



Sale of Church Property Policy without Dissolution – 2021 rev 2.0

“The property of the Presbyterian Church (U.S.A.), of its councils and entities, and of its congregations, is a tool for the accomplishment of the mission of Jesus Christ in the world” (Book of Order (BoO) G-4.02). “All property held by or for a congregation, a Presbytery,...is held in trust nevertheless for the use and benefit of the Presbyterian Church (U.S.A.)” (BoO G-4.0203) and “whenever a congregation is formally dissolved by the Presbytery, or has become extinct...” such property “may be sold or disposed of as the Presbytery may direct...” (BoO G4-02.05). Furthermore “a congregation shall not sell, mortgage, or otherwise encumber any of its real property and it shall not acquire real property...without written permission of the Presbytery...” (BoO G4.0206). However, the Book of Order lacks guidance to Presbyteries regarding the use of funds by churches from sale of property when the church remains in operation, other than the application of G-4.0203 to all assets of a congregation. The purpose of this policy is to guide the Presbytery of Cincinnati with regard to the use of funds from the sale of church property by a continuing congregation.

If a congregation is NOT formally dissolving or become extinct, a Plan for Sale of any property including a Plan for Utilization of the Funds from the sale must be presented to and approved by the Trustees prior to proceeding with any sale. Conditions for approval of a plan include:

- a) Funds generated from the sale must be placed in a separately identifiable account, separate from other funds of the church. This must allow for the accounting for all income and expenditures for this account.
 - i) At the beginning, funds from the sale of property must be used to pay off any church debts (mortgage loans and any additional debt) as well as any past-due per capita.
 - ii) Funds from the sale of the property may be used to cover existing salary requirements at the discretion of Session.
 - iii) Funds from the sale of the property may also be used to cover salary for employees hired to expand or create programs congruent with the strategic growth direction for the church, under the direction of Session.
- b) A plan must be in place for utilization of the funds consistent with the mission of the church. This may include:
 - i) Reinvestment in real property to support the current and future mission of the church
 - ii) Support of normal, non-personnel operating expenses of the church (i.e. worship space or other program rental, maintenance or improvement of other real estate)
 - iii) Ministry or mission(s) of or designated by the church, under the direction of Session, evaluated periodically by the Commission on Ministry, and overseen by the Presbytery office, the Treasurer, and endorsed by the Council of Presbytery
 - iv) Any other use for the funds will also be approved by Session, evaluated periodically by the Commission on Ministry and Trustees, and overseen by the Presbytery office, the Treasurer, and endorsed by the Council of Presbytery.
- c) Churches establishing such funds shall report annually, to Trustees and Treasurer of the Presbytery, regarding income and expenses for the fund until such time as the fund is dissipated.
- d) If following the establishment of such a fund, the congregation is formally dissolved by the Presbytery or becomes extinct, the fund shall become property of the Presbytery.