

## **Approval Process for Property Leases – Toolkit**

**Purpose.** Give pastors and local church leaders a concise workflow for leasing UMC property.

### **1) Governing Principles (what must be true)**

- Held in trust. Local property is held in trust for the UMC (§2501); any lease is a connectional act, not a private deal.
- Mission first. Use must serve or, at minimum, not obstruct the church's mission (§201).
- Follow approvals. Use the Discipline's layered approvals to ensure accountability and validity.

### **2) 5-Step Approval Path (start-to-finish)**

1. Trustees review & green-light terms (§2533).  
Scope: rent, term, permitted use, renewals, utilities, maintenance, insurance, indemnity, termination.
2. Draft the lease (civil-law compliant).  
Include: Trust clause (§2501), usage restrictions, insurance/indemnity, maintenance, termination for mission conflict/sale/default, compliance with zoning/occupancy/building codes.
3. Special Charge Conference (§2541.1–2).  
DS authorizes; give 10-day notice with date/time/purpose; members vote to approve the lease.
4. DS + District Committee approvals (§2541.3).  
Submit: trustees' action, charge-conference minutes, final lease draft.
5. Execution (signatures).  
Signers usually include Trustees chair, pastor, DS, and tenant's authorized signatory. Only now the lease is binding.

### **3) Required Documents (assemble as a packet)**

- Trustees minutes with recommended terms.
- Final lease draft (with trust clause & required riders).
- Special charge-conference call/notice + minutes & vote result.
- Insurance certificate naming church as additional insured.
- Any required permits/occupancy confirmations.

### **4) Clauses You Shouldn't Omit**

- Trust Clause (§2501).
- Indemnification & Insurance. Tenant carries CGL; church named additional insured; evidence before occupancy; ongoing proof required.
- Permitted Use & Non-interference. Respect worship schedules and ministry priorities; explicit quiet-enjoyment limits.
- Maintenance & Utilities. Who cleans, fixes, pays; access for inspections.
- Compliance. Tenant obeys all laws, codes, and policies (child safety, background checks if applicable).

- Termination. Church may terminate for mission conflict, sale/redevelopment, material breach, or loss of approvals; set cure periods.
- Assignment/Subletting. Prohibit without written DS/church consent.
- Dispute forum/venue consistent with church's location.

#### **5) Best Practices (save headaches later)**

- Write and use your lease, not the tenant's. Align with mission and Discipline requirements.
- Legal review. Engage counsel experienced in nonprofit/church law.
- Right-sized terms. Avoid 20–30-year terms; use renewal options with DS oversight checkpoints.
- Clear calendars. Put worship/high-holy-day blackout times in the lease.
- Recordkeeping. Store fully executed copies with church, DS office, and conference files.

#### **6) Red Flags / Pitfalls to Avoid**

- Signing **before** DS/District Committee approvals.
- Missing trust-clause language.
- Letting tenant draft the entire agreement.
- Ambiguous maintenance/utility provisions.
- No proof of insurance or expired certificates.

#### **7) Quick Signature & Handover Checklist**

- Trustees vote recorded (§2533)
- DS-authorized special charge conference held; minutes filed (§2541.1–2)
- DS approval + District Committee on Church Location & Building approval (§2541.3)
- Final lease with required clauses (incl. trust clause)
- Insurance certificate (additional insured) on file
- Keys/access, schedules, contact protocol documented
- Executed copies distributed and archived