



EPISCOPAL CHURCH IN CONNECTICUT

PARTICIPATING IN GOD'S MISSION

July, 2017

Dear Sisters and Brothers in Christ:

Part of the role of your Bishops and the Standing Committee is to help ensure that parishes are good stewards of the real property that has been entrusted to them and to assist in a timely, orderly, and visionary manner that allows the parishes to use their real assets to participate in God's mission.

Sales, leases, mortgages, liens, and easements are among the most common types of transactions involving land and structures. These transactions constitute "encumbrances" or "alienations" of real property, which can be a major project for a parish, often engaging the valuable time and emotional energy of lay and ordained leaders.

Canon IV, Sec 3 of the Episcopal Church in Connecticut requires the written consent of the Bishop and Standing Committee for any encumbrance or alienation of real property. A copy of the Diocesan Canons are available here:

<https://www.episcopalct.org/FileRepository/DownloadFile.aspx?FileID=429>. In addition, Title I, Canon 7, Section 3 of the Canons and Constitution of The Episcopal Church similarly says: "No Vestry, Trustee, or other Body, authorized by Civil or Canon law to hold, manage, or administer real property for any Parish, Mission, Congregation, or Institution, shall encumber or alienate the same or any part thereof without the written consent of the Bishop and Standing Committee of the Diocese of which the Parish, Mission, Congregation, or Institution is a part, except under such regulations as may be prescribed by Canon of the Diocese." The General Church canons can be found here:

<https://extranet.generalconvention.org/staff/files/download/15057.pdf>

These Diocesan and Episcopal Church canons reflect the fact that the Bishops' Office, with, in this case, the additional advice and consent of the Standing Committee, is responsible for the overall missionary strategy of the Diocese and is charged with assuring that an individual parish has carefully reviewed its stewardship role with respect to church property. To assist parishes in encumbering or disposing of real property, the Bishops and Standing Committee of the Episcopal Church in Connecticut have adopted the following guidelines, which are designed to help the consent process work as smoothly as possible.



I. General Procedures

As provided in the Canon, consent of the Bishop and the Standing Committee must be obtained for all encumbrances and alienation of real property.

An “**encumbrance**” of property includes a mortgage, use of the property as collateral, provision of use rights to a third party, lease of one year or longer, lien, easement, encroachment, or other restriction on the property or its use. An “**alienation**” includes the transfer of ownership of real property in any manner, including by sale or gift, to any person or entity. Therefore, parishes should include this consent in their planning for any encumbrance or sale.

Requests for consent may be made in a written letter or by email. Section II, below, lists the information you need to include. Address requests to the Bishops and to the Standing Committee President, and send them via email or regular mail to the attention of the Operations Manager of the Episcopal Church in Connecticut, Matt Handi (mhandi@episcopalct.org).

While the request for consent may be sent any time during the year, the Standing Committee only meets monthly, September through June.

Once the request for consent has been received, with all supporting documentation, the Operations Manager will coordinate a needs assessment reviewing three aspects of the proposal: financial, missional, and mechanical. This process, from its inception to its conclusion, could take as many as three months or as little as six weeks.

Generally speaking both the Bishop Diocesan and the Bishop Suffragan, together, will consult with the Standing Committee on consents for encumbrance or alienation of parish real property, although both the bishops and the Standing Committee will decide independently of one another. Consent is required of both the bishops and the Standing Committee.

We suggest that a parish retain an attorney to assist it in all aspects of any encumbrance or disposition. The attorney should be made aware of the need for the consent. It may be appropriate to include within a listing or sales agreement the receipt of the consent as a precondition of the parish’s obligation to encumber or alienate its real property. As long as the specific items in the guidelines are in order, it is possible for consent to be given before a buyer has been identified, in the case of a sale of real property.

II. Information to be provided

All requests for consent should be accompanied by:



- A. A narrative that includes a history of the use of the real property, including its date of acquisition of the property and the cost or value. Include a statement of the reasons for the encumbrances, sale, or other disposition, and a statement of the use(s) of proceeds, including a reflection on how the income will help to participate in God's mission. If the sale involves clergy housing, the narrative should also note alternative arrangements that have been made for clergy housing, both in the near- and long-term future.
- B. A full appraisal of the real property in question by a qualified independent, licensed appraiser who has no other interest in the sale. (Statements of market value are not sufficient.)

In cases of encumbrances, the terms of the proposed encumbrance, including samples of any proposed mortgage note and deed or of any lease, lien, easement or other restriction.

In cases of sales, a statement of the minimum "net" price (after payment of commissions, existing mortgage loans and estimated closing fees) to be received by the parish.

- C. A certificate of the Clerk of the parish to the effect that a parish meeting was duly held in accordance with the canons and the parish's by-laws and that, at the meeting, a resolution (the text of which should accompany the certificate) was properly adopted, which authorizes the encumbrance or alienation and sets forth the details thereof, including but not limited to:
 - Full address or other proper identification of the property.
 - In case of any other encumbrance, the reasons therefore and any associated revenues, operating costs or anticipated capital expenses.
 - Identification of the body (vestry, building committee, parish, etc.) or persons (wardens, treasurer, clerk, etc.) authorized by the meeting to negotiate and approve final actions, and the person(s) to sign final documents.

III. Form of Consent

The Bishops and Standing Committee will send written consent to the parish leadership through the office of the Operations Manager of the Episcopal Church in Connecticut. The Secretary of the Standing Committee will keep written certification of the consent in the permanent records of the Standing Committee. In each case, the consent may contain a statement of any terms governing that consent. As a general rule, consents will be effective for only twelve (12) months.

Transactions not completed within that 12-month period will require another consent.



IV. Contact Person

Please feel free to consult with the Operations Manager via email at mhandi@episcopalct.org. You can also contact the Matt directly at 203-639-3501 ext. 107.

A copy of this letter and additional materials pertaining to alienation and encumbrance of real property can be found on the website of the Episcopal Church in Connecticut at: <https://www.episcopalct.org/Find-Resources/Parish-Administration-and-Finance/Property-Rentals-Sales-and-Encumbrances/Procedures-for-Sales-or-Encumbrances/>

We look forward to working with you and your parish when/if matters related to the alienation and encumbrance of real property are involved. We give thanks for our partnership with you in God's Mission in the Episcopal Church in Connecticut.

Faithfully,

The Rt. Rev. Ian T. Douglas
Bishop Diocesan

The Rt. Rev. Laura J. Ahrens
Bishop Suffragan

The Rev. Tracy Johnson Russell
President of the Standing Committee