



BUILDING &  
LOAN  
NOTEBOOK  
OF THE  
UNITED METHODIST  
FOUNDATION  
OF WESTERN  
NORTH CAROLINA, INC.

BUILDING THE FUTURE:  
THE UMF LOAN PROGRAM

A MINISTRY OF THE UNITED METHODIST FOUNDATION  
OF WESTERN NORTH CAROLINA, INC.



**BUILDING AND LOAN MANUAL  
OF THE  
UNITED METHODIST FOUNDATION  
OF  
WESTERN NORTH CAROLINA, INC.**

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## **INTRODUCTION**

This Building and Loan Manual is a guidebook for Western North Carolina United Methodist Churches. It outlines step-by-step procedures that will assist new and existing churches through the building and loan process. It is designed to help churches, districts and other agencies of the Western North Carolina Conference of the United Methodist Church (WNCCUMC) develop a sound building and financial plan that will conform to existing conference policies, mandated legal requirements, loan policies of the United Methodist Foundation of Western North Carolina, Inc. (UMF) and The Discipline of the United Methodist Church.

In addition to these guidelines, each district may have further requirements. We encourage local charge conferences, boards of trustees or finance committees to contact both the Foundation and their local District Superintendents before beginning the building and loan process. **Churches that qualify for funding through The Duke Endowment are also encouraged to contact The Duke Endowment directly to learn about their funding process and procedures.**

This workbook contains a number of sample documents that must be submitted and approved during the pre-construction phase. They are organized in sequence based on standard building and loan practices and church policies. They comply with the policies of the United Methodist Foundation of Western North Carolina, Inc. and should be strictly followed by churches and districts that plan on receiving funds.

A sample timeline, also provided on page seven in this handbook, will help local churches anticipate the length of time required to complete various phases of the building and loan process and in what order each step should be completed.

The United Methodist Foundation of Western North Carolina, Inc. works with churches of all sizes, ages, demographic makeup and financial conditions. We offer investment fund options, low-cost loans to churches and church-related institutions, planned giving and endowment development.

The Foundation seeks to partner with local churches as they consider building projects and related financial issues. Through this manual and other consultative service, the Foundation seeks to help individual churches develop a comprehensive plan that considers all aspects of its current and future operations, including: mission, ministries, history, current status and vision for the future.

**Getting Started:**

**Step One** of the building and loan process is to become familiar with Paragraph 2543 of the 2008 Book of Discipline of the United Methodist Church, which pertains to church expansion and building projects. This guidebook follows – and will help facilitate – the approval process mandated by The Discipline. Please pay particular attention to section 2543.4d governing the accessibility requirements for persons with handicapping conditions.

**Step Two** is to define the project and to begin to develop a strong financial plan. The Administrative Board or Council of your church should appoint a study committee to undertake this task. A Project Worksheet (Appendix B), will help the committee define the scope of the project and customize a financial plan that meets your needs and objectives. The Worksheet will help:

1. Describe the project,
2. Develop a purpose statement,
3. Establish and estimate the cost of the project,
4. Develop a timeline for the project (See sample timeline for a building project on page seven in this handbook),
5. Create a current financial profile of your local church, and
6. Identify the resources available for the project.

Project Worksheet complete on: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

A Sample Project Worksheet appears in Appendix B.

**Step Three:** Once the worksheet is completed, it becomes the basis of the report that the church’s study committee will present to the church’s pastor and district superintendent to gain their consent for the project (Par. 2543.1, United Methodist Discipline.) (See Sample Approval Document, Appendix C.) Critical dates should be recorded as follows:

1. Project to be presented to the pastor: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_
2. Pastor’s written consent given: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_
3. Project to be presented to District Superintendent: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_
4. District Superintendent’s written consent given: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

If a site approval is necessary, such approval must be obtained from the District Board of Church Location and Building of the District Board of Missions and Church Extension before proceeding to Step Four (Par. 2543.2)

1. Site to be presented to District Board of Church Location and Building of the District Board of Missions and Church Extension on:

\_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

2. Site approved by District Board of Church Location and Building of the District Board of Missions and Church Extension on:

\_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

A Sample Approval Document appears in Appendix D.

**Step Four:** The Church Study Committee is now ready to present its report to a regular or called session of the Charge Conference, in order to gain its consent. The congregation must be notified of the proposed action at least ten days prior to the Charge Conference (Par. 2543.3). Again, the committee should record the critical dates as follows:

1. Notice of Charge Conference given on: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_
2. Project to be presented to Charge Conference on: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_
3. Charge Conference approval given on: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

The Charge Conference now must approve the project and appoint a Building Committee, or authorize the Board of Trustees to act as a Building Committee.

Building Committee authorized: \_\_\_\_\_ Yes \_\_\_\_\_ No  
Trustees authorized to act as Building Committee: \_\_\_\_\_ Yes \_\_\_\_\_ No

A Sample Charge Conference Resolution appears in Appendix D.

**Step Five:** The Building Committee must meet the provisions of Paragraph 2543.4 of the 2008 Discipline, which specifies:

1. Estimate the needs the project will meet.

Completed on: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

2. Ascertain the cost of property to be purchased.

Completed on: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

3. Develop appropriate preliminary architectural plans

Completed on: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

4. Secure an estimate of the cost of the proposed construction. (Accuracy at this point is most important since refinancing for an increase amount later is extremely difficult and time-consuming.)

Completed on: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

5. Develop a preliminary financial plan for securing payment of all costs to be incurred.

Completed on: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

**Step Six:** The building committee must submit a statement of need for the proposed facilities, based on all of the data developed in Step Five, to the District Board of Church Location and Building of the District Board of Missions and Church Extension. (Par. 2543.5)

District Committee of the Board authorizes project continuation: \_\_\_ Yes \_\_\_ No

**Step Seven:** A Church Conference, called by the pastor WITH THE DISTRICT SUPERINTENDENT'S WRITTEN CONSENT and with ten days notice of the proposed action to the congregation, will meet on \_\_\_\_ / \_\_\_\_ / \_\_\_\_ and be presented with the plans as described in the data developed in Step Five. (Par. 2543.6)

The Church Conference authorizes project continuation: \_\_\_ Yes \_\_\_ No

**Step Eight:** The building committee will develop detailed plans and a comprehensive financial plan, which will be submitted to the District Board of Church Location and Building of the District Board of Missions and Church Extension on: \_\_\_\_ / \_\_\_\_ / \_\_\_\_ (Par. 2543.7)

District Board authorizes project continuation: \_\_\_ Yes \_\_\_ No

**Step Nine:** The building committee's detailed plans and comprehensive financial plan will be submitted to the Charge Conference on: \_\_\_\_ / \_\_\_\_ / \_\_\_\_ (Par.2543.7)

The Charge Conference authorizes project continuation: \_\_\_ Yes \_\_\_ No

The Charge Conference authorizes the building committee to take all necessary steps to carry out this action and to execute any necessary contract, deed, bill of sale, mortgage or other written instrument. (This authorization is limited by the requirements of Pars. 2503, 2535, 2536, 2537, 2538, 2539 and 2540 – see steps ten and eleven.):

If the church is to secure a mortgage on the property in order to finance the project, the conditions of either Par. 2539 or 2540 must be met.

1. A Charge Conference, called by the pastor with ten days notice to the congregation of the action to be taken, will meet on:  
\_\_\_\_ / \_\_\_\_ / \_\_\_\_
2. A resolution authorizing the proposed action was approved by a majority of the members present and voting on:  
\_\_\_\_ / \_\_\_\_ / \_\_\_\_
3. The trustees or board of directors were authorized to take all steps necessary to accomplish the proposed action: \_\_\_ Yes \_\_\_ No
4. All necessary written instruments carry the signatures of two officers of the Board of Trustees or the Board of Directors: \_\_\_ Yes \_\_\_ No
5. The written consent of the pastor and of the district superintendent to the proposed action is included in or affixed to the mortgage:  
\_\_\_ Yes \_\_\_ No

**Step Ten:** The local church shall acquire a fee simple title to the property on which the building is to be erected. (Par. 2543.10)

1. Requirement of Par. 2503 (trust provision) met: \_\_\_ Yes \_\_\_ No  
Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_
2. Requirements of Paragraphs 2535 and 2536 or Paragraphs 2537 and 2538 have been met: \_\_\_\_ Yes \_\_\_\_ No  
Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

**Step Eleven:** The project is to be put out to bid with bids to be returned by: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

**NOTE:** No contract is to be signed until sufficient cash is on hand, and/or pledges payable during construction, and/or a loan secured.

**OFFICERS OF THE BOARD OF TRUSTEES ARE THE LEGAL OFFICERS OF THE CHURCH WHO SHOULD EXECUTE BIDS AND ALL LOAN DOCUMENTS.**

## Estimated Timeline For a Building Project

Months Prior to Construction				
16 Months	15 Months	14 Months	13 Months	12 Months
Establish Study Committee	Submit Study Committee's Findings to District Committee on Church Location and Building  Hold Charge Conference to Elect Building Committee  Prioritize and list the needs of the church  Determine the estimated safe debt limit for the church	Interview and hire an architect for preliminary drawings    Interview and consult with a contractor	Submit Building Committee's findings to District Committee on Church Location and Building.   Conduct Church Conference to approve project (preliminary data).	Interview and select capital fund consultants.
	10 Months	9 to 5 Months	4 Months	3 Months
Begin capital fund drive.	Architect to work within the guidelines of the church concerning needs and financial ability. Obtain final plans.  Interview contractors before letting bids.  Obtain preliminary bids.	Conduct Charge Conference to approve project (using detailed data).  Submit detailed financial and architectural plans to District Committee on Church Location and Building and receive approvals.	Submit formal loan application.	Obtain firm bids and select contractor.   Construction phase begins.



APPENDIX A  
THINGS TO CONSIDER  
BEFORE YOU BEGIN  
YOUR BUILDING PROJECT

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## **THINGS TO CONSIDER BEFORE YOU BEGIN YOUR BUILDING PROJECT**

When an institution is considering a building project, financial issues are at the forefront of the decision making process. Sometimes it is difficult to know if the right questions are being asked, much less whether you are coming up with the correct answers. As your partner in the building and loan process, the Foundation is happy to share its expertise and resources. As you begin the planning process, here are some issues you may want to consider.

### **SHOULD WE PAY CASH OR SHOULD WE BORROW?**

It is always less expensive for a church to pay cash for a capital project. However, a church might consider borrowing when its vision and ministry depend on a capital project that cannot be paid for in cash, and, it can generate enough income to service the debt and not create shortfalls or hardships on the other obligations of the church.

### **SHOULD WE CONSIDER A CAPITAL CAMPAIGN?**

Almost every church we encounter uses a Capital Campaign for major projects. A Capital Campaign is an organized effort to raise funds over and above the operating budget. This money can be used to pay for construction costs, or principal and interest for the term of the Campaign.

During this time your operating budget should be able to grow enough to make the monthly loan payments and to cover additional apportionments, maintenance, programming, staff and other needs.

It has been our observation that churches:

- Take from three to five months for a campaign
- Will collect about 85% of the pledges; and
- By using an outside consultant can expect to raise 50% more in commitments than if they used a self-led campaign.

### **WHEN HIRING AN OUTSIDE CONSULTANT:**

- Churches should interview as many consultants as possible to find the right match for their church.
- Fees will vary with the size of the fund-raising organization. It is best to negotiate a stated fee in advance of the drive, understanding that the out-of-pocket costs (housing, travel, phone and materials) are usually in addition to the stated fee. A fee based on a percentage of funds raised is not encouraged.

(See "Consultant Interview Sheet" on next page.)

# CONSULTANT INTERVIEW SHEET

- *Who is the on-site consultant responsible for this campaign?*
- *How many years of experience does the consulting company have?*
- *How many years of experience does the consultant have?*
- *Number of campaigns in United Methodist Churches?*
- *Number of campaigns in similar sized churches?*
- *How much time will the campaign take?*
- *What is the best time of year for the campaign?*
- *Will there be one person conducting the campaign?*
- *Will this person conduct other campaigns at the same time?*
- *How much time will the consultant actually spend on site?*
- *Will church members be used in this campaign?*
  - *If so, how many?*
  - *How will they be used?*
- *How will the campaign be developed to meet the distinctive needs of our congregation?*
- *What kind of follow-up is provided?*
- *How will the consultant work with the congregation in setting goals and preparing for an effective campaign?*
- *What are the fees and how are they paid?*
- *What other costs are associated with this campaign?*
- *What were the last three campaigns the consultant conducted and what were their outcomes?*
- *List three other references.*
- *How will the consultant lead the congregation in understanding Christian stewardship and giving, specifically within the United Methodist Wesleyan tradition?*

### **HOW MUCH CAN WE EXPECT TO GROW?**

On the average, active, growing churches increase their operating income five percent per year. Occasionally, a church may grow at a greater rate, but very seldom is this growth maintained on a year-to-year basis. A five- percent income growth figure is a good yardstick for most churches.

### **IF YOUR CHURCH IS RELOCATING**

If your church is relocating, you may be counting on defraying the cost of the move by selling the current site. Before you estimate your profits, understand that selling church property can be difficult and the market value of your property may be much lower than you anticipate. Be willing to take an objective look at your property value and consult a real estate broker if necessary.

You should also be aware that the Foundation would not loan money to the potential buyer of your old site unless the buyer is a United Methodist Church or agency of the Western North Carolina Conference.

We will not lend money based on a note receivable you take from a buyer.

Any loan decision we make will not be based on the sale of the old site to pay down on a new loan.

### **WHICH IS MORE IMPORTANT, CASH FLOW OR COLLATERAL?**

We qualify all borrowers based on their ability to generate enough cash to repay a loan. We do not look at collateral value as the primary source of repayment.

### **DETERMINING SAFE DEBT SERVICE**

We recommend that your total loan payments in a given year should not exceed 35% of your operating income on debt service. Your safe debt level should be determined on the basis of:

- Current budget items
- Available cash
- Anticipated future growth, and
- Capital fund pledges

## **ARE THERE OTHER COSTS ASSOCIATED WITH A BUILDING PROJECT?**

- Architectural Fees
- Engineering Fees
- Capital Funds Campaign
- Closing costs and loan interest
- Site Purchase
- Site Preparations and Finishes: Clearing and tree replacement, cut and fill, right-of-way improvements, environmental mitigation/removal, landscaping
- Legal fees: (for property title search, etc.), construction contractor services
- Bond and Insurance Costs: Payment and performance bonds, builder's risk and liability insurance
- Permits, Zoning Changes and Inspections: Driveway permits, re-zoning, variance and exception costs, sub-surface soil inspections, soils investigation, survey boundary, topographical, tree inspection, environmental survey
- Utilities: Water connection/plant, sewer connection/plant, storm water connection, telephone/electrical/gas service
- Staff Needs and Workman's Compensation
- Furnishings
- Signs
- Maintenance Costs
- Contingency Amounts

## **ARE THERE CERTAIN REGULATORY REQUIREMENTS THAT SHOULD BE RESEARCHED AND CONSIDERED?**

- Local Water Management District
- North Carolina Department of Environmental Protection
- US Army Corps of Engineers
- City Planning Board
- City Building Code: Landscape Code, Signage Code
- City Concurrency of Capacity: Recreation, Traffic Impact, Mass Transit, Water/Storm/Sewer
- City Fire Marshall
- City Zoning Code: Minimum Lot Size, Setbacks, Maximum Lot Coverage, maximum height, PUD stipulations
- Federal/State Accessibility Law

## **NEW CHURCH SITE**

- How much land is needed if the church is relocating to a new site?
- Is the new site debt free?
- Has a study been conducted to determine utilities accessibility, traffic flow, curb cuts, etc.
- Has a study been made of all local, management district, county and state building codes and regulations?
- Will the new site meet all such requirements?
- Has a relocation plan and the new site been approved by the District Board of Church Location and Building?

## **WHAT SHOULD BE CONSIDERED WHEN EXAMINING A POTENTIAL NEW SITE?**

- Community Land Use Plan
- Existing Church Activity
- Ten Year Demographics
- Visibility
- Frontage
- Access
- Appraisal
- Schools
- Housing
- Commercial/Industrial use or zoning
- Deed Restrictions: Site use, design review, maintenance requirements, setbacks, building size easements, etc.

## **HOW MUCH SPACE DO WE NEED?**

The following are suggestions drawn from material provided by the Office of Architecture, National Division, of The United Methodist Church. However, local building codes will determine actual space requirements.

Additionally, see 2008 Book of Discipline, paragraph 2543.4 on requirements for the physically challenged.

### **General Guidelines for Special Needs:**

- Worship Area: 12 sq. feet per person
  
- Education:
  - A. Nursery & Kindergarten: 35 sq. ft. per person
  - B. First through Sixth Grades: 30 sq. ft. per person
  - C. Seventh through Twelfth Grades: 25 sq. ft. per person
  - D. Adult: 20 sq. ft. per person
  
- Fellowship Hall: 12 sq. ft. per person
  
- Narthex: 3 sq. ft. per person
  
- Offices: Minimum of 150 square feet per office
  
- Restrooms: 150 to 200 sq. ft. per office
  
- Kitchen: 20% of the Fellowship area
  
- Corridors and Storage: 20% of total above
  
- Parking: At least one space for every 2.4 people in attendance.

### **WHAT BUILDINGS SHOULD WE BUILD FIRST?**

Generally, new and relocating churches have less financial difficulty when they build in the following order:

- Multi-purpose space:
  - Large open area
  - Kitchen
  - Classrooms/Office Area
- Education Space
- Additional Education/Office Space
- Sanctuary

# ARCHITECT INTERVIEW SHEET

- *Who is the contact person responsible for this job?*
- *What is their experience?*
- *List the last three building projects you designed that were actually constructed.*
- *Were they completed at or under estimated cost?*
- *If not, why?*
- *Have you designed any United Methodist Churches? Please list them.*
- *How much time do you spend on a project during construction?*
- *What do you do when you are there?*
- *What is your policy/fee on change orders?*
- *What is your experience with local building codes, zoning requirements, city, county and other restrictions or ordinances in this community?*
- *What is your fee?*
- *What is the schedule for payment?*
- *If your design is over budget, what are your remedies?*
- *Will you provide detailed plans and specifications?*
- *List at least three references.*

## CONTRACTOR INTERVIEW SHEET

- *Who is the contact person responsible for this job?*
- *What is their level of experience?*
- *Will they have other jobs going on at the same time?*
- *If so, how much time will they spend on this project?*
- *List the last three building projects you constructed.*
- *Were they completed at or under the estimated project cost? If not, why?*
- *Were they completed on time? If not, why?*
- *Have you built any United Methodist Churches? Please list them.*
- *What is your experience with local building codes, zoning requirements, city, county and other restrictions or ordinances in this community?*
- *What is your policy/fee on change orders?*
- *Can you provide payment and performance bonds?*
- *Who provides your builder's risk and workman's compensation insurance?*
- *What is your construction fee?*
- *Can you construct this project with 10% retainage?*
- *Who will be the on-site superintendent?*
- *Discuss the superintendent's experience.*
- *List at least three references.*

# **BUILDER'S CONTRACTS**

## **Be sure legal name of church is used.**

If unincorporated, all trustees must sign contract.

## **Preliminary Studies:**

Preliminary studies should include estimated cost of obtaining all permits.

## **Project Costs Beyond Contract:**

What specifically is excluded from the contract price?

## **Progress Payments:**

- A. The draw schedule should match that of the lender.
- B. Draw request should be based on percentage of project completed.
- C. Contractor should provide lien waivers for all work previously paid for by owner before subsequent draw is honored.
- D. Owner should review and approve work completed before draw is paid. This is especially true if architect is in the employ of the contractor.

## **Acceptance and Final Payment:**

- A. Contractor should provide final affidavit stating that all bills have been paid and that there are no outstanding liens against the property.
- B. Copies of all lien waivers must be provided by the contractor to the owner, including the contractor's own final lien waiver.
- C. Lender and owner must accept the project.

## **Donated Material and Labor:**

The lender does not advance money for the purchase of materials by the church. The church must pay for this itself and seek reimbursement from the lender for material that has been used or is stored securely on site for the project.

## **Right to Terminate Project:**

- A. Number of days after due date by which the owner must make payment to contractor should not be fewer than 14.
- B. This number of days should be consistent with the time period allowed for payment by owner in the section "progress payments."

## **Liability Insurance:**

Contractor's liability insurance should not be less than \$1,000,000.

## **Arbitration:**

- A. Trial is preferable for owner; however, the contract should allow for either party to request arbitration.
- B. Contract should state that the services of the American Arbitration Association would be used in the event arbitration is necessary.
- C. Contract should also state that the prevailing party could recover costs and attorney's fees.

**Warranty:** Statute of Limitations on filing a suit for defects in materials and workmanship is four (4) years.

**Substantiation:**

If a party or parties other than the contractor and the owner is (are) a signatory to the contract, it should be stated that the other party/parties is (are) in the employ of the contractor.

**Contract should also include:**

- A. Statement of completion date or time span for completion
- B. Defined penalty for non-completion by agreed upon date.
- C. Lender will require reference to payment and performance bonds, if such.





APPENDIX B

PROJECT WORKSHEET

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# PROJECT WORKSHEET

(Step Two of the Building and Loan Process for New or Existing Churches)

## I. General Information

Church: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

Pastor: \_\_\_\_\_

District: \_\_\_\_\_

County: \_\_\_\_\_

Year Church Organized: \_\_\_\_\_

Is the church incorporated? \_\_\_\_\_ Yes \_\_\_\_\_ No

If incorporated, the exact corporate name of the church:

\_\_\_\_\_

	This Year	Last Year
Present Membership:	_____	_____
Average Worship Attendance:	_____	_____
Church School Enrollment:	_____	_____
Church School Attendance:	_____	_____

## II. Project Information

A. On a separate sheet:

1. Describe the project,
2. State the purpose(s) that will be achieved by the project,
3. Give the timeline that will be followed for completing the project.

B. Total cost of project: \_\_\_\_\_ Actual \_\_\_\_\_ Estimate  
(Include architectural and other associated fees.)

C. Amount of loan needed: \_\_\_\_\_  
(Please note that loans from Conference sources require that the church have on hand – or have spent on the project – 20% of the project's cost.)

D. Will the District guarantee the loan? \_\_\_\_\_ Yes \_\_\_\_\_ No

E. Amortization period being considered (should not exceed 15 years): \_\_\_\_\_

F. Annual debt service cost of anticipated loan:  
\$ \_\_\_\_\_

Annual debt service cost for all church indebtedness: \$ \_\_\_\_\_

What percentage of the previous year's total income (including building fund income) would the church's total debt service cost represent?  
\_\_\_\_\_ %

What percentage of the current year's total income (including building fund income) will the church's total debt service cost represent? \_\_\_\_\_ %  
(Total debt service should not exceed 35% of total income.)

G. Construction loan:  
will be requested \_\_\_\_\_  
will not be requested \_\_\_\_\_

If a construction loan will be requested, the type of contract with the General Contractor will be:

- \_\_\_1. Stipulated Sum Basis with 100% Performance Bond and 100% Labor and Material Bond.
- \_\_\_2. Stipulated Sub Basis without 100% Performance Bond and 100% Labor and Material Bond.

- \_\_\_3. Construction Management Basis without Performance Bond and Labor and Material Bond on the General Contractor.
- \_\_\_4. Other

**III. Financial Information**

Obtain Balance Sheets and Income and Expense Reports for the most recent calendar year and for the current year to date. Additionally, complete the summary statement on the next page.

Amount budgeted and received during the most recent calendar year for:

	Budget	Actual
A. Pastor(s) salary and travel expenses	_____	_____
B. Building fund and debt retirement	_____	_____
C. Current Program expenses (Including Church Schools)	_____	_____
D. Property Improvement	_____	_____
E. Conference Apportionments (Fund 5-67)	_____	_____
F. Other Conference Goals and Askings	_____	_____
G. All other operating expenses	_____	_____
Total Expenses:	_____	_____
Total Received for All Purposes	_____	_____

Percentage of Apportionments paid last year: \_\_\_\_\_% \$\_\_\_\_\_

**IV. Property Values**

- A. Church site                    \$\_\_\_\_\_                    Indebtedness \$\_\_\_\_\_
- B. Church buildings            \$\_\_\_\_\_                    Indebtedness \$\_\_\_\_\_
- C. Parsonage                    \$\_\_\_\_\_                    Indebtedness \$\_\_\_\_\_
- D. New site                        \$\_\_\_\_\_                    Indebtedness \$\_\_\_\_\_
- E. Other real property        \$\_\_\_\_\_                    Indebtedness \$\_\_\_\_\_
- F. Date of most recent property assessment: \_\_\_\_\_

**V. Resources for Project**

- A. Cash on hand, as of \_\_\_\_\_ \$ \_\_\_\_\_
- B. Donations anticipated from District or Conference \$ \_\_\_\_\_
- C. Pledges committed to the project for the period  
\_\_\_\_\_, 20\_\_ through \_\_\_\_\_, 20\_\_ \$ \_\_\_\_\_
- D. Amount already paid on project \$ \_\_\_\_\_
- E. Duke Endowment Funds (anticipated) \$ \_\_\_\_\_
- F. Congregational Development Funds (anticipated) \$ \_\_\_\_\_
- G. Other (list on separate sheet if necessary) \$ \_\_\_\_\_
- Total anticipated resources \$ \_\_\_\_\_

**VI. Capital Funds Campaign**

A Capital Funds campaign was/will be (circle one) conducted on  
\_\_\_\_ / \_\_\_\_ / \_\_\_\_ and pledges were/will be (circle one) secured for a  
total of \$ \_\_\_\_\_, payable during the period  
\_\_\_\_ / \_\_\_\_ / \_\_\_\_ through \_\_\_\_ / \_\_\_\_ / \_\_\_\_  
(The amount of the pledges should be equal to the total of at least two years of  
the loan amortization.) As of \_\_\_\_ / \_\_\_\_ / \_\_\_\_ the total amount received  
on these pledges was \$ \_\_\_\_\_.

Another capital funds campaign will be held on \_\_\_\_ / \_\_\_\_ / \_\_\_\_ to  
secure additional pledges for debt retirement. It is anticipated that the capital  
funds campaign will be under the supervision of  
\_\_\_\_\_  
Individual/Consultant Name

**Attorney**

Will an attorney represent your institution? \_\_\_\_Yes \_\_\_\_No

If “Yes”, please provide the following:

Name: \_\_\_\_\_

Firm: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: (\_\_\_\_)\_\_\_\_-\_\_\_\_\_

Fax: (\_\_\_\_)\_\_\_\_-\_\_\_\_\_



APPENDIX C

ENVIRONMENTAL ASSESSMENT CHECKLIST

**United Methodist Foundation of  
Western North Carolina, Inc.**

**13816 Professional Center Drive, Suite 100**

**Huntersville, North Carolina, 28078**

888-450-1956

704-817-3990

980-422-0390- Fax

[www.umfwnc.org](http://www.umfwnc.org)

Reverend David A. Snipes, President

[dsnipes@umfwnc.org](mailto:dsnipes@umfwnc.org)

**UNITED METHODIST FOUNDATION OF WESTERN NORTH CAROLINA,  
INC.**

**ENVIRONMENTAL ASSESSMENT CHECKLIST  
(To be completed by Borrower)**

Please assist us in collecting information about your property with regard to potential environmental contamination. This checklist and an on-site visit by a Foundation officer are required as part of the approval process and the Foundation may also require an environmental audit by a qualified environmental inspection firm. All of these steps are intended to protect you and the fund from potential liability. We appreciate your cooperation.

1. Borrower Name:

\_\_\_\_\_

Address:

\_\_\_\_\_

2. Subject Property Address:

\_\_\_\_\_

3. Describe the proposed use of this property:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Describe the present & all known past uses of this property:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 4a. Identify all past owners, tenants or persons who have used or are using this property:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



	Cement or cement products	Y	N
	Paint or decorating supplies	Y	N
	Batteries/transformers	Y	N
	Photo processing	Y	N
	Printing	Y	N
	Electroplating	Y	N
	Chemicals	Y	N
	Metal fabrication	Y	N
	Pest control (fungicides, pesticides)	Y	N
	Fertilizers	Y	N
	Agricultural use (explain)	Y	N
<hr/>			
8.	Swimming pool supplies	Y	N
9.	Funeral homes	Y	N
10.	Dry cleaning	Y	N
11.	Asphalt or other petroleum products	Y	N
12.	Furniture refinishing	Y	N
13.	Asbestos or asbestos products	Y	N
14.	Soaps and detergents	Y	N
15.	Leather tanning or finishing	Y	N
16.	Glass and glass products	Y	N
17.	Rubber	Y	N
18.	Timber and paper	Y	N
19.	Plastics or synthetics	Y	N
20.	Pharmaceuticals or cosmetics	Y	N

- |  |   |   |
|--|---|---|
| 21. Manufacturing computer hardware or circuit board | Y | N |
| 22. Radioactive materials                            | Y | N |
| 23. Explosives, ammunition or fireworks              | Y | N |
| 24. Chemical, biological, or nuclear research        | Y | N |
| 25. Disposal of waste or recycling of any kind       | Y | N |

If the subject property has been so used, please specify which portion and when:

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- |  |   |   |
|--|---|---|
| 26. Is the property adjacent to the subject property currently used, or has it ever been used, for the purposes listed above | Y | N |
|--|---|---|

If Yes, describe please:

- |  |   |   |
|--|---|---|
| 27. Has the subject property or property adjacent to it ever been used for the creation, manufacture, storage, handling, transportation, or disposal of hazardous waste or hazardous substances? | Y | N |
| 28. What chemicals have been used on the property?<br>What wastes were produced on the property?<br>How were the wastes disposed of (current and past practices)?                                | Y | N |
| 29. Was any portion of the subject property created or modified by dredging or landfill?   | Y | N |
| 30. Has the subject property ever been mined for oil, gas or any other minerals?   | Y | N |
| 31. Were the buildings or other structures on the subject property constructed prior to 1979?  | Y | N |
| 32. Was asbestos or asbestos-containing products used in construction of those structures?   | Y | N |

33. Are there any electrical transformers or capacitors on the subject property? If Yes, have the transformers or capacitors been tested for toxic chemicals such as PCB's? Y    N
34. Have solvents ever been used on the subject property? If so, explain how the solvents were used, estimate the quantity used and describe the disposal practices used for spent or waste solvents. Y    N
35. Is the activity that the property is being used for in compliance with all environmental permits and laws? If no, please explain. Y    N
36. Are there any claims or lawsuits pending involving the property or the business that relate to environmental contamination or the discharge of emission or exposure to hazardous substances? Y    N

If Yes to any of the above, specify which portion and explain further, also attach any relevant documents:

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Each of the undersigned personally warrants that they have read the information contained herein and answered each question truthfully and completely. Each of the undersigned understands and agrees that the obligation to inform lender of any changes in the information given above is a continuing one.

\_\_\_\_\_  
Pastor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chair of Trustees

\_\_\_\_\_  
Date



APPENDIX D

APPROVAL FORMS

as required by

The Book Of Discipline of  
The United Methodist Church - 2008

**United Methodist Foundation of  
Western North Carolina, Inc.**

**13816 Professional Center Drive, Suite 100**

**Huntersville, North Carolina, 28078**

888-450-1956

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Reverend David A. Snipes, President

[dsnipes@umfwnc.org](mailto:dsnipes@umfwnc.org)

**SAMPLE**

**APPROVAL OF PASTOR AND DISTRICT  
SUPERINTENDENT**

Approval as required by the  
2008 Book of Discipline of the United  
Methodist Church  
(Paragraph 2543.1)

We, the Pastor and District Superintendent, do hereby endorse the report of the Study Committee of the \_\_\_\_\_ United Methodist Church. The Study Committee is authorized to present its findings to the Charge Conference for further action in accordance with the 2008 Book of Discipline of the United Methodist Church.

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Pastor \_\_\_\_\_

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_ District Superintendent \_\_\_\_\_

**SAMPLE**

**APPROVAL OF SITE BY DISTRICT BOARD OF  
CHURCH LOCATION AND BUILDING**

Approval As Required by the  
2008 Book of Discipline of the United  
Methodist Church  
(Paragraph 2543.2)

This is to certify that the District Board of Church Location and Building of the \_\_\_\_\_ District, Western North Carolina Conference, has studied the proposed site for the building project for the \_\_\_\_\_ United Methodist Church and hereby gives its approval.

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Secretary \_\_\_\_\_

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_ District Superintendent \_\_\_\_\_

**SAMPLE**

**CHARGE CONFERENCE RESOLUTION**

Approval As Required by the  
2008 Book Of Discipline Of The United  
Methodist Church  
(Paragraph 2543.3)

BE IT RESOLVED by the Charge Conference of \_\_\_\_\_  
UNITED METHODIST CHURCH (“the Church”) that the Church has reviewed the  
analysis of the needs of the church and community, the projections of membership and  
attendance, and the program of ministry as prepared and presented by the study  
committee; and based upon these reports does authorize the proposed

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

And shall elect the following members to serve on the building committee (no less than  
three members\*):

_____	_____
_____	_____
_____	_____
_____	_____

\_\_\_\_\_  
Name, Chairperson

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name, Secretary

\_\_\_\_\_  
Date

\*The Charge Conference may appoint a separate Building Committee or authorize the  
Board of Trustees to act as a Building Committee.

**SAMPLE**

**APPROVAL OF NEEDS, PRELIMINARY  
ARCHITECTURAL PLANS,  
FINANCIAL ESTIMATES AND PLANS  
BY DISTRICT BOARD OF CHURCH LOCATION  
AND BUILDING**

Approval As Required By The  
2008 Book Of Discipline Of The United  
Methodist Church  
(Paragraph 2543.5)

This is to certify that the District Board of Church Location and Building of the  
\_\_\_\_\_ District, Western North Carolina Conference, has  
studied the need for the proposed \_\_\_\_\_

\_\_\_\_\_ of the \_\_\_\_\_ United Methodist Church of  
\_\_\_\_\_ and has approved  
the architectural plans and financial estimates and plans, and hereby gives its  
approval.

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Secretary \_\_\_\_\_

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_ District Superintendent \_\_\_\_\_

**SAMPLE**

**APPROVAL OF NEEDS, PRELIMINARY  
ARCHITECTURAL PLANS,  
FINANCIAL ESTIMATES AND PLANS BY  
CHURCH CONFERENCE**

Approval as Required by the  
2008 Book of Discipline of the United  
Methodist Church  
(Paragraph 2543.6)

This is to certify that a Church Conference of \_\_\_\_\_ United  
Methodist Church of \_\_\_\_\_ has studied the need for the  
proposed:

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and has approved the architectural plans and financial estimates and plans, and hereby  
gives its approval for continuation of the project.

Date \_\_\_\_\_ Secretary: \_\_\_\_\_

Date \_\_\_\_\_ Pastor: \_\_\_\_\_

Date \_\_\_\_\_ District Superintendent: \_\_\_\_\_

**SAMPLE**

**CHARGE/ CHURCH CONFERENCE RESOLUTION**

As Required By The  
2008 Book Of Discipline Of The United  
Methodist Church  
(Paragraph 2543.7)

BE IT RESOLVED by the Charge Conference of \_\_\_\_\_  
UNITED METHODIST CHURCH (the "Church") that the Church borrow from the United  
Methodist Foundation of Western North Carolina, Inc., a North Carolina non-profit lender, or  
from such other lender as the Board of Trustees of the Church may determine, up to the sum of  
\$ \_\_\_\_\_, secured by a lien against the real property described on Exhibit  
"A" attached hereto, for the purpose of

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

BE IT FURTHER RESOLVED that the officers of the Board of Trustees are authorized  
to negotiate the terms and conditions of such loan and mortgage on behalf of the Church; that any  
two officers of the Board of Trustees are authorized and directed to take such actions and execute  
and deliver such instruments or documents related to such loan and mortgages as they in their  
discretion deem necessary or appropriate, including, but not limited to, the execution and delivery  
of one or more promissory notes, deeds of trust, security agreements, financing statements,  
commitment letters, loan agreements; and that the actions so taken and the instruments and  
documents so executed and delivered are hereby ratified and approved as the binding act and  
deed of the Church;

BE IT FURTHER RESOLVED that any two officers of the Board of Trustees of the  
Church are authorized to take such actions and execute and deliver such instruments and  
documents as they in their discretion deem necessary or appropriate to renew, extend, rearrange,  
modify, amend or otherwise change the terms of the loan or mortgage without further action of  
the Charge Conference, Administrative Board or Board of Trustees of the Church, including, but  
not limited to, the execution and delivery of one of more renewals, extensions, modification  
agreements, and new notes, deeds of trust and security agreements; and that the actions so taken  
and the instruments and documents so executed and delivered are hereby ratified and approved as  
the binding act and deed of the Church; and

BE IT FURTHER RESOLVED that the loan and mortgage and all actions taken or to be  
taken in connection with the loan and mortgage by or on behalf of the Church have been, and  
hereby are, approved and confirmed as required by The Book of Discipline of The United  
Methodist Church now in effect.

\_\_\_\_\_  
Name Date Name Date

Chairperson

Secretary

## SAMPLE

# APPROVAL OF DETAILED PLANS AND SPECIFICATIONS, RELIABLE AND DETAILED ESTIMATE OF COSTS, AND A PLAN FOR FINANCING BY DISTRICT BOARD OF CHURCH LOCATION AND BUILDING

Approval As Required By The  
2008 Book Of Discipline Of The United  
Methodist Church  
(Paragraph 2543.7)

This is to certify that the District Board of Church Location and Building of the  
\_\_\_\_\_ District, Western North Carolina Conference has  
studied the detailed architectural plans and specifications, the detailed estimates  
of cost, and the financial plan for the proposed \_\_\_\_\_  
\_\_\_\_\_

for the \_\_\_\_\_ United Methodist Church of \_\_\_\_\_ and hereby  
gives its approval.

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Secretary \_\_\_\_\_

Date \_\_\_\_ / \_\_\_\_ \_\_\_\_\_ District Superintendent \_\_\_\_\_