

## **Check Lists for the Sale, Mortgage, Lease or Easement of Property in the Episcopal Diocese of Pennsylvania**

### **I. Why are we providing these checklists?**

As Christians, we are charged to be good stewards of the gifts God has given us. What we now enjoy reflects the generosity and labor of those who came before us and it is part of our sacred duty to ensure that it is cared for and managed to the best of our ability so that future generations may also come to enjoy and benefit from it. When it comes to managing and caring for our buildings and grounds, this obligation is particularly pronounced.

To that end, both in the Episcopal Church, and in our Diocese of Pennsylvania, when a congregation seeks to sell, mortgage, lease, grant an easement, or otherwise encumber its real property, it needs to first obtain the consent of the Bishop and Standing Committee. These rules exist to balance the fact that we are all part of a single hierarchical religious organization with a broad interest in ensuring that all assets within our Diocese are maintained and utilized appropriately, even as we respect that every vestry engages in decision making focused on the best interests of the congregation it serves.

In other words, just as your vestry diligently may make a decision in the best interests of your congregation regarding the use of property, the Diocese is also required by our Canons to fulfill oversight obligations relating to how, when, and whether a congregation mortgages, leases, grants an easement or sells its property. This requirement protects your congregation by ensuring that any sales, leases or other arrangements are reviewed by people who have expertise in finance, real estate and the law, at no cost to you.

Therefore, before you enter into any contract or agreement, we want to be sure that your congregation knows the who, what, when, and where of Diocesan decision-making on property matters in order to avoid any delays or frustrations as you seek to advance your goals and mission.

### **II. When do you need to consult a checklist?**

These checklists should be consulted whenever your parish is considering mortgaging, granting an easement, leasing, or selling its real property.

### **III. When should you first speak to the Diocesan Property Manager/Diocese if your vestry is considering a sale, mortgage, easement or lease of parish real property?**

*As early as possible.*

As soon as your vestry begins discussion, a call should be made to the Diocesan Property Manager to give him or her early notice of the possible transaction. Real estate transactions are often complex. The Diocesan Property Manager will help you navigate this process. Guidance may be obtained in advance of any specific transaction.

We hope you find the attached checklists to be helpful and informative as you move through this process.

### **IV. The Process**

Our Diocesan Canons require any property transaction to be reviewed first by the Diocesan Property Subcommittee, which makes a recommendation to the Finance Committee, which, in turn, makes a recommendation to the Bishop and Standing Committee. These groups meet monthly, so it is highly recommended that you gather and provide all information sought in the checklist. Therefore, we recommend that you begin the process early so that your request can be evaluated promptly and not delayed for another month because of incomplete submissions.

Throughout this process, and even before your parish is ready to seek final approvals, it is wise to remain in touch with the Diocesan Property Manager who may be able to tell you early whether there are issues in your proposed transaction likely to cause concern and a possible delay in decision-making. As we hope you know, everyone at the Diocese wants to help your parish in its work, and not hinder your efforts to pursue your goals, but we need your help so that we can do our job on a schedule that works with that of your parish and can promptly let you know if we see something that might require an adjustment to your plans.

In addition, at any step in the process, the Diocese may seek information in addition to what you are asked to provide in the checklist. It might also discuss with you whether its approval will be issued with a condition – for example, a condition that the parish put some or all of the sales proceeds be placed in trust, with access to the principal permitted only with consent of the Bishop and Standing Committee, or a condition that prior Diocesan loans be repaid.

**Attachment 1** Checklist for Real Estate Sales

**Attachment 2** Checklist for Property Leases, including any rentals of portions of the property for cell phone tower, weekday use of church buildings by others, etc.

**Attachment 3** Checklist for Property Encumbrances such as Easements or other rights of ways

**Attachment 4** Checklist for Mortgages