

## The Diocese of Upper South Carolina

# BUILDING or RENOVATION PROCEDURE

[adopted by the Commission on the Diocese: April, 2007, revised July, 2007]

The following policies and procedures approved by the Diocesan Executive Council apply to all missions and parishes of the Episcopal Diocese of Upper South Carolina.

A sub-committee of the Commission on the Diocese, the purpose of the Planning, Architecture and Construction Committee is to serve as your advocate in the process of renovation and/or new construction and to assist you in achieving the best outcome possible for your project. The Committee consists of laypersons and clergy who have experience and expertise in the various areas of renovation and construction and the various contractual safeguards necessary to protect the church's assets.

### **Step 1: Prior to Beginning a Church Building Project**

When renovation of any parish or mission property is contemplated, or when new construction is being considered, consultation with the Bishop's office (through the Canon to the Ordinary or the Chairperson of the Architecture and Construction Committee (the "PAC")) is the required first step in the process. This initial consultation is for the purpose of discussing the procedural requirements and approval process required by the canons for any major renovation or new construction. In addition the scope of work anticipated will be assessed. Minor renovation of interior space or any normal maintenance does not require approval of the Committee, except in the event that the project will require an encumbrance and/or alienation of real property (see below: Title IV, Canon 2, Section 2). Any change in the "footprint" of the current building(s) will normally require specific review and approval by the PAC.

### **Step 2: Initial Meeting With the Committee**

As soon as you have a completed set of architectural plans, including a site plan, contact the chairperson of the PAC to schedule a meeting. This meeting is to take place prior to incurring construction obligations; provided however, if your architect has recommended the use of a "partnering" approach pursuant to which a contractor is engaged shortly after commencement of the project in order to be included in the design process, the contractor may be engaged prior to the meeting. Normally the Committee will require a three to four week lead in order to arrange a mutually convenient meeting date and time. Meetings are usually scheduled at a regular date and time each month on an "as needed" basis.

Persons attending this meeting should include representatives from the church's building committee, the priest and (if convenient) the architect. The Committee will review the plans in detail, make recommendations (if any), and determine if a subsequent meeting will be required.

**Step 3: Project Funding and Application to the Commission on the Diocese**

Once the PAC has approved the building plans, application for encumbrance can be made to the Commission on the Diocese. This committee will review the plans for financing the project. The application form (see below) with accompanying documents must be presented to the Commission at least two weeks prior to one of its quarterly meetings via the Treasurer of the Diocese.

The priest, church treasurer, senior and junior warden should attend the meeting of the Commission on the Diocese to answer Commission questions.

The Commission on the Diocese will make a recommendation regarding the request for encumbrance to the Executive Committee of the Diocesan Executive Council for endorsement before the request is presented to the Council at one of its quarterly meetings.

## **Title IV, Canon 2, Section 2**

[concerning the encumbrance or alienation of church real property]

Preparation of your Application is an important and necessary step governed by the Canons of the Diocese of Upper South Carolina which state the following:

“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 Diocesan Council, except under such regulations as may be prescribed by Canons of the Diocese; provided however, that no such consent shall be required with respect to:

- (a) Any Institution not wholly controlled by this Diocese.
- (b) The refinancing of the current balance of an existing loan.
- (c) A short-term loan (a loan to be repaid, within twelve months of its date) from a lending institution made for the purpose of funding current operating expenses and which loan is not secured by a mortgage on real estate.
- (d) The alienation of real estate conveyed as a gift if the alienation is made within twelve months of the receipt of the gift.
- (e) A loan approved and made by the Diocesan Executive Council which loan is not secured by mortgage on real estate.

# **Application for Encumbrance or Alienation of Real Property**

## **THE DIOCESAN EXECUTIVE COUNCIL**

[adopted April, 2007]

The following information is to be submitted to the Commission on the Diocese through the Office of the Treasurer:

### **Identification:**

- Date of Application
- Name of Congregation or Institution
- Address of Congregation or Institution
- Primary contact person for this project with appropriate phone numbers

### **Project Description:**

- Describe the proposed construction
- Attach reduced size architectural rendering(s) of the project
- State the estimated cost of the total project
- State the approximate date you plan to begin construction of the project.

### **Congregational Demographics:**

- Current baptized membership
- Average Sunday Attendance (ASA for all services)
- Date founded
- List previous construction and renovations with approximate dates

### **Funding and Current Financial Details:**

- It is anticipated that each congregation will have in hand cash and pledges equal to 70% of the anticipated total cost of the project.
- Attach copies of your current and previous two years' Statement of Mission (budget).
- Attach a copy of your anticipated SOM (budget) reflecting changes due to the mortgage repayment and additional operating expenses resulting from the new construction (utilities, maintenance, insurance, etc.).
- Attach a copy of your financial balance sheet. Make clear all current indebtedness.
- Attach a copy of your current and prior year's audits. Absence of an audit will delay this application until the audit is completed.
- Attach a statement from the Vestry or Bishop's Mission Committee, stating that the church's Episcopal Pledge has been accepted in full and paid in full for the previous two years and for the current year.
- Attach a statement from the Vestry or Bishop's Mission Committee that they understand, agree and attest that regular and faithful payment of your Episcopal Pledge will not be jeopardized by this added financial responsibility.

### **Loan Information:**

- After securing the loan, provide to the Diocesan Executive Council (DEC) a copy of the note, mortgage and settlement statement.

## The Vestry or Bishop's Mission Committee

The purpose of this process is to help assure that your project is architecturally, financially and pastorally sound. The Diocesan Executive Council (DEC) and, indeed, every member of your diocesan community, have a vested interest in the successful completion of your project. We understand that renovation and new construction are signs of new growth, increased opportunities for expanded ministries and improvements in your facilities. We also know that these projects can create stress in your congregation. It is, therefore, important that each member of the Vestry or Bishop's Mission Committee be in support of this important step and obligation in your ministry. Members of the DEC, the Bishop and his staff, as well as resources throughout your diocesan community, stand ready to assist you in any reasonable way that may prove beneficial. Please do not hesitate to ask for their assistance. Know that you have our prayers and mutual support not only for the successful completion of this project but also for the continued health and vitality of your congregation. May all that we do be to the Glory of God and for the benefit of his Kingdom.

After reading the stipulations and expectations of this document, we affirm the correctness of the information we have given and we believe our congregation is fully committed to proceed with this project and, by the grace of God, to bring it to its successful completion.

Date \_\_\_\_\_

Rector/Vicar \_\_\_\_\_

Senior Warden \_\_\_\_\_

Junior Warden \_\_\_\_\_

Members of the Vestry/Bishop's Mission Committee: