

**DELMARVA-DC REGION OF THE CHURCH OF GOD  
REGIONAL GUIDELINES  
FOR THE PURCHASE, CONSTRUCTION AND LOAN  
ACQUISITION OF ALL LOCAL CHURCH PROPERTIES**

**INTRODUCTION**

**PLEASE NOTE:** Every attempt has been made to present the enclosed information as accurately as possible. It is the intention of this document to codify the applicable information from the *Minutes* of the General Assembly of the Church of God and the *Minutes* of the Delmarva-DC Regional Ministers' Meeting. However, if an error inadvertently has been made in this document resulting in an item(s) being in conflict with the *Minutes* of the General Assembly of the Church of God, or not being congruent with the polity, procedures, and/or practices of the Church of God, that item(s) as presented herein, shall be subject to the *Minutes* of the General Assembly of the Church of God, and should be brought into congruence with the polity, procedures, and/or practices of the Church of God.

Inasmuch as the Church of God has from its beginning been a centralized organization, it is mandatory that proper procedures be followed in property transactions (such as procuring and disposing of property, building construction and demolition, remodeling, etc.). It should be understood that each congregation is expected to meet all of its financial obligations. It is, therefore, necessary that these specific guidelines be followed by each church.

That the Regional Administrative Bishop appoint a Properties and Loan Committee to work in conjunction with the Regional Administrative Bishop.

**I. Preliminary Procedures**

- A. The pastor and local congregation shall determine the need for an expansion program.
- B. A two-year financial and statistical study of the local church shall be prepared.
- C. Said study shall be sent to the Regional Administrative Bishop. He will forward copies to the district overseer and the Properties and Loan Committee. (Forms may be obtained from the Regional Office.)
- D. Upon completion of steps A—C (above) the pastor is to then receive a response from the Regional Administrative Bishop and district overseer relative to what action, if any, is to be taken.
- E. In order for approval to be considered, the following will be necessary:
  - 1. Description and details of acquisitions (land or other properties to be acquired) and disposals (land, properties or buildings to be disposed of) are to be sent to the

Regional Administrative Bishop. He will forward copies to the district overseer and the Properties and Loan Committee.

2. Details of buildings to be renovated or demolished are necessary for approval.
3. Copies of plans for construction are to be reviewed by the Regional Administrative Bishop. He will forward copies to the district overseer and the Properties and Loan Committee.
4. Costs of construction are to be sent in writing to the Regional Administrative Bishop. He will forward copies to the district overseer and the Properties and Loan Committee.
  - a. Copies of construction bids (2 or 3 bids necessary). All construction bids are to be consistent with all state and local construction codes, Fire Marshall codes, EPA/Health Department codes, and the financial requirements of the financial institution(s).
  - b. Costs of materials and labor to be hired if the church is going to do part of the work. Codes are strict and volunteer uncertified labor may not be acceptable. Insurance coverage for injury is necessary.
5. Loan information is to be sent to the Regional Administrative Bishop after being reviewed by the district overseer.
  - a. Amount of the total cost of the project
  - b. Amount of cash on hand (25% recommended) to be used in the project
  - c. Amount of the loan to be secured
  - d. Sources of the loan (lending agencies)
  - e. Rate and type (fixed or floating) of interest
  - f. Length of loan (number of years or months)
  - g. Amount of monthly or other payments
  - h. Identification of property to be mortgaged
- F. No further action is to occur until written approval is given by the Regional Administrative Bishop.
- G. No contracts are to be signed prior to written approval by the Regional Administrative Bishop.
- H. The Regional Administrative Bishop will assign the Properties and Loan Committee to meet with the district overseer, pastor, and any other persons with whom they feel it advisable, to evaluate the project and make a report to the Regional Administrative Bishop who will make a decision as to approval of the project.

## **II. Proper Procedure**

- A. Upon receipt of written approval from the Regional Administrative Bishop, the Regional Administrative Bishop or one whom he may appoint, shall conduct a conference in the local church for the purpose of approving the purchase of the property, the building plans

and construction loans. These measures must be approved by a two-thirds (2/3) majority of the members, present and voting, in a pre-announced conference.

- B. Local building committee shall be selected whose duties include:
  - 1. Financial disbursements for construction costs
  - 2. Supervision of building plans
  - 3. Regular reports for the pastor to present to the congregation and copies sent to the Regional Administrative Bishop. He will forward copies to the district overseer and the Properties and Loan Committee.
- C. A copy of the minutes of said conference shall be sent to the Regional Administrative Bishop. He will forward copies to the district overseer and the Properties and Loan Committee. A copy shall be kept on file at the local church.
- D. Once the conference minutes are received at the Regional Office, the Regional Administrative Bishop will expect regular progress reports, which are first reviewed by the district overseer, and Properties and Loan Committee.
- E. District overseer to hold annual meeting to review procedures and insurance coverage with pastors on his district and also within 90 days for pastors new to the district.

### **III. Property Information**

For proper protection and stewardship, it is necessary that the following points be observed:

- A. Proper insurance is to be maintained on all church property. This includes liability for accidents and injury. Written evidence of insurance must be furnished to the regional office prior to final approval of the project. Also, that the district overseer check to be sure all properties are properly insured.
- B. Proper authorization from the Regional Administrative Bishop is necessary for any property transactions, purchasing, selling, demolition, construction, or any other project.

General Assembly Minutes (2002), Page 190, S46, II, Item 3.

*The said Local Board of Trustees shall have full right, power and authority to buy property for the use or benefit of the local congregation; to sell, exchange, transfer and convey any of the local property held by it, or to borrow money and pledge the said property for the repayment of the same; and to execute all necessary deeds, conveyances, and so forth, provided that each of the following conditions is met: (1) the proposition shall first be presented to a regular or called conference of the local church; (2) presided over by the Regional Administrative Bishop or one whom he may appoint; (3) approved by a two-thirds majority vote; and (4) provided further that the board have a certification, in writing, from the Regional Administrative*

*Bishop, or one whom he may appoint, that the proposition is not adverse to the interest of the Church of God (Cleveland, Tennessee, U.S.A.).*

C. Renovations and additions must have the approval of the regional and district overseers.

General Assembly Minutes 2002, (Page 192,) S48.

*The Regional Administrative Bishop shall require any local church in his region, before acquiring property, beginning or contracting for construction or purchase of a new church or educational building or a parsonage, or remodeling of such a building, if the cost will exceed 10 percent of its value, to submit for consideration and approval a statement of the need for the proposed facilities, preliminary architectural plans, and estimate of the cost, and a financial plan for defraying such costs. Before finally approving the building project, the Regional Administrative Bishop or his designee shall ascertain whether the preliminary architectural design and financial programs have been reviewed, evaluated, and approved by proper authorities.*

D. Conferences must be approved.

General Assembly **Minutes** (2002), Pages 176-177, S40, Item I, Item II (1,2).

***I. Purpose***

*A church conference is a business meeting for the purpose of transacting any business necessary for the operation of the local church.*

***II. Who May Conduct a Conference***

1. *No pastor has the right to hold a conference without permission from the district overseer.*
2. *No conference shall be held in the district except under the direction or supervision of the district overseer. This does not exclude the authority of the overseer [administrative bishop] of the region, which is fully explained in the **Minutes of the General Assembly**.*

F. Having the money to complete a project without a loan does not give a church the right to proceed with a project without approval from the regional and district overseers.

G. Purchase of Properties and Remodels

1. That special attention be given to the ruling in the General Assembly **MINUTES**, Supplement Section, under Caption Regional Administrative Bishop, which reads “Approve the selection, purchase and construction of all church, parsonage or Sunday School properties together with the respective district overseer.” Further, that a letter be sent from the district overseer to the Regional Administrative Bishop approving or disapproving the property or construction plans.

2. WHEREAS, several churches have become overburdened financially by major bond programs, loans and sometimes side loans, even to the extent of having to seek state or regional office assistance, and . . .
3. WHEREAS, the growth and spirituality of local churches have been hindered by such a heavy financial load,

WE RECOMMEND, that the local church and pastor compute all building costs for the completed building programs; that such appraised costs be covered by one bank loan or one bond program so that no side notes or extra bond issues will be necessary; and further, that such plans and estimated costs be approved by the state and district overseer before any building is started. Also that there be a 10% additional projected cost added to the estimated cost because of inflation.

4. That all current pastors and new pastors who come into the region be sent a copy of this policy. That any pastor going into a building program be sent a copy of policy before any type building is started, as a reminder of these policies.

G. A certified property appraisal must be secured by the local church and sent to the regional office *if requested* by the Regional Administrative Bishop.

#### **IV. Requirements**

- A. All property deeds must be prepared on a standard Church of God deed form. If for any reasons, the standard form cannot be used, the proper clauses must be included. Copies of these deeds are to be sent to the Regional office being recorded.
- B. The property purchase must include a certificate of title search, title insurance and official survey.
- C. Construction insurance must be secured.
- D. No loan shall exceed 60% of certified appraisal value of the complete construction without Regional Council approval. Also that a report of all loans and refinancing be reported to the regional office.
- E. Payments on the loans must not exceed 25% of the gross income of the local church and the amount of the loan shall not exceed twice its annual income.
- F. A recommended guideline is that no educational or worship facility, to be purchased or constructed shall exceed in seating capacity, double the present average attendance.
- G. All policies outlined in the General Assembly Minutes must be adhered to by all ministers.
- H. Any minister failing to adhere to these guidelines, shall be subject to counsel by the Regional Administrative Bishop, an investigating committee, and possible disciplinary action.
- I. Regional office underwriting is considered only when necessary.

**V. Regional Office Underwriting of Local Church Loans**

A. The underwriting of a local church loan by the regional office is a matter of trust and a matter of legal obligation. When the regional office underwrites a loan, it is a legal pledge by the regional office to the financial institution that guarantees repayment of the loan, even if the local church defaults on its financial obligation. It is also evidence of the confidence of the regional office that the local church is able to meet its financial commitments. Therefore, by accepting regional office underwriting of the local church loan, the following policies and procedures are agreed to by the local church.

B. As a consideration of the Church of God Delmarva-DC Regional Office underwriting a proposed loan in the amount of \$ \_\_\_\_\_ for the \_\_\_\_\_ Church of God, \_\_\_\_\_, Pastor of \_\_\_\_\_ Church of God, and all employed or credentialed ministry staff members (listed on page 21 of this document) hereby agree that in the event that they cease to hold the office of Pastor or ministry staff member of the \_\_\_\_\_ Church of God, for any reason, or in the event that they cease to hold credentials with the Church of God (Cleveland, TN), then for a period of two (2) years following either of such events, they shall not engage in any church ministry or para-church activities which reasonably could be construed as competitive in nature with the above named church, at any area within a 25-mile radius of \_\_\_\_\_ Church of God, without the written consent of \_\_\_\_\_ Church of God by its pastor (or other duly authorized office) or by the Regional Administrative Bishop. Nothing herein shall prohibit the assignment or reassignment of Church of God pastors or staff within the 25-mile radius mentioned herein, under normal Church of God ecclesiastical polity. This covenant shall be interpreted to comply with all of the laws of Maryland, Delaware, Virginia, and Washington, DC. If any portion of this covenant is found to be not enforceable, such finding shall not affect the legality of or enforceability of the remainder of this covenant. It is hereby agreed and understood that any person executing this document has the right to seek legal counsel of his or her own choosing. Witness the signatures on the dates indicated below.

C. In the event the regional office is called upon for payment by the lending institution, any monies paid by the regional office on behalf of the local church shall be considered as a loan from the regional office to the local church unless stated otherwise by the regional council. Repayment of this loan to the regional office shall be made in a timely fashion, as soon as practical.

D. After the regional office is contacted by the lending institution for payment, the church shall send detailed weekly financial reports to the regional office, indicating all receipts and disbursements. If it is required, the local church shall

also provide to the Regional Administrative Bishop detailed financial reports for specified periods of time. Additionally, if an audit is requested by the Regional Administrative Bishop, the local church shall give timely assistance in providing all requested records for the auditor. The local church shall pay the cost of the audit.

- E. Due to the call of the lender for payment by the regional office, the regional office shall have *de facto* control of the financial operation of the local church until such time that the local church is able to handle its financial obligations in a prudent manner. This shall include, but not be limited to, the local board of trustees signing any and all documents regarding property and finances, as directed and approved by the Regional Administrative Bishop. If the local board of trustees fail to do so when requested by the Regional Administrative Bishop, the local board of trustees shall be declared vacant by the Regional Administrative Bishop, and the regional board of trustees shall function in their stead.
- F. If the Regional Administrative Bishop deems it advisable to do so, an administrator may be appointed to supervise the financial operation of the local church during the time of financial instability.
- G. The items shall be read publicly to the local church prior to acceptance of regional underwriting, and shall be accepted by a two-thirds majority vote of the congregation in a previously announced church conference authorized by the Regional Administrative Bishop, and moderated by the Regional Administrative Bishop or one whom he may appoint. The pastor and treasurer shall sign and date a letter reflecting the verification of this acceptance by the congregation in a conference, prior to the Regional Administrative Bishop's final action regarding the underwriting.

### Affidavit of Acceptance

We certify that on the date indicated below, at a previously announced church conference of the \_\_\_\_\_ Church of God, which was authorized by the Regional Administrative Bishop and moderated by the Regional Administrative Bishop or his appointee, the entirety of Section V. above, "Regional Office Underwriting of Local Church Loans" was read publicly in the hearing of the congregation. A vote was then taken of the members of this local church above age 16, who are regular church attenders, and faithful tithers. Number of eligible voting members is \_\_\_\_\_. Number of voters present \_\_\_\_\_. The number voting to accept regional office underwriting of our proposed loan of \$ \_\_\_\_\_ was \_\_\_\_\_ and the number of those voting against was \_\_\_\_\_, yielding a vote of \_\_\_\_\_ per cent in favor of accepting regional office underwriting, subject to all of the above noted terms and conditions.

\_\_\_\_\_ Pastor's signature

\_\_\_\_\_ Church Treasurer's signature    Date \_\_\_\_\_

Eligible voting members were notified: (check all that apply)

\_\_\_\_\_ Bulletin                      \_\_\_\_\_ Date

\_\_\_\_\_ Letter                              \_\_\_\_\_ Date

\_\_\_\_\_ Pulpit announce              \_\_\_\_\_ Date



# PROPOSED PROPERTY TRANSACTION

## General Information

The Pastor and Treasurer are to provide the information requested below (where applicable) and send a copy to the Regional Administrative Bishop. He will forward copies to the district overseer and the Properties and Loan Committee and keep one copy for local records. No official church action can be taken until proper authorization and certification are given by the Regional Administrative Bishop.

NAME OF CHURCH \_\_\_\_\_

ADDRESS OF CHURCH \_\_\_\_\_  
\_\_\_\_\_

TELEPHONE NUMBER: Parsonage \_\_\_\_\_ Church \_\_\_\_\_

NAME OF PASTOR: \_\_\_\_\_ E-mail address \_\_\_\_\_

NAME OF DISTRICT OVERSEER: \_\_\_\_\_

(Please check appropriate places and give other information requested. Additional pages may be used if needed to give complete answers and additional details.)

### I. PROPERTY

A. \_\_\_ Purchase of land (with no buildings):

How much (acreage, lots, tracts)?

Why should it be purchased?

Projected purchase price?

Prospective sellers?

List any restrictions applying to the proposed property:

B. \_\_\_ Purchase of improved property (with buildings):

How much (acreage, lots, tracts)?

Describe the buildings on the property:

Why should it be purchased?

Projected purchase price?

Appraisal amount?

Prospective sellers?

C. \_\_\_ Sale of Property

How much (acreage, lots, tracts)?

Describe the buildings on the property:

Why should it be sold?

Projected selling price?

Appraisal amount?

Prospective buyers?

## II. BUILDING PROJECTS

### A. Construction of buildings

1. Type

\_\_\_ sanctuary                      \_\_\_ educational

\_\_\_ family center                \_\_\_ parsonage

\_\_\_ other (describe)

2. On what land will the building(s) be located

3. How much total land is in the tract where the building(s) will be constructed?

4. Will the additional construction congest present areas:

5. Will adequate parking be available?

How many parking spaces will you have?

Is this according to official codes of the area?

6. Please describe the type of construction (brick, metal, etc.)

7. Please describe the size (square footage, etc.)

8. Please give the numbers of persons it will accommodate:

9. Why should the construction be done?

10. What is the projected cost of the construction?

11. Submit copies of all bids.
12. If the project is not to be contracted, please give professional (building suppliers, etc.) estimates of costs:
13. Please give accountable projections of labor:
14. Please give responsible cost projections of furnishings to be purchased:
15. List building permit(s) needed and acquired:

B. Demolition of buildings:

1. Type
  - sanctuary                       educational
  - family center                       parsonage
  - other (describe)
2. On what land is the building(s) located?
3. What is the projected cost of the demolition?
4. Submit copies of all bids:
5. If the project is not to be contracted, please give professional estimates of costs:
6. Please give accountable projections of labor:

**III. RENOVATION, REDECORATION, REFURBISHING, REPAIR, ETC. PROJECTS:**

A. Please describe the project:

B. Why should it be done?

C. What is the projected cost?

Is this based on contract bids?

**IV. FINANCIAL INFORMATION**

Please provide the following financial information relative to all projects involved:

A. Amount of money now on hand to be used for this project?

B. What amount of money is to be borrowed for this project?

1. From what lending source(s)? (Attach Letter of Intent describing terms).

2. At what rate of interest?

3. Is interest fixed or floating rate?

4. Number of years at this interest rate?

5. Number of years of the loan?

6. Amount of monthly or other payments?

7. What security or collateral will be required, such as property to be mortgaged, etc?

8. Have you included a detailed financial report of receipts and disbursements for the past 2 years? \_\_\_yes or \_\_\_no (Required)

## V. SALE OF PROPERTY

A. \_\_\_ Sale of land (with no buildings):

How much (acreage, lots, tracts)?

Why should it be sold?

For what will the money from this sale be used?

Projected sale price:                      Is it cash?

Prospective buyer(s):

B. \_\_\_ Sale of improved land (with buildings):

How much (acreage, lots, tracts)?

Describe the buildings on the land:

Why should this property be sold?

For what will the money from this sale be used?

Projected sale price:                      Is it cash?

Prospective buyer(s):

## VI. Reports

1. Are the local church treasurers current (with monies) to the International and Regional Offices?
2. Are the pastor's monthly minister reports current with the International and Regional Offices?

**VII. STATEMENTS OF AFFIRMATION AND RESPONSE**

**AFFIRMATION OF INFORMATION:**

We do verify that the preceding information relative to a property transaction or project at (name of church and location of the church)\_\_\_\_\_

\_\_\_\_\_ is correct to the best of our knowledge:

Pastor's signature \_\_\_\_\_ Date \_\_\_\_\_

Clerk's signature \_\_\_\_\_ Date \_\_\_\_\_

**VIII. REQUEST FOR REGIONAL OFFICE UNDERWRITING**

If Regional Office underwriting (guarantor for the loan) is being requested for this loan, provide the following information.

A. Has the regional office previously underwritten any loans for this local church? \_\_\_\_\_ If so indicate the date, amount, and financial institution of the underwriting for all loans previously underwritten.

B. What is the status of the previously underwritten loans? [Check all that apply.]

\_\_\_\_\_ (1) The church still owes a balance of \_\_\_\_\_.

\_\_\_\_\_ (2) The payments are currently up to date.

\_\_\_\_\_ (3) The payments are currently delinquent.

\_\_\_\_\_ (4) The loan has been paid in full.

\_\_\_\_\_ (5) The loan has been combined with another loan that *is not* underwritten.

\_\_\_\_\_ (6) The loan has been combined with another loan that *is* underwritten.

**DISTRICT OVERSEER’S RESPONSE**

I have reviewed the Delmarva-DC Regional Guidelines for the purchase, construction and loan acquisition of all local church properties and proposed property transactions and remodels and have talked personally with the pastor, investigated sufficiently and my response is as follows.

\_\_\_ I recommend the project as presented.

\_\_\_ I do not recommend the project as presented. (Specify)

\_\_\_ I do not recommend this project. (Specify)

\_\_\_ I believe there need to be adjustments to the project. (Specify)

\_\_\_ I believe there needs to be other information received. (Specify)

My comments relative to this project are (use additional paper if needed):

District Overseer’s signature \_\_\_\_\_

Date: \_\_\_\_\_



Date received at the regional office \_\_\_\_\_

Date assigned to property committee \_\_\_\_\_

Names of committee members \_\_\_\_\_

\_\_\_\_\_  
(Report of the property committee to be attached)

Regional Administrative Bishop approved \_\_\_\_, did not approve \_\_\_\_ this project. (His letter of response should be attached).

Signature/Regional Administrative Bishop \_\_\_\_\_

Date \_\_\_\_\_



## LOCAL CHURCH FINANCIAL AND STATISTICAL REVIEW

Name of Church _____	Church File Number _____
Address _____	City _____ Zip _____
Name of Pastor _____	Ministerial File Number _____
Date of Appointment _____	Phone Number Home _____ Church _____
Name of Treasurer _____	Date of Appointment _____
Address _____	City _____ Zip _____
Treasurer's Telephone Number (include area code) _____	

ASSETS		LIABILITIES		
General Funds	_____	To Whom Owed	Monthly Payment	Balance
Building Funds	_____	_____	_____	_____
Women's Ministries	_____	_____	_____	_____
Property & Building	_____	_____	_____	_____
Accounts Receivable	_____	_____	_____	_____
Other _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Assets	_____	Total Monthly Payments	_____	_____
		Total Liabilities	_____	_____

**CHURCH STATISTICAL DATA**

Please give monthly average \_\_\_\_\_ Most Recent Month \_\_\_\_\_ 6<sup>th</sup> Month Previous \_\_\_\_\_ 12<sup>th</sup> Month Previous \_\_\_\_\_ 18<sup>th</sup> Month Previous \_\_\_\_\_ 24<sup>th</sup> Month Previous \_\_\_\_\_ and list month and year \_\_\_\_\_

Morning Worship Attendance \_\_\_\_\_

Sunday School Attendance \_\_\_\_\_

Membership \_\_\_\_\_

We certify the above information to be true and accurate to the best of our knowledge.

Pastor's Signature \_\_\_\_\_ Treasurer's Signature \_\_\_\_\_

Date \_\_\_\_\_

## CHURCH RECEIPTS ANALYSIS

CHURCH NAME \_\_\_\_\_ FILE NUMBER \_\_\_\_\_ PERIOD COVERED \_\_\_\_\_

PASTOR \_\_\_\_\_ FILE NUMBER \_\_\_\_\_ PREPARED BY \_\_\_\_\_

*Begin with the current month and detail chronologically the previous twenty-four (24) months.*

	Month	Year	Tithes	Offerings	Building Fund	Missions, Outreach	Other Income	Total
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
							Total Receipts	

## CHURCH PAYMENTS ANALYSIS

CHURCH NAME \_\_\_\_\_ FILE NUMBER \_\_\_\_\_ PERIOD COVERED \_\_\_\_\_

PASTOR \_\_\_\_\_ FILE NUMBER \_\_\_\_\_ PREPARED BY \_\_\_\_\_

*Begin with the current month and detail chronologically the previous twenty-four (24) months.*

	Month	Year	Outreach (State, General, Mission)	Notes Payable	Salaries (Gross Pay)	Operational (Utilities, Literature, etc.)	Other Expenses	Total
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
							Total Disbursements	

**ADDITIONAL INFORMATION**

**Certification of Acceptance of Employed Staff Members of Underwriting Covenants**

The signatures of the undersigned employed ministry staff members of the local church herein referenced acknowledge their reading and understanding of, and agreement to the covenants made in Section V. Regional Office Underwriting of Local Church Loans (pages 7-9) and hereby freely agree to comply with the stipulations therein listed.

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Name (printed or typed)*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Name (printed or typed)*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Name (printed or typed)*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Name (printed or typed)*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Name (printed or typed)*

**Other Notes.**

Please use the space below and on the back for the completion of any requested information or to give any additional data desired.