

**Local Church Purchase of Real Property Checklist**  
*2000 Book of Discipline Requirements*<sup>1</sup>  
September 2000

The following checklist has been developed to assist the local church in following the *Disciplinary* provisions when purchasing real property. The first section deals with unincorporated churches and the second section deals with incorporated churches. It is essential that you know the “corporate” status of your church so you can follow the proper procedures.

The purchase of property by the local church is a process that involves consultation, legal advice, cooperation between church committees, and prayer. The Board of Trustees usually oversees the contractual negotiations and details. The Board of Trustees **always** needs to work with a local attorney (and a real estate broker, appraiser, title company, etc.) to review legal documents, review the purchase agreement, review closing paperwork such as a survey, deed, title report, etc. This checklist assumes that the preparatory work and follow through actions and documentation have been completed in order to bring a full and complete proposal to the charge conference and purchase the property for the church.

**CONTACTS**

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

ADDRESS: \_\_\_\_\_

PASTOR’S NAME: \_\_\_\_\_

TELEPHONE, FAX, E-MAIL: \_\_\_\_\_

BOARD OF TRUSTEE CHAIR NAME: \_\_\_\_\_

TELEPHONE, FAX, E-MAIL: \_\_\_\_\_

ATTORNEY REPRESENTING CHURCH: \_\_\_\_\_

TELEPHONE, FAX, E-MAIL: \_\_\_\_\_

ATTORNEY REPRESENTING SELLER: \_\_\_\_\_

TELEPHONE, FAX, E-MAIL: \_\_\_\_\_

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<sup>1</sup> This is not a substitute for reading *The Book of Discipline*. The checklist was prepared prior to the final publication of the 2000 *Book of Discipline*, so the paragraph numbering and wording may change.

## Section One

### **PURCHASE OF REAL PROPERTY BY AN UNINCORPORATED CHURCH (§§2535-2536)**

1. \_\_\_\_\_ The charge conference, by a majority vote, must approve real property purchases (§2536). The district superintendent, in consultation with the church, schedules the time of the meeting of the charge conference (§245.4).
2. \_\_\_\_\_ The notice of the proposed purchase, the date and time of the charge conference must be given at least ten days prior to the conference date from the pulpit or in a weekly bulletin. (§2536). Local legal counsel should be consulted to see if state laws require more than ten days notice
3. \_\_\_\_\_ Purchases approved by the charge conference also require the prior written consent of both the pastor and district superintendent (§2536).
4. \_\_\_\_\_ Title to the property shall be held in the name of the board of trustees, their successors and assigns, **in trust for** the use and benefit of the local church and The United Methodist Church (§2535).
5. \_\_\_\_\_ **Every** deed or conveyance must have the appropriate trust clause language as set forth in §2503 (§2535).
6. \_\_\_\_\_ §2543 has extensive requirements relating to purchase of property. Those requirements and recommendations vary depending on whether it is vacant or improved property, and how the property is to be used or improved. §2543 should be carefully reviewed in light of the church's plans. Some highlights include:
  - ⇒ Approval of the district board of church location and building as provided in §2519 and 2520. (§2543.2)
  - ⇒ The church building committee and the district board must carefully plan costs, financing, architectural design, current and future needs
  - ⇒ Buildings must have certain features including accessible facilities (§2543.3)
  - ⇒ Title to property with improvements must be in fee simple; legal concerns such as guaranteed title and environmental standards should be met (§2543.10)
  - ⇒ Contractor bonding is recommended (§2543.14)

## Section Two

### **PURCHASE OF REAL PROPERTY BY AN INCORPORATED CHURCH (¶¶2537-2538)**

1. \_\_\_\_\_ The charge conference, by a majority vote, must approve real property purchases (¶2538). The district superintendent, in consultation with the church, schedules the time of the meeting of the charge conference (¶245.4).
2. \_\_\_\_\_ The notice of the proposed purchase, the date and time of the charge conference must be given at least ten days prior to the conference date from the pulpit or in a weekly bulletin. (¶2538). Local legal counsel should be consulted to see if state laws require more than ten days notice
3. \_\_\_\_\_ Purchases approved by the charge conference also require the prior written consent of both the pastor and district superintendent (¶2538).
4. \_\_\_\_\_ Title to the property shall be held by the corporate body in its corporate name, **in trust for** the use and benefit of the local church and The United Methodist Church (¶2537).
5. \_\_\_\_\_ **Every** deed or conveyance must have the appropriate trust clause language as set forth in ¶2503 (¶2537).
6. \_\_\_\_\_ ¶2543 has extensive requirements relating to purchase of property. Those requirements and recommendations vary depending on whether it is vacant or improved property, and how the property is to be used or improved. ¶2543 should be carefully reviewed in light of the church's plans. Some highlights include:
  - ⇒ Approval of the district board of church location and building as provided in ¶2519 (¶2543.2)
  - ⇒ The church building committee and the district board must carefully plan costs, financing, architectural design, current and future needs
  - ⇒ Buildings must have certain features including accessible facilities (¶2543.3)
  - ⇒ Title to property with improvements must be in fee simple; legal concerns such as guaranteed title and environmental standards should be met (¶2543.10)
  - ⇒ Contractor bonding is recommended (¶2543.14)

## **Additional Resources**

- ✓ Guidelines for Leading Your Congregation, Managing Your Church's Assets, Trustees 2001-2004, Cokesbury 2000
- ✓ District Board Manual, A Planning Guide for the District Board of Church Location and Building, Editors, Douglas Hoffman and Roger Patterson, Evangelism and Church Growth Unit, General Board of Global Ministries