expressed in the shared vision, leaders must build a bridge. The third critical function of leadership is to plan actions and develop systems that create the bridge across this gulf. Leaders who are elected to administrative and program committees are responsible for the ongoing work of the church and must pay attention to the present. At the same time, leaders *must* be focused on the future—keeping today and tomorrow in tension—ensuring that the church does not get stuck in the past, present, or future.

Church leaders who are attentive to God’s leading and who can hold the tension between today and tomorrow are *visionary leaders*. Visionary leaders see it all—current reality, desired reality, and the bridges to get from one to the other.

### 4. Monitoring the Journey

Perhaps the most critical task for leaders is keeping an eye on the whole of the faith journey of the congregation. When leaders are constantly caught up in “doing” the administrative and program work of the church, there is not any time left for “being” with God in prayer to discern the leading of the Spirit for the congregation. Leaders must step back from “doing” constant activities in order to pay attention to the total direction of the church’s mission and ministry. All elected and appointed leaders must spend time together listening to God in prayer, Bible study, conversation, and other means of grace in order to lead the entire community in the work of Christ. Anything less is not Christian spiritual leadership.

## Getting Started

### What Is My Job?

You will supervise and maintain all property belonging to your congregation so that the ministries of the congregation can be effective. You will work closely with the church council to respond to God’s call.

### What Are My Basic Responsibilities?

1. To oversee, maintain, and supervise all local church property;
2. To report annually to the charge conference on the state of the church’s property, equipment, investments, and resources;
3. To receive and administer all gifts made to the congregation;
4. To make certain that all trust funds of the congregation are invested properly;
5. To ensure that the articles of incorporation of the congregation are kept up-to-date;

### 6 Guidelines for Leading Your Congregation

6. To be responsible, in conjunction with the pastor, for all use of the church buildings and grounds;
7. To maintain adequate insurance coverage on all church property and to develop appropriate risk-management policies;
8. To submit to the committee on finance annual budget requests for insurance, property maintenance and improvement, and new property purchases;
9. To be accountable to the charge conference and to the church council (administrative council or administrative board).

## What Does the Chairperson Do?

1. Guides the work of the board of trustees throughout the year, planning the agendas and presiding at meetings. The chairperson also creates an environment in which the team members nurture and care for each other;
2. Provides advice and direction to the board and others based on detailed knowledge of the disciplinary and legal requirements related to church property;
3. Maintains close communications with the pastor;
4. Participates in the church council (administrative council or administrative board or other leadership group).

## Quick-Start Tips

1. The pastor will convene a meeting of the board of trustees within thirty days of the beginning of the calendar year to elect officers, assess needs, and make plans for the year.
2. Before that first meeting:
  - *Find a mentor.* Locate someone who has held a similar position in your own congregation or in another church. Ask if he or she will help you learn the ropes.
  - *Get on board with the church's vision.* Talk with the pastor and other congregational leaders to learn how the church property, equipment, and investments can achieve the goals that have been set.
  - *Identify current issues.* Talk with people in your congregation and community about issues and concerns related to the use of church property.

# Handbook

## How Do I Relate to Other Groups in My Church?

### The Charge Conference

The charge conference is the primary governing body of your church. It sets the policy and direction for all work and ministry of the church. As a trustee

you were elected by the charge conference to act as its agent in caring for the physical resources of the church and for all legal matters. You shall report at least annually to the charge conference about the state of the church's property, equipment, investments, and resources in your care.

In all matters you will receive guidance from the charge conference before acting for the church. The charge conference may give you broad limits within which to act or specific assignments in your stewardship of church facilities.

Assignments you might receive from the charge conference:

- Incorporate the local church;
- Develop a policy (to be approved by the charge conference) to be used by the church in purchasing, leasing, selling, mortgaging, constructing, remodeling, repairing, and maintaining all church properties;
- Develop a policy for the use of your church;
- Develop a policy for the acceptance or rejection of bequests, gifts, or trusts.

### The Church Council

The board of trustees acts as the agent of the charge conference and is a committee of the church council. Your board is accountable to the church council (or administrative board or council) and to the charge conference.

If you are chairperson of the trustees, you are a member of the church council and are responsible for taking the recommendations of the trustees to the council for approval and action. You are also responsible for taking recommendations and directions of the council to the trustees. Other trustees may serve on the council because of other offices they hold. If additional representation from the trustees is desired, one or more members may be elected to the council by the charge conference as members-at-large. *The council is responsible for planning, coordinating, and implementing the church's program for ministry. Many aspects of this program take place within the buildings for which you are responsible.* You will work cooperatively with the council to develop plans for providing buildings and equipment to support this program. When developing a building-use policy for the church, you will coordinate with the council.

### The Committee on Pastor/Staff-Parish Relations

*The committee on pastor-parish (or staff-parish) relations is responsible for all appointed and employed personnel related to the church. The primary purpose is to ensure that all employees receive fair and impartial consideration for salaries and benefits, and that a common and consistent set of personnel policies is adopted and used.*

## 8 Guidelines for Leading Your Congregation

As a trustee you may provide day-to-day supervision of persons related to your work. You will work closely with the committee on pastor/staff-parish relations to maintain the parsonage(s). You may also assist in the development of comprehensive personnel policies, including a sexual misconduct/harassment policy.

#### The Committee on Finance

*The committee on finance is responsible for raising, managing, and distributing the necessary funds for ministry in the church.* The board of trustees will prepare an annual budget and present it to the committee on finance. That committee in turn will evaluate your request, along with all other requests, and then make a recommendation to the church council for action. There may be a trustee representative on the committee on finance.

#### The Church Business Administrator

Expanding responsibilities for administration, as well as increasing state and federal regulations, are creating a need for additional staff to handle the business affairs of the church. The work of a church business administrator allows the staff of the church to spend more time on pastoral and spiritual duties.

*The church business administrator functions as part of the total church staff and is usually responsible directly to the senior pastor. Some duties often assumed by the administrator are: financial, office, property, and food-service management.* Churches interested in learning about the role of the church business administrator should contact the United Methodist Association of Church Business Administrators (UMACBA), General Council on Finance and Administration, 1200 Davis St., Evanston, IL 60201-4193. (Phone: 847-869-3345)

**Tip:**

There is a growing pool of persons who have identified church administration as a calling. These persons have a grasp of tools learned over a number of years in management. The United Methodist Church, through the General Council of Finance and Administration and the UMACBA, works with these persons in a certification of their ministry.

## How Is the Board of Trustees Organized?

#### Charge Conference Setting

*Membership:* The board of trustees is composed of not more than nine nor fewer than three members. At least one-third of the trustees shall be laywomen, one-third laymen, and two-thirds must be members of The United Methodist Church.

*Chairperson:* The chairperson must be a member of the local United Methodist Church. At the first meeting of the trustees the chairperson is elected for one year. The chairperson will represent the trustees as a member of the charge conference and church council.

*Length of Term:* You were nominated by the committee on lay leadership, and elected by the charge conference, to serve a three-year term as a trustee. In order to maintain continuity and experience, you and other trustees are divided into three classes with an equal number of trustees in each class. One class of trustees is elected each year. The charge conference can also fill vacancies that occur in any class.

*Non-Church Members:* A provision of *The Book of Discipline* allows for up to one-third of the trustees to be nonmembers of your church. There may be a person who is involved in your congregation, not yet a member, who would make a good trustee. This provision allows you to work with the committee on lay leadership to have such a person elected by the charge conference to your board of trustees.

### Circuit Charges Setting

A circuit that owns a parsonage, cemetery, campground, or other real estate may elect charge trustees. The charge trustees are elected at a charge conference and are answerable to the circuit charge conference. Their qualifications, organizational procedures, and legal responsibilities are the same as those of local church trustees. When a circuit that owns property jointly is reorganized so that one of the member churches is no longer a part of the circuit, *The Book of Discipline* makes provision for a financial settlement of the interest of each church in that real estate.

### Cooperative Parishes Setting

When a cooperative parish is composed of two or more pastoral charges, it may have a board of trustees for the parish as a whole. The parish board is in addition to the charge trustees and the local church trustees. These trustees are selected by the charge and/or church conference related to the cooperative parish, and are to be representative of each congregation encompassed in the cooperative parish.

## Getting Organized

**First Meeting:** Trustees are to meet and organize within the first thirty days of the calendar or conference year. The previous chairperson or the pastor calls the meeting for this purpose.

**First Task:** Your first item of business is the election of officers. Officers

shall include a chairperson and may include a vice-chairperson, secretary, and other officers as needed. (*Note:* The chairperson and vice-chairperson shall not be members of the same yearly class so as to avoid these two offices becoming vacant at the same time. Election of a treasurer will depend on your church's practice and procedure.)

**Second Task:** Organize your work into manageable portions and set your calendar for the year.

### Important Ongoing Responsibilities

1. Conduct an annual inventory of all real property.
2. With the committee on pastor/staff-parish relations, conduct at least one inspection and inventory of the parsonage(s) each year.
3. Inspect and inventory all equipment and set up a maintenance schedule.
4. Set up a schedule for painting and redecorating.
5. Consider the merits of service contracts on large equipment such as air conditioners, refrigerators, heating systems, typewriters, copiers, computers, and other such equipment.
6. Ensure that your facilities are accessible to persons with disabilities.
7. Develop guidelines for receiving and managing wills, trusts, bequests, and other investments given to the church.
8. Contact your local utility company for an energy audit.
9. Evaluate your insurance coverage annually. Work with your insurer to develop risk-management policies for the church.

***Tip:***

Facilitate your work as trustees by dividing the work and assigning it to subgroups of one or more trustees (for example, buildings, grounds, bequests, equipment).

### Meetings

- Your meetings may be called by the chairperson, the vice-chairperson, or the pastor.
- Meetings should be held as often as necessary but at least once a quarter.
- A majority of the members of the board of trustees constitutes a quorum.
- At the first meeting of the year develop a schedule of meetings and tasks to be considered for the entire year.

## Sample Schedule of Tasks

### January–March

- Organize and elect officers.
- Review and evaluate all property and buildings.

- Survey and inventory contents of the safe-deposit box.
- Conduct an energy audit.
- Review the church's legal status, if incorporated.
- Report to the church council.

#### April–June

- Inventory equipment and prepare a maintenance schedule.
- Evaluate service contracts.
- Evaluate insurance coverage.
- Take a walking tour of all facilities to consider access for persons with disabilities.
- Report to the church council.

#### July–September

- Review and evaluate all buildings and property.
- Project your financial needs for next year's budget.
- Review policies and procedures for receiving and managing wills, bequests, and trusts, and review the church's investment policy.
- Review building-use policy.
- Inspect the heating and air-conditioning system for efficient use.
- Report to the church council.

#### October–December

- Tour the parsonage(s) and meet with the parsonage family/families to discuss their needs concerning their home.
- Review year-end needs for annual reports and audit.
- Inventory and inspect equipment.
- Check all fire extinguishers.
- Have an investment counselor review your church's investment policy and procedures.
- Report to the church council.
- When drafting a calendar, consult with the pastor(s) and staff—in addition to the chairperson of the church council and other key officers—in order to avoid major conflicts.

#### Reports

*Church Council:* Help the entire church's leadership understand what you are doing as trustees, and seek their guidance and support. A good process is to present to the church council a brief digest of the minutes of all meetings held since the last report.

*Charge Conference:* Report in writing to the charge conference at its annual meeting. Use report forms located with the other charge conference report

forms available at Cokesbury. *The Book of Discipline*, ¶2549, states the items for inclusion in the report to charge conference.

### Preparing Your Budget Request

The committee on finance is responsible for raising, managing, and distributing the funds necessary for your work as trustees. You will need to present an annual request to the committee on finance and to include in the annual church spending plan or budget those funds necessary for the maintenance, upkeep, and management of all church-owned buildings and grounds.

Categories frequently found in the trustees' budget:

- Maintenance and repair of buildings
- Maintenance of grounds
- Maintenance of equipment
- Purchase of equipment
- Insurance
- Debt retirement
- Utilities
- Parsonage furnishings
- Taxes, if appropriate
- Future capital needs of the church

Although your funding will come from the annual church spending plan, the church may raise additional funds for capital projects. Funds for these items will come from several sources:

- Annual church spending plan
- Special gifts designated for a particular project
- Bequests for designated and undesignated purposes
- Investment income
- Endowments and memorial gifts

***Tips:***

1. Include short- and long-term needs related to your work as trustees.
2. Set aside emergency funds in special accounts, managed by the committee on finance, to ensure the availability of funds when emergency needs arise.
3. Follow policies and procedures established by the committee on finance for adequate internal controls of the income and expenses of the trustees' spending plan.

## How to Manage Bequests, Legacies, and Trusts

When your church is the beneficiary of a will, or the recipient of a trust or other similar estate-planning tool, the trustees will receive and administer such gifts. Your first responsibility is to implement the will and intent of the donor. You are to invest the funds in accordance with the terms of the bequest, trust, or gift in accordance with *The Book of Discipline*, the Social Principles, the local laws, and the direction of your charge conference. Your charge conference directs the reception, management, and dispersal of such funds and/or the income generated by them.

*If your church has a committee on memorials, a wills and estate planning committee, or an endowment/permanent funds committee, transferring such responsibility to them would be appropriate.* In such a case, a trustee shall serve as an ex officio member of the committee or task force.

### **Tip:**

If your church does not have such a committee or task force, you may want to organize a group through the charge conference that will:

1. Emphasize the need for adults of all ages to have a will and estate plan;
2. Stress the need for members to include The United Methodist Church in their will or estate plan; and
3. Share information and plan educational events to teach Christian principles relating to wills and estate planning. You may also consider establishing a separately incorporated church foundation.

Additional resources that provide guidance on wills and estate planning are available from the Planned Giving Resource Center, General Board of Discipleship, Section on Stewardship. (Phone: 615-340-7200)

## How to Manage Insurance Coverage

Trustees are responsible for obtaining adequate insurance coverage for the church. In addition to property protection, special attention must be given to full liability coverage, including sexual misconduct coverage.

### Annual Review:

Changes in coverage, in the law, and in insurance products require an annual review of your church's protection.

### *Policies and Procedures for Managing Insurance:*

1. Review your church's insurance program annually with an insurance agent.
2. With fire officials, conduct a safety inspection of the buildings annually

to identify hazards that could cause personal injury, fire, or other loss of property.

3. Keep current a detailed inventory of all furniture and equipment. Keep this inventory in a fireproof facility for safekeeping.
4. Appraise all property and equipment at least every three years to update the evaluation.
5. Secure quotations from at least two different sources when purchasing insurance protection.
6. Inform the committee on finance of insurance premiums and when they are due.
7. Review your insurance policies to confirm that all special items—such as an expensive organ, stained glass windows, computer, and silver—are covered.

***Tip:***

A video or photographic inventory of all furniture, equipment, and rooms of the church and parsonage(s) makes an excellent inventory record. This too should be kept in a safe place away from the church.

***Tip:***

The General Council on Finance and Administration has established a General Church Insurance Program. This program may allow local congregations to take advantage of more extensive coverage at reduced cost. All local churches and agencies subject to *The Book of Discipline*, and all employees of these bodies, are eligible to participate in these programs subject to the availability in their states. Information on the specific coverage with details, descriptions, and application forms is available from the General Council on Finance and Administration.

## How to Manage Church Property

### Policies for Building Use

Church buildings are being used more than ever by groups both within and outside the church. For this reason you should have a thoughtful, clearly written, and flexible policy as to the terms and conditions of building use. The board of trustees under your leadership develops and writes the policy and presents it to the church council or charge conference for approval.

#### *Items to Include in the Policy Statement for Building Use:*

1. Procedures for scheduling the use of buildings and equipment, including the names of the persons or committees authorized to consider requests for building use;

2. Availability of the buildings and facilities to non-church groups; prohibition against the use of church facilities by for-profit groups;
3. Statement requiring non-church groups to provide certificates of insurance naming the church as additional insured;
4. Donations request to offset expenses involved in building use;
5. Responsibilities of users to clean up, lock up, and care for the facilities;
6. Limitations on the use and movement of furniture and equipment;
7. Arrangements for custodial services;
8. Special provisions for the use of the kitchen and arrangements for food service;
9. Designation of rooms that may or may not be used for special functions.

The charge conference, the church council, or the trustees may request the development of a policy statement. However, the actual writing of the statement is a function of the trustees in cooperation with the pastor(s) and the church council.

*Write the policy to reflect the ministry and use of the facilities, not to limit ministry.* A policy not to allow outside groups to use the church inhibits the outreach ministry of the church. A policy that prohibits food in certain areas of the church may make those rooms unusable.

**Tip:**

As you write these policies, begin by interviewing the pastor(s), church council, the youth council, United Methodist Women, United Methodist Men, and others involved in the use of the facilities so that you will understand their program needs.

Present your statement of policy to the church council for review and adoption. *Remember, a policy statement is always in process. Review it at least once every year to see how it can best be used to promote the ministry of your church.*

**Tip:**

Prepare a pamphlet for general distribution to the members of your church stating the policies related to the use of the building for weddings, receptions, funerals, and other events.

## Building Maintenance

One of your major responsibilities is to plan for the maintenance of church grounds and the purchase, maintenance, repair, and replacement of broken,

worn-out, and obsolete equipment. Following your yearly inspection of the grounds, building, and equipment, have the board meet to establish priorities for needed repairs and maintenance. Include a detailed proposal of costs to accomplish your maintenance program. Once the maintenance program and proposed spending plan or budget have been approved by the church council, you can establish a schedule and assign specific responsibilities for the supervision of the various projects.

***Tip:***

Keep a permanent record of repairs, maintenance, and improvements for future reference. This eliminates any question about the date a new roof was put on the church or when a water heater was replaced at the parsonage. It also provides a basis for the appraisal of church property and equipment.

Some churches have a property committee that is responsible for maintenance and repair projects. In such cases the chairperson of this committee shall be a trustee, although non-trustees may serve on the committee.

### Parsonage Responsibilities

You will work with the pastor(s) and the committee on pastor/staff-parish relations to provide clean, well-equipped, and adequate housing for the family/families of the pastors(s).

*Note: Some Annual Conferences have adopted policy statements including standards for parsonages. Trustees must be familiar with these standards. Copies are available from your district superintendent.*

*The Book of Discipline* provides that the chairperson of the committee on pastor/staff-parish relations, the chairperson of the board of trustees, and the pastor shall make an annual review of the church-owned parsonage to assure proper maintenance. Parsonage maintenance and the replacement of parsonage furnishings (if provided by the local church) should be included in the annual maintenance plan and budget of the trustees.

### Acquisition of Property

The trustees hold title to all local church property, subject to the final authority of the charge conference. If the church proposes to buy real estate, the following steps are required:

1. Secure the written consent of the pastor and district superintendent.
2. Secure the approval of the district board of church location and building for the purchase of a new church or parsonage site, or a new church building or parsonage.

3. Give at least ten days notice of a meeting of the charge conference. This notice must be authorized by the district superintendent. This notice is to be announced from the pulpit or written in a weekly bulletin. It must state the proposal upon which a vote is to be taken.
4. Hold a meeting of the charge conference, at which time the question of the acquisition must secure a majority vote of those present and voting.

When local property laws are in conflict with the procedures or requirements in *The Book of Discipline*, the church should conform to the local property laws.

### Sales, Transfers, or Mortgage of Property

The process for sale, transfer, or mortgage of real property follows the same steps as those given for the acquisition of property with these additions:

1. In addition to the approval of the majority vote of the charge conference, there must be a majority vote of the members of the church.
2. Prior to consenting to the proposed action to sell or transfer any United Methodist church property, the district superintendent and the pastor are to ensure that full consideration has been made for the missional needs of the community or The United Methodist Church.
3. A resolution authorizing the sale, transfer, or mortgaging of church property must instruct the trustees to execute the written instruments necessary to implement the action of the charge conference.
4. If the church is incorporated and if local laws require the vote of the corporation, the same basic procedures will be followed. Any two officers of the trustees or of the board of directors of an incorporated church may sign such legal documents for the congregation.
5. If your church has received property through a gift for the purpose of resale, and the charge conference has accepted it as such, no further meeting of the charge conference may be necessary.
6. A copy of the written consent of the pastor and district superintendent for the sale, transfer, or mortgaging of church property must be attached to the instrument of sale, transfer, or mortgage.
7. Money received from the sale or mortgage of church or parsonage buildings and grounds may not be used to defray the current budget expenses of a local church.

### How to Manage a Building Program

If your church decides to build, you as a trustee will be involved in an exciting yet complex process to ensure that all local, state, and disciplinary requirements are accomplished. Whether your church plans to build a new sanctuary, an educational building, a parsonage, or just an addition, it must follow the steps listed below. The same provisions apply to remodeling or repair projects if the cost is more than ten percent of the value of the building.

***A study committee is to be appointed by the church council to***

- Analyze the needs of the church and community;
- Project the potential membership with average attendance;
- Project the potential for church-school membership and attendance;
- Project the potential income for the congregation over the next five years;
- Describe your church's program of ministry and building use.

When completed, ***this information will form the basis of a report to be presented to the charge conference and to be used by the building committee.*** The typical time period for this study is three to six months. *Seek the assistance of the district superintendent early in this process.*

***If after considering the report of the study committee the church decides to proceed with the building program, it must follow these steps:***

- Secure the written consent of the pastor and district superintendent;
- Secure approval of the district board of church location and building;
- Secure the authorization of the charge conference by a majority vote of those present and voting;
- Appoint a building committee of not fewer than three members of the local church or commit to the trustees the duties of the building committee;
- Give notice at least ten days prior to the meeting—either from the pulpit or in a printed weekly bulletin—of the date and purpose of the meeting of the charge conference at which the vote is to be taken.

If the building program is to be financed in part or totally by mortgaging property, the procedure outlined in the section on mortgaging property must also be followed.

### Appointing a Building Committee

When your congregation considers a building program, whether for a new building or for extensive remodeling of an existing building, the charge conference may appoint a building committee or assign the duties of the building committee to the trustees. *Because the trustees are busy managing the facilities of the church, it is better to have a separate building committee. Have the charge conference name a building committee that includes at least one trustee.*

### Planning for a New Building—The Study Task Force

Once the building committee has been appointed by the charge conference, the building committee should recruit a representative group of persons in the church to form a study task force. Include in this study task force representatives from the church council, committee on finance, United Methodist Youth, United Methodist Women, United Methodist Men, and others deemed necessary by the charge conference.

Your study task force will gather information from within the church and community in order to assist the building committee in developing the best plan and facilities for your church. For help with this study, contact the Department of Architecture, National Division, General Board of Global Ministries. (Phone: 212-870-3600 or 800-UMC-GBGM)

Consider the following as you plan:

- What are the needs of the community at large?
- Are the population shifts now taking place in your community and church predictable for the future?
- What can be predicted about the economic future of the area to be served by your congregation?
- Are there projected or predictable changes in the pattern of the roads, streets, and public transportation that should be considered?

Before any decision is made, have the study task force gather information from your congregation. Announce that you are collecting ideas regarding the remodeling of present facilities or the building of a new facility. Indicate that no decisions have been made.

The study task force may call open meetings for the sharing of ideas. Sharing ideas can take place in a number of ways: through several open meetings at the church, by way of a questionnaire sent to members, or in small-group meetings in the homes of congregation members. The point is to give all members an opportunity to discuss the project and learn more of what is happening in the church.

Throughout the preliminary planning stages, the church council should be involved in long-range planning of the program that will take place in the building. *A building program offers an ideal opportunity for a searching and critical evaluation of the present program of the congregation.* Your building must conform to the use expected by the program organizations of the church. The aid and assistance of district, annual conference, and general church officials and staff can be most helpful in such an evaluation.

This is a time to dream and to be open to new possibilities for ministry. *Is the proposed building truly driven by the congregation's vision for its ministry? Has the congregation articulated its vision? Your study may uncover possibilities that the committee has never expected.* You may discover a need for a closed-circuit television for the nursery or educational building. You may discover that a large influx of young families is expected in your community. With that information you may decide to add a nursery to your plans. A youth building might be considered, but your study could show a

decline of youth in your future. With the growing number of older adults in the church and community, what kinds of programs and facilities are needed? The study task force will complete its work and present its findings to the building committee. The building committee will prepare a written description of the findings and its recommendations to the church council. After approval by the church council or charge conference, this report becomes the program that guides the architect in designing your building.

### Selecting an Architect

While the study of your church and community is being processed, the building committee is selecting an architect. The architect is your church's professional adviser in all phases of the building program. You will relate to the architect from the very first planning step to the moment of final acceptance of the building from the contractors.

Learn as much as you can about each prospective architect. Contact your district superintendent and your district board of church location and building for recommendations. Ask those in your community who are acquainted with and experienced in building for information about potential candidates. Talk to members of other area churches that have built recently. Check out all potential architects carefully and fully before entering into any contract.

***Tip:***

Include and maintain in force a requirement that the architect have an errors and omissions liability insurance policy throughout the term of the contract.

Have the contract reviewed by your attorney. Before any contracts are signed with an architect or anyone else, the building committee and/or the trustees will need the approval of your pastor, district superintendent, and the charge conference.

There are two stages in your planning at which you may want to consult with representatives of other churches that have recently built:

- Before selecting an architect, the committee should examine the work of the prospective architects and discuss their work with local church leaders.
- Before the final selection of the architect, committee members should go with the architect to visit buildings the architect has planned.

Work closely with the architect in planning the building program for your church. *During actual construction your committee will carry on all relationships with the contractors through the architect, who serves as your professional adviser and representative.*

## Erecting a Building

*The Book of Discipline* requires approval of a building program not only by the charge conference and church conference but also by the district board of church location and building. When a program has been written and a plan agreed upon, the following steps are to be taken:

1. Submit the statement of need, the architectural plans, and financial estimates and plans to the district board of church location and building for its approval.
2. The pastor, with the written consent of the district superintendent, shall call a church conference, giving not less than ten days notice of the meeting and proposed action. The building committee shall submit the proposed building and financial plan for approval by the membership.
3. After the building committee has completed the detailed plans and has secured a reliable and detailed estimate of cost, it shall submit these to the district board of church location and building for review and to the charge conference for approval.

*The Book of Discipline* contains specific guidelines related to obtaining a loan and making provision for funds before a building project can begin. A congregation shall not overextend itself in the size of its monthly loan payments. Avoid excessively long payment periods on loans and mortgages due to interest rates and the impact on future program development. *It is better to build in phases and have a short-term debt that is manageable than to overbuild and extend your payments over a longer period of time.*

## When to Consult an Attorney

It is easier and less costly to prevent a legal problem than to correct the consequences of imprudent action. *Get legal advice before action is taken by the church in which a legal problem might be a possibility. No contract shall be entered into without adequate legal counsel.*

A church might well consult an attorney for the same reasons that an individual or a commercial enterprise would. Some instances when a church should seek legal counsel are:

- Receipt of legal documents on any involvement in a court (judicial) or governmental (administrative) proceeding;
- Any transaction involving real property (buy, sell, lease, trade);
- Proper drafting and review of documents related to wills, gifts, and bequests;
- Incorporation of the local church or a circuit.

*In addition, prior to terminating an employee you might recommend that the committee on staff-parish relations contact an attorney that specializes in labor law.*

## Incorporation

*A general movement in The United Methodist Church is for the charge conference to direct the trustees to incorporate the local church under local and state laws. Incorporation will assist in exempting church members and officers from legal liability for debts or other obligations of the local church.*

Not all states require incorporation or allow it. Check with your attorney to discover what you should do. *No provision of the articles of incorporation may be in conflict with The Book of Discipline.*

If you have been directed to incorporate your church by the charge conference, the services of a competent attorney shall be secured to draw up the necessary documents to be filed with your application for incorporation. These documents must then be submitted to the district superintendent for written approval.

*To conform with The Book of Discipline the following provisions shall be included:*

1. The corporation supports the doctrine of The United Methodist Church. All of its property will be subject to the laws, usages, and ministerial appointments of The United Methodist Church.
2. The board of directors of the corporation shall be the trustees of the church who have been elected in accordance with *The Book of Discipline*. The elected officers of the trustees will be the officers of the board of directors of the corporation. If the situation makes it necessary, a provision should be made for the trustees to ratify the selection of the church treasurer(s) already elected by the charge conference as the corporation treasurer(s).
3. All the powers and duties relative to property specified by *The Book of Discipline* for the charge conference and the trustees shall be the powers and responsibilities for the corporation and its board of directors.
4. The members of the corporation shall be the members of the charge conference.
5. If the corporation for any reason ceases to exist, then the title to all its property shall be vested in the annual conference board of trustees to be held in trust for the local church. Such provision will protect the church officials in the event that their charter as a corporation may lapse or be canceled.
6. The bylaws of the corporation shall conform to *The Book of Discipline*, as enacted from time to time by the General Conference.

## Incorporation of a Circuit

In the event that a circuit owns real estate, very serious consideration shall be given to the incorporation of the circuit.

The provisions of *The Book of Discipline* related to a charge board of trustees suggest the way to obtain a board of directors for the corporation (see ¶2528). Members of the charge conference can be the members of the corporation. In the same way, it is possible for a cooperative parish to develop a corporation for the holding of property and funds.

### Incorporation of Special Programs

In recent years many congregations have become involved in the development and sponsorship of projects such as halfway houses, retirement homes, day-care centers, kindergartens, nursery schools, and special schools or workshops for persons with disabilities.

*When such programs are being considered, serious consideration shall be given to forming separate corporations for their operation. This action makes it possible to broaden the base of support and participation. It may also provide additional protection in the event of litigation against the special program, though adequate insurance should be sought in either case.*

Government tax regulations and labor regulations also are making it advisable to incorporate for such special programs. Write specific articles of incorporation for each of these programs.

It will be necessary to form a special corporation to own and manage property that is to be used cooperatively by a United Methodist congregation and one or more congregations of another denomination. If you are planning such an enterprise, seek the counsel of your attorney and district superintendent regarding the wisdom of forming such a corporation.

### Trust Clauses

*Ours is a connectional church. Each local congregation is connected to every other local congregation through the district and the annual, jurisdictional, and General Conferences, and has certain disciplinary responsibilities to The United Methodist Church as a whole. (See *The Discipline*, “The Ministry of All Christians”)*

For this reason, titles to all property acquired by a congregation for worship or other activities, or for use as a parsonage, and titles to all properties held by units at other levels of the church are held to the trust clause.

The United Methodist Church is organized as a connectional structure. Titles to all properties held at “General, jurisdictional, annual, or district conference levels, or by a local church or charge, or by an agency or institution of the Church, shall be held in trust for The United Methodist Church and subject to the provisions of its *Discipline*” (*The Discipline*, ¶2501).

*The specific wording of the trust clause as stated in The Book of Discipline in ¶2503 shall be used in at least the following four situations:*

1. When property is to be used as a place of divine worship;
2. When property is to be used for the parsonage;
3. When property is to be used both as a parsonage and as a place of worship;
4. When property is not to be used exclusively for a place of divine worship, a parsonage, or both.

*Courts have consistently held that the absence of such a clause in any deeds or conveyances does not relieve the local church of its connectional responsibilities.* Every congregation that has accepted pastors appointed by a bishop of The United Methodist Church or employed by a district superintendent, or any local congregation that has used the name, customs, or policy of The United Methodist Church is deemed by *The Book of Discipline* to have accepted the terms of the trust clause with respect to its property.

Decisions in both state and federal courts consistently have upheld The United Methodist Church and its predecessors in their rights under the trust clauses. The written consent of the district superintendent for the sale or mortgaging of the property constitutes a release of the trust clause. The fact that the congregation's governing body may grant long-term leases for mineral rights to church property—providing such legal rights do not interfere with its proper and normal use—may be of interest to some congregations.

#### Governmental Regulations

There is a distinct and increasing trend for governments (federal, state, and local) to restrict and diminish privileges previously afforded to nonprofit organizations, including churches. At the same time, laws and regulations seem to become more involved and complicated. The favored position that churches formerly held is being reduced steadily. One can no longer assume that action is never needed because of church status or because churches are exempted from laws or regulations.

*Today, local church trustees may be called upon to devote greater care and skill than what was necessary in the past.* In this respect, church operations are similar to those of individual or commercial business affairs.

State and local regulations are the responsibility of the local church or charge. The district superintendent has an important role in legal compliance. At the national level, the General Council on Finance and Administration can assist in areas of legal or governmental issues.

*There is no contradiction between a local church's acting as a good citizen and also exercising a high degree of skill and professionalism in its legal and fiscal affairs when dealing with the government.*

For more information regarding legal or governmental regulations, contact the General Council on Finance and Administration.

# Help!

## **Addresses and Phone Numbers**

For legal information, information on risk management, and information on the United Methodist Association of Church Business Administrators: General Council on Finance and Administration, 1200 Davis Street, Evanston, IL 60201. Phone: 708-869-3345.

For information on building: Department of Architecture, National Division, General Board of Global Ministries, 475 Riverside Dr., New York, NY 10115. Phone: 800-862-4246, ext. 3868.

For information on wills and bequests: Planned Giving Resources Center, Congregational Leadership Section, General Board of Discipleship, P.O. Box 340003, Nashville, TN 37203-0003. Phone: 615-340-7075.

For further assistance, contact the Congregational Leadership Section, General Board of Discipleship, P.O. Box 340003, Nashville, TN 37203-0003. Phone: 615-340-7575.

Cokesbury Service Center: 800-251-8591.

Discipleship Resources, P.O. Box 1616, Alpharetta, GA 30009-1616. Phone: 800-685-4370.

## **Books**

*The Book of Discipline of the United Methodist Church* (United Methodist Publishing House; available from Cokesbury).

*Firm Foundations: An Architect and a Pastor Guide your Church Constructions*, by Daniel Michale, N.C.A.R.B. and Lance Moore, D.Min, CSS Publishing, Lima, Ohio.

*Guidelines for Leading Your Congregation: 2001-2004* (Abingdon Press; available from Cokesbury or Discipleship Resources). A set of 26 booklets providing guidance for persons responsible for the administration and programs of the local church.

*Social Principles of the United Methodist Church* (available from Cokesbury or Discipleship Resources). A booklet giving the social policies of The United Methodist Church as set forth by the General Conference.

Catalogs of resources are available from Cokesbury, EcuFilm, Discipleship Resources, and the Service Center, General Board of Global Ministries.

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