

SALE OF A PARSONAGE
The Book of Discipline of the United Methodist Church, 2016

The church must present to the District Superintendent a compelling missional reason for selling the parsonage (a compelling missional reason include building a new building, renovating an existing building. All reasons must demonstrate how the proceeds will make a ministry impact to the community). The DS presents that compelling missional reason to the Bishop for approval. The Bishop must approve the sale of the parsonage.

If the plan to sell is approved by the Bishop, then District Board of Church Location and Building would meet with your church to determine if it makes sense for the church to move in that direction (This is generally handled through email correspondence between the board and the superintendent). This step serves to help churches think through their plans and to make decisions that will serve the church in the future.

Once approval is given by the District Board of Church Location and Building, you must then have a charge/church conference to approve the sale of the building. This would most likely be a special charge/church conference. To set that up, the pastor will need to contact the district office to get approval from the District Superintendent and to determine who should be the presiding elder at the charge/church conference.

Notice of the charge/church conference must be given at least 10 prior (the 10 days must include 2 Sundays.) Notice must be given from the pulpit and in the weekly bulletin, newsletter, electronic notice, or other means if required or permitted by local law. using 2 different means of communication. This is per Paragraphs 2540, 2541 & 2542 of the 2016 Book of Discipline.

A resolution authorizing the proposed action shall be passed by a majority vote (DS recommends super majority of 70% or greater) of the members present and voting at the charge/church conference. Once the charge conference approves it and the parsonage is sold, there are some restrictions on the use of the money.

- The quick synopsis is that the principal proceeds **cannot** be used for current budget or operating expenses. Paragraph 2543 of the 2016 Book of Discipline set forth those restrictions.
- But with proper provisions made for current and future missional needs of the congregation and current and future housing needs of a pastor, the principal **may** be used for **capital improvements beyond the regular budget** with written approval from the pastor and District Superintendent.

Examples of **capital expenditures** as it relates to your church include:

- Building a new fellowship hall or the renovation of such (new walls, flooring, etc.)
- Replacing your HVAC system
- Purchase of new major equipment (organs or other musical instruments)
- Kitchen equipment
- Audio-visual equipment
- Furnishings

Paragraph 2543 of the 2016 Book of Discipline states that in specifically designated instances the church could request the Bishop and Cabinet to grant an exemption to provide for congregational redevelopment efforts. **A clear and detailed three-to-five-year redevelopment plan that projects a self-supporting ministry must accompany the request.**

The interest on the proceeds could be used for any purpose. If the church keeps the parsonage, but rents it out there would be no restrictions on the use of that income.