



BUILDING, BUYING & REMODELING GUIDE

The Penn York District Building Committee offers the following guidelines for any church planning to purchase property, remodeling that exceeds 10% of the present value of a building or build an addition or new building. We hope that this resource will help the local church prepare for and conduct projects in a timely way and with the best possible stewardship of time, talent, and treasure



The District Building Committee is tasked, in support of the District Board of Administration and in service to you, with ensuring that your church is financially healthy, possessing a good financial plan, along with strong support from your Local Board of Administration and congregation, for the project before you.

The following documents are designed to help you in the discernment and planning process. The project and financial worksheets will also help you prepare for the information that will be required of you by the Building Committee for project approval. The worksheets provide a template from which your final proposal to the DBA can be developed.

The District Building Committee looks forward to working with you and praying for you throughout your project.

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Church Building Projects: “How to Determine When Not to Build”

Helpful questions for church leaders to consider, from the book “When Not to Build” By Church Architect Ray Bowman from Baker House Publishing (Pages 107 & 108) Answer the following questions about your church:

		Yes	No
1.	The regular giving in our church is strong.		
2.	The giving units – individuals or families who give regularly – represent a majority of the congregation.		
3.	We consistently meet our budget, fully funding our ministries and staff needs.		
4.	Our budget includes adequate funds for intentional outreach and to meet needs of people in the community.		
5.	We teach Biblical financial principles to our families and individuals, including an emphasis on Biblical giving.		
6.	The church is debt free.		
7.	Through the use of a building and funding survey we have found out that the present giving units are ready to commit themselves to an increase in their giving to cover the cost of construction and future building operation costs, so that none of the church’s present ministry spending would ever have to be diverted to help cover the costs of the new building.		
8.	The increased giving for future facilities is currently accumulating and is being wisely invested for a good return.		
9.	The church has enough invested in its building fund to be able to pay cash or almost cash for the proposed building program.		

Following these questions, Ray Bowman says: “If you checked yes to the first 6 questions, your church is probably basically financially healthy, and by implementing number 7, 8 and 9 you should be financially ready to build within a few years. As soon as all nine statements are true about your church, you have then passed the financial readiness test and should proceed with your building plans.” *NOTE: This is an OUTSTANDING BOOK. No church leadership board should consider any major renovation or building plans before each board member reads this.*

10 Steps to a Successful Church Building Project

1. Appoint or elect a Ministry Needs Committee to evaluate present and future ministry needs. The single most important factor in determining what you need to build is “ministry needs”. Why and what is built is dictated by what we need! Be prepared to show the District Building Committee exactly what you need.
2. Appoint or elect a Building Committee which will take the report of the Ministry Needs Committee and develop conceptual, site, floor and building plans that meet those needs.
3. Begin the process of checking local building codes and regulations.
 - a. Will local zoning laws permit the kind of use envisioned?
 - b. What type of construction will be allowed?
 - c. Parking regulations, setback requirements, easements, water, septic, drainage, utilities?
 - d. Are there environmental issues that need to be addressed?
 - e. What certification is required for drawings?
 - f. What other variances, permits or authorizations might be required on the local, county or state levels?
4. Appoint or elect a Finance Committee to develop a financial plan to pay for the project.
 - a. How much money do you want on hand before you begin?
 - b. How much debt can you carry? A good “rule of thumb” is that your debt should not exceed 2-1/2 times your annual budget.
 - c. Will you conduct a professional capital campaign? What will be your goal?
 - d. Where will you borrow funds?
5. Prepare a preliminary ministry needs report and conceptual building plans to submit to the Local Church Conference for initial approval.
 - a. This proposal should include: site plan, initial floor plan, proposed elevations, parking plan and current estimates.
 - b. This proposal should include a presentation of the ministry needs and how this project will enhance present and future ministries.
 - c. This proposal should include the initial financial plan.
 - d. *Seek initial approval (majority of the members present) from the Local Church Conference (LCC) to move forward with the development of a formal proposal for construction and/or facility/property purchase. Emphasize that this initial decision is not a decision to build, but to formally pursue a building project that must be approved first by the district, and then by the LCC (Discipline 655:13).*
6. Seek a meeting with the District Building Committee for Concept Approval prior to hiring an architect to do your drawings. This might save considerable money. Be prepared to show *why you are building/what you propose to build/how are you going to pay for it!*
7. Develop final construction plans in consultation with the appropriate local authorities.
 - a. Check and double check all legal requirements as set forth by the town planning board and code enforcement officer.

8. Seek a final meeting with the District Building Committee to present final construction plans, construction timetable and financial plan. (Note: no funds can be borrowed until after the District Board of Administration (DBA) acts on the recommendation of the District Building Committee.) You will be required to submit the following at this meeting:
 - a. Final architectural plans.
 - b. Final construction estimates.
 - c. A complete picture of your financial history and your financial plan to cover the cost of construction and any debt incurred.
 - d. Who are your contractors? Are they bonded and insured?

NOTE: The DBA will approve projects only when it is satisfied about the need, the accuracy of estimates, the ability of the local church to handle the financial burden and the positive recommendation of the District Building Committee.
9. Prepare building plans to submit to the Local Church Conference for final approval.
 - a. This proposal should include an updated presentation/overview of the ministry needs and how this project will enhance present and future ministries.
 - b. This proposal should include: site plan, floor plan, proposed elevations, parking plan and up-to-date estimates.
 - c. This proposal should include the recommended financial plan.
 - d. *A majority of the members present at any duly called LCC must approve any purchase or sale of property, all mortgages or indebtedness that encumbers the property (Discipline 655:13). The congregation does not need to vote on every detail of construction, but it does have the duty to decide whether the church proceeds with the project, pending District approval.*
10. Wait for approval from DBA and final congregational approval of all construction and financial plans prior to signing construction contracts.
 - a. Check out and follow the requirements of the Discipline in regard to the trust clause that must be included in all titles and deeds. (Discipline 4610)

***DISCIPLINE 4610. Trust Clause.** All titles, deeds, and other written instruments for the conveyance of property to or for The Wesleyan Church as set forth in 4590 shall contain the following trust clause:

In trust for the use and benefit of the ministry and members of The Wesleyan Church, incorporated under the laws of the state of Indiana as The Wesleyan Church Corporation, subject to The Discipline, regulations, and appointments of said Church as from time to time legislated and declared.



District Building Committee
Project Worksheet

To be completed by the Local Church Building Committee and forwarded to the DBC prior to meeting.

Local Church: _____ Date: ___/___/_____

Proposed project: _____

This form helps organize your responses to the following questions:

1. "What is your present & future need?"
2. "Does the plan you are presenting meet those needs?"
3. "What is the financial plan for the proposed project?"

This information will form the basis of the District Building Committee's recommendations.

1. Need... "What is your present & future need?"

- Attendance statistics for the past 3-5 years (please attach)
- Attendance projections (please attach)
 - The next 3-5 years
 - 10 years from now
- What usages will your project support? _____

2. Design concerns

- Plans
 - Floor plan (please attach)
 - Material list (please attach)
 - Square footage: _____
 - Type of heating: _____
 - Landscaping (briefly describe): _____

- Issues
 - Utilities available on site: _____
 - Will an Engineering inspection be needed?: _____
 - Will an Environmental inspection be needed?: _____
 - Have you researched Zoning & Code compliance (permits, variances needed, American Disabilities Act, etc.) and made provisions accordingly?: _____
 - Does your project require additional parking and, if so, how do you plan to provide for it?

3. Finance

- Project
 - Estimated cost per square foot for building: _____
 - Site preparation, landscaping & paving costs: _____

- Cost of utility upgrades: _____
- Cost of engineering, permits etc.: _____
- General
 - Number of giving units in congregation: _____
 - Per capita giving: _____
 - Current balance in Savings: _____
 - Current balance in Building Fund: _____
 - Projected income through capital campaign: _____
 - Is the church current in USF/DSF payments: _____
- Budget
 - Attach copy of current year's annual budget
 - Attach copy of proposed budget for next 3 years
 - (Be sure to include the following)*
 - Projected cost of utility increases*
 - Projected cost of insurance increase*
 - Projected cost of maintenance increase*
 - Debt maintenance*
 - Debt repayment*
- Debt
 - List present debt loan & plan for repayment (please attach)
 - Amount of new debt proposed: _____
 - Type of financing sought: _____
 - Repayment plan (include present and proposed debt) (please attach)

We are excited for the Lord's work in and through your church that necessitates this project, and the Building Committee looks forward to serving Him by working with you.

District Building Committee Financial Worksheet

Building Funds on Hand \$ _____
Projected Income Prior to Construction \$ _____
Total Estimated Cost of Project \$ _____
Anticipated BORROWED Funds \$ _____

Total BORROWED Funds \$ _____
Lender _____?
Interest Rate _____?
Length of Loan _____?

(District Bonding up to a maximum of 15 years)
(District Recommended loan length is 15 years)

Amortized Monthly Payment 10 yrs _____
15 yrs _____
20 yrs _____

Financial Projections and Plan to Manage and Retire Debt?

Will you be conducting a Capital Campaign? Yes No
If YES: How _____?
When _____?
Financial Goal _____?

What has been your historical per capita giving? _____?
Has that per capita giving demonstrated growth? _____?
What are you projected growth figures for the next five years?
20/21 _____ 21/22 _____ 22/23 _____ 23/24 _____ 24/25 _____

What are your projected financial figures for the next five years?
20/21 _____ 21/22 _____ 22/23 _____ 23/24 _____ 24/25 _____

Do you anticipate adding staff in the future? How will this additional financial need be met?

What FUTURE Budget provisions are you making to manage and retire this debt AND handle the extra expenses of utilities and maintenance?