

**Report From the Administrative Commission on Congregational Property**  
3/10/22

***Important Information for Churches***

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**G-4.0206 Selling, Encumbering, or Leasing Church Property from the Book of Order**

**a. Selling or Encumbering Congregational Property**

A congregation 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 congregation.

**b. Leasing Congregational Property**

A congregation 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 congregation.

**All leases executed by NCP Sessions must contain the following language:**

"Notwithstanding anything contained in this Lease/License to the contrary, in the event that the Landlord as a religious organization is dissolved, Lessee or the National Capital Presbytery may terminate this Lease/License, provided that notice of such dissolution is provided to Lessee at least ninety (90) days prior to the anticipated date of dissolution, and (ii) the Lease/License shall not terminate for ninety (90) days after the date of such dissolution unless otherwise agreed by the Parties."

The Presbytery has empowered the Administrative Commission on Congregational Property with the powers of an Administrative Commission to consider and approve requests from churches to lease, sell or encumber the real property of a church. Any action in this regard by a congregation without the Presbytery's permission will not be recognized as legally valid.

**If your church is considering leasing, selling or encumbering real property** please contact the Director of Business Affairs, Heather Deacon, [hdeacon@thepresbytery.org](mailto:hdeacon@thepresbytery.org).

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- Fairlington Presbyterian Church (Alexandria, VA) – January 14, 2022

Modified approval (originally given 10/26/21) for request to borrow funds from Presbyterian Loan & Investment Program for renovations due to a change in loan amount and terms as follows:

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) modifies its approval given October 26, 2021, for Fairlington Presbyterian Church. New approval is for borrowing up to \$550,000 from PILP with following terms: 20-year term amortized over 20 years with a 2.0% rate to adjust every 60 months. Loan purpose to remain financing church renovations. NCP will provide the required loan guarantee. Approval remains contingent upon receiving offer letter from PILP and Fairlington investment funds being used to secure the loan.

*(Original terms approved on 10/26/21 were: 20-year term amortized over 20 years with rate to be one month LIBOR rate plus 2.092% which generates a 4.00% fixed rate through an interest rate swap and NCP to provide required loan guarantee)*

- ACCP, Manual of Property Policies and Procedures – February 22, 2022

Approved changed to Section H of the current Manual of Property Policies and Procedures (approved 9/19/17) pertaining to insurance requirements for leasing and use agreements between churches and prospective users of church property as follows:

Under its authority as an Administrative Commission of National Capital Presbytery (NCP), the Administrative Commission on Congregational Property (ACCP) **approves** changes to Section H of the current Manual of Property Policies and Procedures (approved 9/19/17) as presented with the following corrections to items 3 and 4 under “The Lease document should address the following insurance considerations:”

3. If the tenant refuses to provide a certificate of insurance, or if its coverages do not cover risks related to its use of the church’s property (ex. no coverage for intentional acts or sexual misconduct), the session has a duty to consider whether this is a tenant who should use church property or buildings and the significant risk the tenant may create for the congregation.
4. There should be an inquiry made in writing to the church’s liability insurer to make sure the tenant’s insurance provides coverage for any liability resulting from the proposed rental and that there will be no premium increase or any insurance, or if its coverages do not cover the

risks related to its use of the church's property (ex. No coverage for intentional acts or sexual misconduct), the session has a duty to consider whether exclusion due to the proposed rental. Any premium increase that may be incurred can be offset by adjusting the terms of the lease or requiring the tenant to pay for the increase. The church also may wish to review the adequacy of its own insurance policy limits in light of the new activity. If supplemental or specialized coverages are needed, they should be obtained prior to lease execution and property occupancy. Ask the agent to send the church a binder or endorsement showing coverage is in effect for the new occupancy. The lease should not be signed until the church receives written confirmation. If any insurance claim or lawsuit should arise, give immediate written notice to the church's agent and the insurance company.

*(Note, approval includes authority for non-material grammatical and formatting changes to be made prior to publishing.)*