

PRESBYTERY OF TAMPA BAY
Board of Trustees

Loans and Related Procedures

9/2/97

SECTION ONE

**Procedures for Loans from Banks
(or other lending institutions)
For Property Purchase, Additions and Improvements**

Note: This section describes the resources and help offered by the presbytery. The *Book of Order* requires approval of presbytery (and thus this procedure) for churches who did not exercise the “property option” for former PCUS congregations at the time of reunion in 1983. Therefore, this section is optional for the churches listed below.

Bartow, First; Brooksville, First; Clearwater, Peace; Clearwater, Trinity; Dunedin, Faith; Dunedin, First; Ft. Meade, First; Haines City, First; Lakeland, Chapel in the Grove; Lakeland, First; Odessa, Keystone; Plant City, First; Safety Harbor, First; St. Petersburg, First; St. Petersburg, Northwest; St. Petersburg, Pasadena; Seffner, First; Seminole, Lake Seminole; Tampa, First; Tampa, Hyde Park; Tampa, Palma Ceia; Temple Terrace; Zephyrhills, First.

However, many lending institutions require approval by the presbytery regardless of the “property option.” If so, the following procedure is followed to obtain the presbytery’s consent (or assistance) concerning a mortgage or other encumbrance placed upon church property:

1. The church session submits the presbytery’s standard loan application together with required exhibits to the presbytery office.
2. The presbytery office reviews the loan application package for completeness, and if incomplete contacts the church and requests additional information. Upon receipt of completed application, the presbytery office refers the matter to the Loan and Property Committee of the Board of Trustees (copies are sent to committee members and Board President).
3. The chair of the committee coordinates a review of the loan application with committee members and brings a recommendation to the Board of Trustees (with copies of pertinent documents).
4. Upon final approval by the Board of Trustees, the President of the Board signs the appropriate resolution for the presbytery’s corporate books. The resolution is signed in triplicate, with one of the originals filed with the presbytery’s financial secretary, the second mailed to the requesting church, and the third mailed to the appropriate lending institution.

SECTION TWO

Procedures for Loans from the Rotary Capital Loan Fund

To obtain a loan from rotary capital loan fund:

1. The church session submits the presbytery's standard loan application together with required exhibits to the presbytery office.
2. The presbytery office reviews the loan application package for completeness, and if incomplete contacts the church and requests additional information. Upon receipt of completed application, the presbytery office refers the matter to the Loan and Property Committee of the Board of Trustees (copies are sent to committee members and Board President).
3. The chair of the committee coordinates a review of the loan application with committee members and brings a recommendation to the Board of Trustees (with copies of pertinent documents).
4. Upon final approval by the Board of Trustees, the President of the Board transmits to the church the terms of the loan approval (through presbytery's financial secretary).
5. The presbytery's attorney arranges a title search on the property. The title search costs are paid by the church. The attorney also draws up the necessary note, mortgage or other required documents, and coordinates the execution of all required documents.
6. All loan documentation shall be fully executed *prior* to authorizing the financial secretary to make disbursements on the loan.
7. The Trustees shall determine the appropriate interest rate and length of the loan at the time of approval.

SECTION THREE

Procedures Concerning Purchase of Property

Churches may purchase property at any time without the approval of the Trustees as long as the property is not mortgaged or otherwise encumbered in any manner. However, if the new property is encumbered by a mortgage or otherwise, the church is required to follow the following procedures.

Note: This section describes the resources and help offered by the presbytery. The *Book of Order* requires approval of presbytery (and thus this procedure) for churches who did not exercise the “property option” for former PCUS congregations at the time of reunion in 1983. Therefore, this section is optional for the churches listed below.

Bartow, First; Brooksville, First; Clearwater, Peace; Clearwater, Trinity; Dunedin, Faith; Dunedin, First; Ft. Meade, First; Haines City, First; Lakeland, Chapel in the Grove; Lakeland, First; Odessa, Keystone; Plant City, First; Safety Harbor, First; St. Petersburg, First; St. Petersburg, Northwest; St. Petersburg, Pasadena; Seffner, First; Seminole, Lake Seminole; Tampa, First; Tampa, Hyde Park; Tampa, Palma Ceia; Temple Terrace; Zephyrhills, First.

However, many lending institutions require approval by the presbytery, regardless of the “property option.” Also, many churches want the assistance and resources of the presbytery. If so, the following procedure is followed.

1. The church session submits the presbytery’s standard loan application together with required exhibits to the presbytery office.
2. The presbytery office reviews the loan application package for completeness, and if incomplete contacts the church and requests additional information. Upon receipt of completed application, the presbytery office refers the matter to the Loan and Property Committee of the Board of Trustees (copies are sent to committee members and Board President).
3. The chair of the committee coordinates a review of the loan application with committee members and brings a recommendation to the Board of Trustees (with copies of pertinent documents).
4. Upon final approval by the Board of Trustees, the President of the Board signs the appropriate resolution for the presbytery’s corporate books. The resolution is signed in triplicate, with one of the originals filed with the presbytery’s financial secretary, the second mailed to the requesting church, and the third mailed to the appropriate lending institution.

SECTION FOUR

Procedures Concerning Sale of Church Property

Note: This section describes the resources and help offered by the presbytery. The *Book of Order* requires approval of presbytery (and thus this procedure) for churches who did not exercise the “property option” for former PCUS congregations at the time of reunion in 1983. Therefore, this section is optional for the churches listed below.

Bartow, First; Brooksville, First; Clearwater, Peace; Clearwater, Trinity; Dunedin, Faith; Dunedin, First; Ft. Meade, First; Haines City, First; Lakeland, Chapel in the Grove; Lakeland, First; Odessa, Keystone; Plant City, First; Safety Harbor, First; St. Petersburg, First; St. Petersburg, Northwest; St. Petersburg, Pasadena; Seffner, First; Seminole, Lake Seminole; Tampa, First; Tampa, Hyde Park; Tampa, Palma Ceia; Temple Terrace; Zephyrhills, First.

However, many churches wish to use the resources and help of the presbytery, regardless of the “property option.”. If so, the following procedure is followed.

Except for those churches listed above, presbytery approval is required prior to the sale of any real property owned by a church. Approval (or assistance) from the presbytery may be sought at any time during the sale process, however, the request will most often occur either

- (A) at the time the church decides it wishes to sell a piece of property, or
- (B) once the church has a signed contract for sale of the property.

It is best to follow (A) rather than (B). The general guidelines listed in this section will help the Board of Trustees work efficiently with the individual church in either of these circumstances.

(A) If a church contacts the presbytery prior to signing any contracts regarding the property.

1. Initial requests for permission to sell a parcel of church property are submitted in writing to the presbytery office, together with rationale and any appropriate exhibits.
2. The presbytery office reviews the request, contacts the church for additional information, if needed, and refers the matter to the Loan and Property Committee of the Board of Trustees (copies are sent to committee members and Board President).
3. The chair of the Loan and Property Committee provides the requesting church with the following sample language, so that it may be used in both the listing agreement, if applicable, and any contract for sale of the property.

For use in listing agreement:

“This listing agreement is contingent upon the Seller being able to obtain the approval of any offered sales contract within 90 days by the Presbytery of Tampa Bay, Inc. If the approval of the

Presbytery of Tampa Bay, Inc. is not received within this time period, for any contract for sale or purchase offered this listing agreement shall terminate at the option of the broker, and no commission or any other fee on said sale shall due to broker from seller.”

For use in contract for purchase and sale:

“This contract is contingent upon Seller being able to obtain the approval of this sale within 90 days of the effective date of this contract by the Presbytery of Tampa Bay, Inc. Seller warrants that it will provide to the best of its ability all of the information requested by the Presbytery of Tampa Bay, Inc. during its approval process.”

4. The chair of the committee coordinates a review of the sale with committee members and brings a recommendation to the Board of Trustees (with copies of pertinent documents).
5. The President of the Board of Trustees reports the actions taken by the Trustees to the church.

(B) If a church contacts the presbytery after signing any contracts regarding the property.

1. The church submits a copy of the contract to the presbytery office, together with a rationale for the sale of property.
2. The presbytery office reviews the contract, contacts the church for additional information, if needed, and refers the matter to the Loan and Property Committee of the Board of Trustees (copies are sent to committee members and Board President).
3. The chair of the committee coordinates a review of the contract with committee members and brings a recommendation to the Board of Trustees (with copies of pertinent documents).
4. The President of the Board of Trustees reports the actions taken by the Trustees to the church, together with any explanations or limitations that are appropriate.

SECTION FIVE

Respective Roles of Presbytery Trustees and New Church Development Committee Concerning Purchase of Property

1. The New Church Development Committee and the Board of Trustees will appoint a team to work together on each new church project at the *inception* of each project in order to insure both groups are able to exercise their respective responsibilities.
2. The New Church Development Committee researches the best location for site acquisitions, and is responsible for the mission, program and personnel aspects of developing a new congregation.
3. The Board of Trustees provides resources and consults with the New Church Development Committee concerning real estate and legal issues prior to any offer for purchase or any other legal agreement concluded concerning the purchase of property for a new church development.

ADDENDUM

Relevant Constitutional References

Presbyterian Church (USA):

Book of Order G-8.0501: A particular church shall not sell, mortgage, or otherwise encumber any of its real property and it shall not acquire real property subject to an encumbrance or condition without the written permission of the presbytery transmitted through the session of the particular church.

Book of Order G-8.0502: A particular church shall not lease its real property used for purposes of worship, or lease for more than five years any of its other real property, without the written permission of the presbytery transmitted through the session of the particular church.

Former Presbyterian Church in the United States congregations:

At the time of reunion, former PCUS congregations were given an option concerning church property issues: to be governed by the new *Book of Order* of the PC (USA) **OR** be governed in the future by the 1983 edition of the *Book of Church Order* of the PCUS. The relevant passages are:

Book of Church Order (1983) § 6-2. If a particular church is incorporated, the provisions of its charter and bylaws, must be in accord with the Constitution of the Presbyterian Church in the United States. All of its confirmed members on the active roll are members of the corporation. The officers of the corporation, by whatever name they are given, shall be elected from the confirmed members of the corporation in a regularly constituted congregational meeting. The officers of the corporation may be given any or all of the following responsibilities: **holding title to church property for the benefit of the corporation and the Presbyterian Church in the United States**;* acquiring and conveying title to the property; buying, selling and mortgaging the property of the church; and managing any permanent special funds entrusted to them for church purposes. In buying, selling and mortgaging real property, the officers shall act under the authority of the corporation granted in a duly constituted meeting of the corporation. Powers and duties of the officers cannot infringe upon the powers and duties of the Session or the Board of Deacons, who maintain control and disbursement of all funds collected for the support and expense of the church and for the benevolent purposes of the church. (Emphasis added.)

Book of Church Order (1983) § 6-3. All property held by or for a particular church, whether legal title is lodged in a corporation, a trustee or trustees, or an unincorporated association, and whether the property is used in programs of the particular church or retained for the production of income, **is held in trust nevertheless for the use and benefit of the Presbyterian Church in the United States**.* (Emphasis added.)

* The Presbyterian Church (USA) is the successor in interest to the Presbyterian Church in the United States. Therefore “Presbyterian Church (USA)” can be substituted in meaning for the words “Presbyterian Church in the United States”.