

Policy Regarding Proceeds from the Sale of Property (November 13, 2021 revision)

POLICY NAME: Policy regarding Proceeds from the Sale of Property	Date Amended: November 13, 2021
	Review date:
Purpose: The purpose of this policy is to clarify expectations of Communities of Faith regarding the sale of Church Property. <i>The Manual C.2.6.</i>	

Preamble

This document outlines the Conseil régional Nakonha:ka Regional Council's policy and best practices regarding use of proceeds from the sale of church property with a view to encouraging the sharing of resources within the United Church of Canada, while being respectful of the rights and ongoing contributions of communities of faith.

This policy applies only when Regional Council consent is required and does not affect assets of less than \$50,000.

Policy

Community of Faith that is not disbanding

When Church Property is being sold by a Community of Faith that is not disbanding, the following guidelines for the use of net proceeds* from the sale are meant to encourage a forthright discussion with the Community of Faith as to the opportunities for sharing of resources within the broader Church, and the Regional Council commits to being prayerfully respectful of the continuing needs of the Community of Faith to continue ministry in new and dynamic ways and may waive any or all of the following after such discussion.

- a) 10% be remitted to the United Church of Canada for the on-going support of Indigenous Ministry.
- b) 5% to 10% be remitted to the Mission & Service Fund of the United Church of Canada.
- c) 10% of the net proceeds from the sale be remitted to the Nakonha:ka Regional Council to support a Granting and Enabling Strategic Fund of the Regional Council held by the Finance and Extension Board with disbursement at the direction of the Regional Council on the recommendation of the Granting and Enabling Leadership Team (GELT). The terms of reference of such Fund shall be proposed by GELT and approved by Regional Council.
- d) The remainder to be retained by the Community of Faith with an approved ministry plan for the use of the proceeds by the Regional Council that is financially sustainable. The Regional Council will normally require that the remaining capital from the sale be protected and invested and that the Community of Faith be limited to drawing up to 5% of the value of the invested capital in any given year to support its operating budget. If the Community of Faith puts before the Regional Council a ministry plan, the Regional Council may allow the Community of Faith to use some or all of the remaining capital from the sale to implement the ministry plan. This may include capital expenses.
- e) Before the distributions above, the Regional Council also asks that consideration be given to donating up to 2% of the net proceeds (but no more than \$5000) from the sale of church property (except when it is the sale of a manse), be remitted to help fund the work of the Regional Council Archives.

Community of Faith that is disbanding

When Church Property is being sold by a Community of Faith that is disbanding, the following guidelines shall apply for the disposition of net proceeds* from the sale, unless the Regional Council concludes that this would be contrary to the basis on which the assets were acquired or built up or otherwise contrary to the interests of the United Church in this instance:

- f) 10% be remitted to the United Church of Canada for the on-going support of Indigenous Ministry.
- g) 10% of the net proceeds from the sale be remitted to the Nakonha:ka Regional Council to support a Granting and Enabling Strategic Fund of the Regional Council held by the Finance and Extension Board with disbursement at the direction of the Regional Council on the recommendation of the Granting and Enabling Leadership Team (GELT). The terms of reference of such Fund shall be proposed by GELT and approved by Regional Council.
- h) 10% be remitted to the United Church of Canada Mission and Service for on-going support of the ministry of the wider church.
- i) The remainder (subject to j below) be directed for purposes within The United Church of Canada and which is approved by the Regional Council before the disbanding of the Community of Faith. If a Community of Faith disbands without such a plan, it becomes the responsibility of the Regional Council to determine the disposition of the remaining funds.
- j) 2% of the net proceeds, limited to \$5000 from the sale of church property be remitted to help fund the work of the Regional Council Archives.

*Net proceeds means the amount left over after all expenses directly related to the sale of the property have been paid, e.g.: real estate fees, legal fees, cost of surveys and so on.

This policy shall be administered in a manner to encourage all folk involved to have input into the outcome which is to balance the contributions and continuity of communities of faith with the sharing required with the broader United Church of Canada

NOTE: In the sharing provisions, the Property and Finance Leadership Team recommends that consideration for the United Theological College be included as the only theological college in our Region and the only one in Canada offering education in French.