



Sacred Spaces Innovative Places

Reimagining Church Property
and Facilities as Assets

A Challenge to Face, An Opportunity to Embrace

When we hear the word “church,” one of the first things that comes to mind for many of us are church buildings. These brick and mortar, asphalt and gravel pieces of holy ground include the educational space where we went to Sunday School as a child, the gym in which we played church league basketball as a teen, the parking lot where our congregation held its annual Fall Festival and the sanctuary where we worshipped over the years, were baptized and got married. These and so many other real, tangible sites are connected to our faith journey and will always hold special places in our hearts.

Yet, the landscape of church buildings and property is changing at warp speed in the 21st century. Countless congregations are dealing with both declining attendance and decreasing revenue. As a result, their facilities suddenly feel way too large and have become a huge burden to maintain. Today, it is very common for a church of fifty to worship in a sanctuary that seats five hundred. It is also quite normal for a congregation to maintain and care for a small segment of their

facility while the majority of the physical plant falls into disrepair as a result of inadequate finances and lack of use.

Consider two recent statistics which further illustrate these troubling trends. First, in work done by the Disciples Church Extension Fund a few years ago, their research showed that their partner churches were using “only 32 percent of the space they have available on a given Sunday. These same congregations use only about 25 percent of their sanctuary seating capacity.” (disciplescef.org, August 21, 2013). Remarkably, this research related to building use on Sundays, the busiest day of building usage in most churches. One can only imagine the average percentage of use for the rest of the week.

Second, while use of facilities continues to decline, costs associated with facilities go up. Today, care of facilities accounts for 23% of church budget expenditures, trailing only personnel costs as the second highest expense category. (Tithe.ly, April 2, 2017)

This resource was created with both the sacredness and challenges of church campuses in mind. On the one hand, through these case studies, we hope to celebrate church facilities and property as sacred spaces that continue to play a key role in our formation as people of faith. At the same time, we want to be honest that church physical plants have become a huge financial challenge for more and more congregations.

To this end, this resource tells the story of seven CBF partner churches and the creative ways they are using their facilities and property. Their stories are varied and unique. Some of the congregations featured have literally found a new lease on their congregational future through the imaginative and courageous steps they have taken. Other churches profiled in this document have

discovered ways to enhance already thriving work, simply generate extra revenue for current and future endeavors or profit from selling unneeded property. All of them offer thoughtful examples that are worth pondering, learning from and exploring.

We hope that this resource helps individuals and congregations to acknowledge and live into the need for honest conversations regarding similar facility and property issues within their own context. We also trust that these stories will inspire a recognition that these challenges are also always opportunities for creativity and even resurrection of these sacred spaces in this new day in the life of the American Church that is presented to us.

Thanks for joining us in this study and journey.



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Shared food pantry and sanctuary at
Englewood Baptist Church in Gladstone, Mo.



Program space renovated by A Turning
Point on the Englewood campus



Reaching A Turning Point: Englewood Baptist, Gladstone, Mo.

About three years ago, Englewood Baptist found itself in a challenging situation that more and more churches are facing. After years of declining attendance, the church was down to around 25 regular worshippers in an aging building that was much larger than it needed. In that moment, Englewood recognized and freely discussed the stark reality that its ability to continue as a distinct church after 65 years of ministry in its community was up in the air.

At the same time, Englewood's pastor Mark Buhlig began to actively explore the work of area nonprofits. There were two ideas at work that inspired Mark's research. First, he was interested in responding to a need to minister to individuals and families experiencing homelessness in their community, and he wanted a partner

in that work. Second, Buhlig had the idea that the Englewood property might provide the perfect space to house a nonprofit while potentially taking some of the facility burden off the church.

Though it was not the first group that Mark spoke with, it was this search that led Mark to connect with an area ministry serendipitously named A Turning Point. At the time, ATP was housed in a former Methodist church in a neighboring community and had a growing ministry. It offered a clothing closet, food pantry and a certificate program for adults who did not graduate high school. While ATP was thriving, it wanted to expand and grow its ministry, yet it was limited by both the facility and property it currently occupied.

The Church As
Secondary Tenant

Englewood had an abundance of property and facilities but few funds and people. ATP, on the other hand, had ministries, volunteers and financial resources, yet limited property and building space. It all led Buhlig to approach A Turning Point's Executive Director, Cathy McIntire, to gauge interest in exploring how Englewood and ATP might work together with both organizations benefiting in the process.

Englewood's desire to address the issue of community homelessness, coupled with ATP's interest in the same need provided Englewood and A Turning Point a natural, initial project for collaboration. Collaborating on the homeless ministry also provided the two organizations a needed chance to get to know each other. Englewood and ATP took things both slowly and intentionally. In the end, the combined effort on the homeless ministry, which took place on Englewood's property, was successful. It also created trust and paved the way for a deeper look at life together.

After many conversations, meetings and reflection, ultimately A Turning Point moved to the Englewood Baptist Church facility and became the primary occupant. ATP was gifted majority use of the property

by the church. It doesn't pay rent, nor did it have to purchase the facility. Englewood Baptist still has its name on the deed, and still has access to all of the space it needs to carry out the ministry of the church. But the church no longer pays any of the utilities nor is it on the hook for maintenance or renovation needs. ATP takes care of those expenses.

As a result, A Turning Point and Englewood Baptist offer a fascinating example of the benefits of a church becoming the secondary tenant in its own building. The collaboration of ATP and Englewood also offers a window into how this can become an attractive model for other churches and nonprofits to explore. ATP has all the property it needs without the price tag of purchasing a piece of real estate. Englewood has found new life through no longer having to worry about utilities and building expenses while still being able to use its own space for services and ministry. It is a major win-win for both groups.

BENEFICIAL IN EXPECTED AND UNEXPECTED WAYS

A beautiful part of the ATP and Englewood story is that the relationship has been transformative for both organizations in anticipated and unanticipated ways.

Undoubtedly, expanded space without a purchase price or rent are huge gains for ATP. The ability to stay in one's own facility with all expenses erased is a monumental blessing for Englewood Baptist. Yet, the leadership from both groups will tell you, this is just the beginning of the list of benefits that have come from the relationship.

From ATP's perspective, one unintended outcome of the move to Englewood has been that the idea of relocation served to encourage the ministry's board to both dream and refocus. ATP was only six years old when approached by Englewood. Despite the good things happening at the time, the idea of moving so quickly required a lot of needed clarifying conversation, prayer and thinking. Once on site, the relationship with Englewood also allowed ATP to benefit from relationships with the congregants of the church. Through becoming a part of one another's lives, the gift of friendship with the people of Englewood has enriched the staff of ATP in countless ways.

For Englewood, the relationship has also been transformational in more ways than freeing financial resources. For one, it has helped the church to recognize that a key discipline of

faith is often a willingness to give up control. In this case, Englewood was willing to give up primary control of its own facility. While a daunting idea for many churches, this has been a real benefit for Englewood that in the end hasn't proven to be a major problem. ATP has also given church members wonderful new ministries within their own building that have brought the facility back to life and that have provided parishioners with impactful places to plug in. Englewood still operates a community garden as a ministry of the church. But Englewood people now also work in the food bank, clothes closet, academy and other ministries of ATP that are taking place under their own church roof.

CHALLENGES

It is not quite accurate, however, to say this transition to shared use of the Englewood Baptist property has been all smooth sailing. Overall, things have been smooth, but there have been challenges.

First, it has been a transition that required patience. In fact, this may be one of the most common aspects shared by all churches profiled in this resource. These types of major changes don't happen overnight. In the case of Englewood and A Turning Point, this has been a three-year

process that is still evolving in some ways. As a result, to bring such an idea to fruition takes dedication, resilience and patience.

Second, a unique element of the Englewood and ATP story has been the fact that opposition has come more from external than internal entities. Church members of Englewood and board members of ATP blessed the decision. But community leaders in the area around Englewood have struggled to know how to understand the new primary function of the property. This has led to several meetings with government leaders and others as everyone has tried to both explain and understand the transition the property has made, how it has remained the same and whether the facility should now be viewed as primarily a church or a local nonprofit.

LEARNING FROM THE ENGLEWOOD BAPTIST – A TURNING POINT STORY

In their reflections about their journey together from the first conversation until now, Englewood pastor Mark Buhlig and ATP Executive Director Cathy McIntire suggest three critical questions that are incredibly important for others to follow a similar path.

First, have clear guidelines been provided in writing that both groups agree to follow? Everyone must be on the same page and clearly know what is expected of the other. Otherwise, misunderstandings are inevitable.

Second, are both groups ready to be a part of each other's lives not simply tenants of the same property? Englewood and ATP intentionally interact with each other. A church member is on the ATP board. ATP leadership visit and lead worship at Englewood from time to time. These types of intentional relationship building are a must in the eyes of both leaders.

Another thing this story illustrates is the value of considering an initial joint project to explore and test the relationship. Englewood and ATP first worked with each other in a shared homeless ministry on the church property. While there was some thought that a larger collaboration in the future might be possible, the homeless ministry project gave both groups a much-needed opportunity to work together and learn about one another before taking things any further.

Third, can the church give up control and be okay with its partner

organization getting first choice as to how space is used? The Englewood-ATP story provides a great final lesson here. One of the big questions for ATP was where to locate its food pantry on the Englewood campus. Ultimately, it was decided that the sanctuary provided the best option. Even with the food pantry occupying most of the room, there remained plenty of space for the congregation of 25 to worship. The space wasn't the issue. The real question focused on how the church would feel about this new way of using the most sacred space on their property. In the end, Englewood supported the idea and even appreciated the fact that they would now worship in the same place that people come to shop for food. Members were able to celebrate that their sanctuary is now a place where people come daily for all sorts of nourishment. They have embraced the decision, but this clearly may or may not be a decision that every church could make so easily or comfortably.

In the end, Englewood and A Turning Point paint a vivid picture of what is possible with a shrinking congregation in what feels like an ever-expanding facility. Churches like Englewood and the model of allowing another entity to become the primary occupant exemplify

that there continue to be creative ways to breathe new life into both a community of faith and its facilities.



Dennis Atwood, senior pastor of First Baptist Church, Mount Olive, N.C.



One of two solar farms on land leased by FBC, Mount Olive, N.C.



A New Way of Farming: First Baptist Mount Olive, N.C.

It is not uncommon for churches to be gifted property. In most cases, when a gift of land is made to a congregation, one of two things happens. In many instances, the land is appraised and quickly put up for sale. The proceeds are then used or invested by the congregation. The other common response is for the church receiving the property to hold on to the land with the anticipation of some type of future facilities use. This is most often the case when the gifted land adjoins current church property or when the congregation feels that the land might have some future use for ministry, expansion or a special project. The least likely scenario is for the church to hold the property as an investment with no real plan to expand the church footprint onto the parcel.

Yet, it is this third scenario that was followed by First Baptist Church of Mount Olive, N.C. In 2008, FBC was the recipient of a significant gift from the estate of a church member who had recently passed away. The gift included stock, cash, real estate and over 200 acres of land.

Some of the land was deemed to have very little use and was quickly sold. At the same time, a significant portion of land was seen as valuable for farming. In turn, those tracts were leased at a competitive rate for agricultural use.

For many at FBC, there was a sense that this was how the land would be used for years to come. The property would continue to be leased to area farmers, the church would see a modest yearly return from the lease

agreements and the small farming tracts would remain in the church's possession. Very few could have envisioned the unexpected type of farming that was ahead.

In 2013, Birdseye Renewable Energy was looking for tracts of land in Eastern North Carolina that would be suitable for solar farms. As they explored the area, they came across two of the pieces of property owned by FBC. The company reached out to the church and asked if there was any chance that the congregation would be interested in leasing the property for use as solar farms.

What Birdseye recognized was that much of the land met the basic characteristics of what is needed for solar farming. The parcels were the right size. The land was flat and open. And, the tracts of land were in great locations. One piece of property was very close to a primary commercial district of Mount Olive. The other piece of property was further from the city limits but an electric substation was within walking distance and thus the solar energy generated could easily be routed through the nearby station and on to customers.

Church leadership was intrigued and welcomed the opportunity to at

least explore the possibility of solar panels on their farmland. To their credit, the FBC Mount Olive Trustees who represented the church in the process, committed themselves to learning everything that they could about solar farming. Over time, Birdseye and FBC got to know each other and further exploration was made to ensure that the land could be used in this way and that it satisfied both federal and local government and energy requirements.

Ultimately, within a year, Birdseye and the church moved from that initial phone call to reaching an agreement whereby the church would lease land to the company in the form of two tracts with one parcel being 38 acres and in the other being 39 acres in size. The properties are leased through 2044 and return 400% more in income per year than would have been the case had they remained leased for traditional farming.

AN EXPANDED VIEW: THE BENEFITS OF SOLAR FARMING FOR FBC MOUNT OLIVE

A significant part of the solar farm story at FBC Mount Olive is the numerous ways the experience has impacted the church both financially and otherwise. One result has been the way that the experience

has expanded the horizons for the church related to facilities, property and ministry. Today, when Dennis Atwood, the pastor of FBC, talks about the solar farms, the church and the church's engagement with the community, he does so in ways that clearly convey the importance of living with a posture of possibility and an attitude of openness. In essence, the solar farm experience has helped both Atwood and other church leaders to appreciate and embrace the idea of how limitless possibilities really are in so many situations.

Another clear benefit of the solar farms is that they have helped the church to think more clearly and personally about what it means to care for the environment. Solar energy is clean energy. It is a way to be a good steward of the earth. As the church has learned about all of this, they have thought deeper about other ways to care for God's creation and about how they themselves can play a key role in this work. FBC Mount Olive's perspective on creation care and its role in the life of the church and in the development of a strong Christian theology likely would not be where it is today without their direct experience with solar farming.

Of course, the major benefit for the church has been the financial blessing

that has come its way as a result of the solar farming venture. Again, the revenue generated by the farmland has grown 400% as the lease on the property has transitioned from traditional farming to solar farming. It has all certainly eased the financial challenges of the church. Yet, the entire Mount Olive community has also benefited. In fact, First Baptist is currently working on a new ministry initiative called The Gratitude Project through which the church plans to provide \$100,000 to identified community partners who are working to alleviate poverty, improve affordable housing, provide educational needs for children and youth or to support economic development among the poor in Mount Olive. A financial gift of this size given to community groups to support their work is a direct result of the earnings being generated by the two solar farms.

CLEAR COMMUNICATION: MITIGATING CONCERNS & CHALLENGES

Any time a church steps out in a direction that is unique or where there is little precedent, it can be a challenging decision. In the case of FBC Mount Olive, those challenges seem to have been averted due in large part to the fact that there was clear, constant and honest

conversation each step of the process. From the moment that the idea was first suggested all the way to the point at which the solar panels were operational, honest, open conversation was a priority. In fact, in talking with church leaders who were involved in those initial months of exploring the idea with both Birdseye and the congregation, they point out that their goal was always to “over communicate.”

Beyond their ongoing conversation with church leadership, Birdseye provided a representative for all of the church conferences at which the potential solar farm was discussed. The representative was able to answer questions and serve as a real point of contact between the church and the company.

Further, the church leadership that worked hand in hand with Birdseye also tried to be transparent with the rest of the congregation. They created a chart that showed projected earnings for the life of the contract and made sure that the congregation understood clearly what was being asked of the church and what Birdseye’s responsibilities would be.

The church leaders also did their best to address concerns such as the fear

of what would happen if Birdseye walked away from the project after the panels were up and operational or the worry over whether this was the best use of the property in an area where there were numerous traditional farms and where agriculture was very important.

The presence of Birdseye representatives, the transparency of church leaders with other members of the congregation and a willingness to be open to try to address all worries, concerns and fears helped the church to feel good about the unique opportunity. This element of the FBC Mount Olive and Birdseye story also clearly demonstrates how critical open conversation can be. Trying to make information as accessible as possible certainly does not always resolve all challenges or issues but it almost always helps to allow for a smooth process.

A MODEL THAT CAN BE REPLICATED

When one first hears the story of FBC Mount Olive and its two solar farms, the initial reaction might be to conclude that this is a great story but not one that can be reproduced. Yet, one of the things that Atwood and FBC Trustee Angelo San Fratello are quick to point out is that

other churches should explore this opportunity.

What Fratello is quick to share is that there are a few basic elements that make a site potentially desirable for solar farming. First, the best sites are in the 35-40 acre range. Sites that are smaller do not provide a strong enough return on investment for the companies who lease the land. Sites that are larger are generally too big to receive government approval. Second, tracts also need to be level and very open in order for direct sunlight to be plentiful. Third, the farmland cannot be too remote or at least it needs to be relatively close to a substation of some type. Finally, the acreage needs to be located in a community where the local power company is interested in bringing on initial or additional solar energy to the electrical system. While all of the stars certainly have to align, and while there are other elements that go into a piece of property having potential as a solar farm, many of these factors are not as unique as one might think.

Atwood adds a unique perspective on rural congregations like FBC Mount Olive. He points out that so often, rural churches have members with lots of land. In turn, a strategic conversation might involve asking

members to at least consider leaving a small portion of their land to the church in their will or to gift a small portion of their land to the church while they are alive. Many people might not have an abundance of cash or other possessions that they could give their church or leave to their congregation at their death. But, they may have an abundance of land and might be open to giving a small or large piece of property to their church.

Of course, the best scenario is for the church leadership to be a part of such a possible gift from the very beginning and thus engaged in evaluating how the church might use the property in either a traditional or creative way. Yet, Atwood's point is well taken. There are emerging ways that congregations can use property as a revenue-generating asset beyond simply selling the land or holding onto it for future expansion. Solar farms, traditional agricultural, leasing land for a commercial development and other possibilities broaden the horizon in exciting and potentially lucrative ways. The example of Mount Olive First Baptist Church opens a world of possibilities for churches to explore.



First Baptist Church, Augusta, Ga.



FBC Augusta land to be developed as an active senior adult residential facility



Gaining Ground Through Selling Land: First Baptist Augusta, Ga.

About a decade ago, First Baptist Augusta made a rather routine decision that countless other congregations have made at some juncture over the last 50 to 100 years. The church chose to exercise the right to purchase land that bordered its property. Two residential homes had come up for sale and FBC had first right of refusal on both lots due to the fact that they were adjacent to the church. Like so many congregations, the thought was that one day FBC might want to expand through adding to their parking lot or building a new structure. If nothing else, the lots would help to create a buffer of land and trees between the church property and the residential neighborhood on the other side. In many ways, the decision to purchase the land was a fairly easy one for the church to make.

Ten years later, FBC has moved in a different direction regarding the two lots. Later this summer, the church hopes to finalize sale of the property to a developer. Within a couple of years, the hope is that a new active adult retirement community will stand on the site benefitting both the community and becoming a good, new neighbor to the church.

This decision to sell the property mirrors a shift that seems to be gaining traction with many congregations. Today, most churches don't see themselves building more structures, expanding their parking lot or spilling over onto the next city block. In 2022, numerous churches are sensing that they have more land and buildings than they need. They are beginning to think about reducing rather than increasing their footprint.

In many cases, this is a way to right-size one's physical plant. At the same time, it can also be a financially beneficial decision on multiple levels.

In the case of FBC Augusta, part of the history behind the sale was having the right conversations at the right time. About two years ago, the congregation had a leadership group that was actively discussing debt reduction. At the time, the church had about \$4 million of debt and wanted to significantly reduce this amount as quickly as possible. Amid these conversations, a church member who was aware of the focus on debt reduction also began to work professionally with a group actively hoping to purchase property in the Augusta area to build an active retirement community. Knowing the type of property that his clients were seeking, the church member was able to present the idea to both sides as a possible win-win opportunity. Though the opportunity was unexpected, church leadership was able to quickly pivot, recognize the possibility in front of them and take advantage of the situation.

Though not every church has someone who literally comes knocking on their door wanting to buy a portion of their property, many churches do own more land than they

need or than they have a vision for using at some point in the foreseeable future. From that perspective, the story of FBC Augusta, their decision to sell property and the thought process followed by the congregation along the way, provides a valuable example for learning and consideration.

THE POWER OF PLANNING & PATIENCE

Part of the story of FBC Augusta's decision has been the constant role that good, strong, proactive planning has played and continues to play in the process. As has been noted, when the opportunity to sell property came about, the church was already engaged in the process of developing a strategy for reducing their debt. These conversations led to the land sale being both suggested and considered.

At the same time, now that the agreement has been entered into between the church and the developer, the church has pivoted in a new direction. Leadership at FBC Augusta is now focused on planning for the future. The church wants to be ready when its new neighbors begin to move in. The church is actively considering how to make sure that it is adequately and appropriately staffed to minister to

this influx of older adults who will live in the retirement community. Church leadership is also evaluating the facilities while asking what sorts of changes need to be made to accommodate and attract this population. The leaders of FBC Augusta don't want to simply be good neighbors, they want their church to be an attractive, meaningful place that can be an ideal new church home for the residents of the retirement community.

Another attitude that has shaped the congregation in the process is patience. Throughout the journey, church leaders have worked hard to take necessary steps to fully think through and vet the decision with the developer in a slow, methodical way. They have also worked with the developer to ensure that other existing neighbors impacted by the new retirement facility understand what is happening, have their questions answered and feel good about the decision.

Further, FBC's leaders have been clear that this decision is not about selling property quickly. Instead, it is about selling property to the right kind of buyer. The retirement community option included not only revenue possibilities but also huge opportunities for ministry and even

a potentially exciting living option for existing church members. In other words, if the proposal from the developer had been to build something that the church did not feel good about, they would have had no problem declining the opportunity and being patient.

ANTICIPATING & MITIGATING CHALLENGES

As with any such decision, the choice to sell property by FBC Augusta has not been without obstacles to be navigated. Three challenges come to mind that are worth pondering.

First, as has already been mentioned, the church has worked hard to be a good neighbor and to communicate clearly to others nearby about the development. Some of the concrete steps taken have included the developer offering focus groups for the community about the project, offering clear messaging that the retirement home is not owned by the church and listening to concerns about traffic impact while seeking solutions.

Second, church leaders have certainly had to respond to a few members who felt that selling the property wasn't a wise decision. Again, churches have often been in the property acquisition business not vice versa. So, living into a day

where congregations are looking to decrease their footprint remains a new paradigm.

Third, FBC Augusta leaders have also had to know when to decline parts of the opportunity. One element of the journey involved the opportunity for the church to also sell the developer a portion of the church parking lot and thus increase the total purchase price by a significant amount. Despite the additional revenue this would have generated, church leaders ultimately decided this wasn't in their best interest.

WHAT TO CONSIDER WHEN CONSIDERING A LAND SALE

FBC Augusta's story offers lessons in planning, patience, and strong communication with one's community. A few other items learned along the way mentioned by church leaders from their experience are also worth noting.

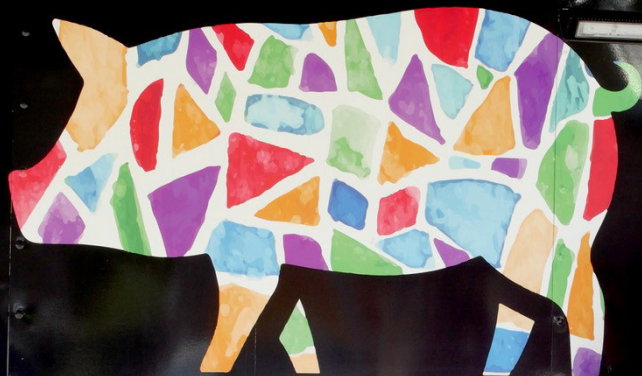
For one, church leaders emphasize the importance of church trustees in the process. Often, congregations either don't have trustees or never use them. Yet, the FBC Augusta Trustees have been critical to this process. For their part, the church has made sure over the years that they asked people with backgrounds

in banking, law, accounting and real estate to serve as trustees as the focus of this position in most churches is to represent the church in property, legal and financial matters. Thus, when the opportunity with the land sale arose, the church already had the right people in place to lead the congregation through the process.

Also, the church points out that there is a key role that the senior minister can play in such a process. If good lay leadership is in place, like the church trustees, to handle the business side of the process, the pastor can be freed up to focus on the relational side of the decision with both church members and the community. This relational element is every bit as critical as the business side.

Finally, the church leaders are clear that this is a long process that includes lots of unknowns every step of the way. At FBC Augusta, the first conversations about selling the property took place in early 2020 with groundbreaking not happening until the summer of 2022. To make such a decision, churches must be comfortable with the journey and the fact that you can never anticipate everything that will happen. They must also recognize that there will invariably be missteps and

unexpected results. Yet, in so many matters of faith, the hope is that in the end, the risks and challenges are far outweighed by the end result.



AND ALSO WITH 'CUE

FEED YOURSELF +
FEED YOUR NEIGHBOR



Pit Master David With and his trusty assistant, Jim Turner, stand in front of Raleigh FBC's food truck, *And Also with 'Cue*.

A sign announces game day parking at Auburn First Baptist Church.

Game Day Parking

\$30

Proceeds
support **AFBC**
Youth Missions

Sacred Spaces — Innovative Places



Seeing Potential in Pavement: First Baptist Church, Raleigh, N.C. and Auburn First Baptist Church, Auburn, Ala.

Whether your town is host to college game day or just the local fall festival, creatively using the parking lot on your church property can potentially generate funds that will underwrite congregational mission and outreach initiatives. Two Cooperative Baptist Fellowship churches are great examples of rethinking the profit there is in pavement: Auburn FBC and FBC Raleigh.

Auburn FBC sits in downtown, just steps away from the Auburn University campus. The church has two parking lots on its property. It leases one lot to the city on weekdays, while using the other lot for those visiting the church. It uses both lots for each Auburn University home football game and rents the spaces. The funds raised from parking do not go toward the

operating budget. As seen with Covid and the empty football stands, those funds are not guaranteed. Instead, the church allocates a set amount of each game day parking spot to the bus fund that offsets vehicle maintenance needs. The balance of the earnings is split between youth accounts that pay for camps and retreats and a fund that youth use for missions giving.

Youth and their parents work the football games parking vehicles to earn funding toward the trips they take with the church. By working just two games, most students can pay for the trips they'll be taking throughout the year. Those funds that are set aside for missions giving are deposited in the bank. As needs arise, the youth group decides collectively how to contribute to those needs.

Use of
Parking Lots

Most recently, the youth have presented to their peers and voted on spending missions funds on hurricane and tornado relief as well as donating to a church in north Alabama that had been vandalized.

Meanwhile, in Raleigh, North Carolina, FBC Raleigh is in year three of operating a food truck called *And Also With 'Cue* out of its parking lot. This is a shift from FBC Raleigh's history of renting its parking spots through a management company to those who work downtown. The rental arrangement was dissolved pre-pandemic as the company renting the spaces wanted a higher number of them available to rent.

A few years ago, FBC Raleigh had funds for a small missions grant and an open position for a new Minister with Community. When the church called Leah Reed to the role, she helped steer ideas for using the grant. One such idea included a local barbecue pit master, minister, and attender of the church, David With. David was interested in beginning a food truck from which to sell his barbecue, and Leah had in mind a give-back concept which would allow a person to purchase a meal from the food truck and by doing so, provide a meal for a hungry neighbor in the community. The downtown location

was prime to draw business from the many state employees who work in the area.

TRANSFORMATIVE STEWARDSHIP FROM AN OFT-OVERLOOKED ASSET

Both congregations were able to see potential in a part of the church many do not often consider when thinking about assets. Auburn FBC and FBC Raleigh both saw ways the space they have outside their walls could draw those who might not otherwise ever step foot on the church's grounds.

Laura Edgar, Auburn FBC's Associate Pastor for Youth, College, and Young Adults, says that by pricing their spots at a competitive rate they can provide a needed service and involve the youth in learning firsthand about stewardship. She also commented that most often it's the youth themselves who champion ideas for giving to missions as a result of what they see or hear about in the community, state and world. They feel led to give, too, as a tangible way to enact their faith. These youth can both contribute to the decision-making about how funds are spent and offer a greater amount together than they would be able to offer individually. In an effort to be a part of the church-wide stewardship efforts, they've also contributed a

portion of their fund to CBF's Offering for Global Missions.

At FBC Raleigh, *And Also with 'Cue* gives its patrons an opportunity to participate alongside the church in community engagement efforts. During the pandemic, giveback meals were provided to first responders and a women's shelter. Now that the church's clothing ministry has returned to operation, clients are offered a meal once per month. With many state employees working from home during the pandemic, the food truck started to visit neighborhoods and festivals to maintain a steady business and use the mobile nature of the food truck to broaden its reach. Now that downtown employees are returning to work, the foot traffic around the church is picking up more and business is good. Reed says that even though there are other options to eat downtown, none of them give patrons the satisfaction of knowing that they are providing a meal for someone else with their purchase. Not only does the food truck draw a diverse group of people to eat barbecue but it also allows those who choose its lunch to join the work of feeding their neighbors. "And many of those are people who aren't going to come to church here," Reed points out, "but they want to help be a solution to the growing problem

of food insecurity." Some might consider barbecue a divisive topic in North Carolina due to the debate over eastern style versus western style, but at FBC Raleigh, barbecue has become a unifying meal used to serve the local community.

CRACKS IN THE PAVEMENT: OVERCOMING THE CHALLENGES OF PARKING LOT ENTERPRISES

The sale of spaces on game day and the operation of the *And Also With 'Cue* food truck are operating smoothly now, but these endeavors have both had their fair share of challenges. One of the biggest challenges Auburn FBC has faced has been the absence of parking demands during the Covid-19 pandemic and the realization that the income from parking is not guaranteed. As the sole fundraiser for the youth and a considerable source of maintenance funding for the church vans, an absence of funds has presented a challenge to the congregation.

Likewise, at FBC Raleigh, the launch of *And Also with 'Cue* was delayed because the city of Raleigh has a very difficult process for licensing and approval of restaurants and food trucks. Chris Chapman, FBC Raleigh's pastor, noted that there were many

hoops to jump through and over 20 work changes to the trailer which houses the food preparation area that likely would not have been required in another municipality. These changes took time and money that caused the truck to launch not in early fall as anticipated, but rather late in October of 2019. This late launch meant that the window became very small between establishing business with patrons and working through any hiccups and the shutdown of Covid-19 in March of 2020.

Nonetheless, both congregations have worked to overcome challenges and continue the stewardship of any profits in ways that make a big difference to those who receive meals and funding as a result of making good use of a seemingly unimportant slab of pavement.

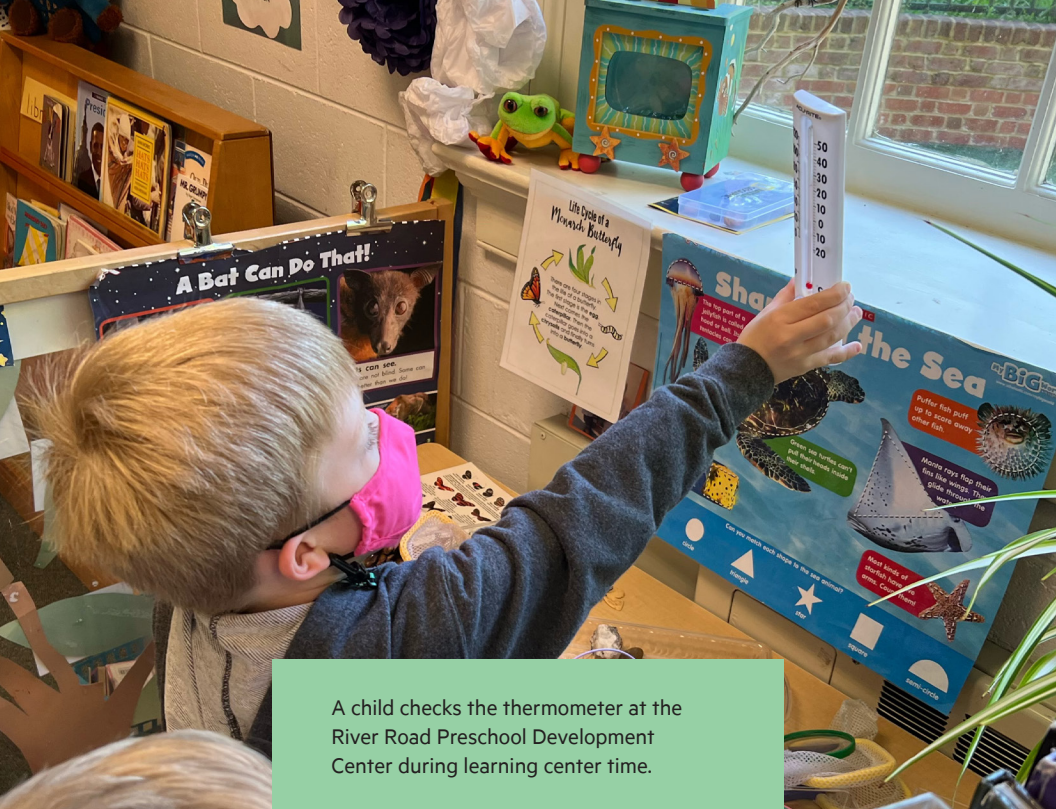
THINKING CREATIVELY ABOUT PROFITS FROM PAVEMENT

Many factors can be considered when thinking about using a church's parking lot to generate revenue. Whether weekday parking in a crowded downtown or parking for special events taking place at or near the church, the first thing some churches will need to discuss is the comfort level of the congregation

with the church generating profit. Churches are 501(c)(3) organizations, but generating revenue from an asset of the church like the parking lot is not very different from hosting a car wash or bake sale, if it supports present or future community engagement or missions giving that would not be possible through the operating budget. For other factors to consider, see "Financial Considerations" on page 41 of this resource.

What can be gleaned from these two congregations is how the revenue is stewarded. The proceeds from sales of meals and parking spaces are not being used to pay for building maintenance or staff salaries. Instead, these proceeds are used to further the church's mission and are given back to the local community or broader causes. If your congregation is considering the use of your parking lot, open and transparent dialogue about how the funds will be used is necessary. If the church cannot reach a consensus on how to use the funds for missions and outreach, the congregation can always "loan" the parking lot to an area nonprofit to sell spaces for event parking as a way of partnering with a community organization that might need the funds.

Consideration might also be given to ways the church can use the parking lot to both generate revenue and provide space for community events. Farmer's markets, vendor fairs and children's clothing exchanges are all events that extend hospitality to the community while producing proceeds that can be reinvested in the community as well. Not every church will have a pit master in the congregation, and not every congregation is in the center of a university town. But every church can look at the potential in its pavement and think creatively about how to steward the space and the revenue from it to live into its mission.



A child checks the thermometer at the River Road Preschool Development Center during learning center time.



Children at River Road Preschool study the wonders of color and light together.



A Preschool with Lessons for Everyone: River Road Church, Baptist in Richmond, Va.

Sitting just minutes away from the stately campus of the University of Richmond, a church named “River Road Church, Baptist” occupies a serene hilltop, its steeple stretching high above the tree line. Inside the church’s preschool, however, serenity gives way to classrooms and hallways brimming with activity daily.

Established in 1972, the River Road Preschool Development Center currently serves about 180 students ages 10 months through junior kindergarten. The school operates a standard half-day program that can be extended for convenience and tailored to each family’s needs. Danielle Simone, the Preschool Development Center director, has been on staff for three years. Her tenure has brought needed changes to both the preschool and its relationship with the church.

Daniel Glaze, pastor of River Road, says that since Danielle took the reins of preschool leadership, there’s been more effort to “blur the lines” between preschool and church and make the two less insular from one another. While the Covid-19 pandemic has been a struggle, the preschool has been able to emerge with no debt and an excellent rate of retention of its students.

Church preschools are perhaps one of the most common ways to make use of spaces that otherwise sit empty for most of the week. Many churches have preschools that are in high demand because of their location and/or reputation in the community, but preschools often present their own set of challenges. In addition to the logistical challenge of sharing spaces, preschools can contribute to excess wear and tear on the building

causing extra maintenance costs. Preschools can also pose a financial challenge as enrollment fluctuates from one year to the next. Many preschools see a balance sheet that is break-even at best, so the church must be willing to absorb costs associated with an operating loss and invest in the upkeep of the preschool area. The preschool model at River Road is not only self-sustaining but also provides some financial benefit to the church, which makes it extremely rare.

ENGAGING ENRICHMENTS PROVIDE AN ATTRACTIVE MODEL

The River Road Preschool Development Center operates its primary schedule from 9a.m. until noon. But, Danielle says that periodically surveying parents has tremendously helped in providing additional services to meet needs of those families enrolled in the school.

Flexibility is the key, she says, in appealing to the schedules of those who attend the school. Early care begins at 7:30 a.m. and extended care is offered until 4 p.m., as well as “lunch bunch” and afternoon enrichments that change every 6-8 weeks.

Enrichments are seasonal and often feature outside vendors who come

to the preschool to provide classes and recreational opportunities for the children. These include academic offerings as well as classes such as dance, soccer and martial arts. Each December the Center offers a special Christmas-themed enrichment that is staffed by the preschool’s teachers and includes all things holiday—stories, crafts, snacks—to keep children structured and channel their enthusiasm for the season.

The add-ons to the half-day program make the preschool a one-stop shop in terms of managing the child’s day. Parents can pick up their kids from school and not have to taxi them to another area of the city to have their recreational and extra-curricular time, making it both convenient for parents and profitable for the preschool since enrichments are an additional fee. It also has added benefit for the enrichment vendors because they get another client base they wouldn’t have otherwise. The fee for enrichments includes lunch and staff supervision in the enrichment classes as well, making them even more attractive.

The preschool also offers six weeks of camps throughout the summer which include extended care offerings, except for the week of Vacation Bible School at the church. Children

from the school are encouraged to attend Vacation Bible School so as not to compete with the church's ministry. The students and families also contribute to the ministry of the church with two fundraisers each year that benefit the Fellowship Fund, which offers monetary assistance to families and individuals.

Because of the profit the preschool makes from this model, they are able to give back to the church as a way of offsetting the cost of operating rent-free. In a previous era, the preschool gave a set portion to the church, but under Danielle's leadership, the contribution from the preschool has been more generous. The funds contributed by the preschool bless the congregation by assisting with ministry programs as well as offsetting the cost of utilities and custodial staff.

ACKNOWLEDGING THE OBSTACLES THAT ACCOMPANY CHURCH AND SCHOOL COOPERATION

River Road is a congregation composed of many members who do not live in the neighborhood surrounding the church. They don't enroll their children in the preschool because it is not close to their home or work, so the connection between the church and preschool can be

challenging. A lot of the families who are enrolled in the preschool find the half-day model attractive because they have flexible schedules or a stay-at-home parent who can manage pick-up and drop-off. With this acknowledgement, the church has tried to be involved in the school in other ways.

One key piece to strengthening the relationship of the church and preschool has been Danielle's hiring as preschool director as a member of the ministerial staff. She attends staff retreats and staff meetings and has even shared her personal story at a summer Vespers service. Likewise, Danielle invites pastors to speak at the preschool's chapel services. Church staff ministers also host "coffee and conversation" with parents of preschoolers once a month before the preschool chapel services and attend the preschool staff prayer circle once a month. Daniel Glaze said that including Danielle on the ministerial staff has had "untold blessings" in terms of connecting the church and preschool.

The Fixers is a group of volunteers from the church who spend part of their Thursdays making needed small repairs and completing various tasks around the church. To show investment in and care for the

ministry of the preschool, they include the preschool's needs on their list. The church has also been involved in the preschool day of service on the Martin Luther King Jr. holiday. Individual members of the church also offer assistance. A retired principal in the congregation has served as a mentor to Danielle, which she says has been a tremendous source of support, especially during Covid. There is another member of the congregation who meets weekly with Danielle as needed to go over the preschool finances to offer advice and serve as another set of eyes to review the numbers. In addition, Danielle sends monthly financial summaries to the finance committee. When the preschool elected to add full-time positions, members of various church committees helped to evaluate this decision, and offered support, even knowing that it may take a few years to bring financial gain. While this has proven cost effective in just its first year, the support was there to back the preschool if needed.

While the mutuality between the church and school takes work, it is much improved under Danielle's leadership, according to Glaze. "It's been difficult to involve the church in the preschool and the preschool in the church," he remarked, "but in Danielle we have a strong leader."

CONSIDERATIONS FOR A MORE ADAPTIVE CHURCH SCHOOL MODEL

The River Road Preschool Development Center didn't employ an effective model of offering extended care and enrichments overnight. It has taken strategic communication and a delicate balancing act when it comes to logistics and staffing. Danielle has been a preschool director for 10 years and that experience serves her well.

For churches considering adding a church preschool, a thorough job description of a director is needed. A candidate for the position needs to be able to communicate clearly with parents and staff and foster a sense of professionalism among the teachers. Churches who currently operate a church preschool could offer professional development opportunities to the director and teachers to better equip them. For example, Danielle took a class on finance to strengthen her skills in budget development. She also ensures her teachers receive paid professional development each year to stay attuned to best practices in their field. Paid professional development and a higher-than-average hourly wage are keys to maintaining low teacher turnover

rates and fostering a positive work environment for faculty.

A congregation also needs to consider which spaces the preschool would use and how they would be shared (if that's necessary). At River Road, the preschool and the church share spaces. With storage for both, the rooms transition from Sunday school spaces to classrooms with ease. VBS is able to use art supplies and materials from the preschool to keep its costs down. The church also helps to cover the cost of renovations and furniture for the preschool and is able to do so because the preschool contributes so generously back to the congregation. In 2021, the church paid for a bathroom addition to one classroom because the preschool needed it for expansion.

The church and school are now considering allowing area nonprofits who would offer services with the preschool to use space in the church for low or no rent as an outreach that is mutually beneficial. "It gives an area nonprofit space and allows us access to services we might not otherwise be able to provide because of proximity," Danielle stated.

Your church might think about those who offer services in the areas

of speech therapy, occupational therapy, or autism as prospective occupants of office space. (A case study on Southside Baptist Church in Birmingham, Ala, related to leasing space to nonprofits and other congregations is available in this resource.) This would allow your preschool to broaden its constituency and serve families who might not otherwise have access to such agencies.

When asked for her best piece of advice when it comes to a more a la carte model of preschool operations, Danielle said, "Start small, and do it well." She added, "Evaluation is key, and knowing the cost of every seat in the school is very important in determining tuition and related fees." When it comes to the relationship with the church, both Daniel and Danielle agree that, like all relationships, it takes intentionality and communication. But it's worth the effort if the church and school become more collaborative and less insular. When churches and their schools can share events, spaces, and their mission, stewarding their resources looks less like a business and more like the Body of Christ.



The worship of Lighthouse International Church brings additional life and energy to Southside's campus.



Southside Baptist Church pastor, the Rev. Dr. Tim Kelley, leads Lenten worship.



Intriguing Intersections: Southside Baptist Church in Birmingham, Ala.

Situated prominently in the heart of the Five Points South neighborhood, Southside Baptist Church has been a presence in downtown Birmingham, Alabama, for well over 100 years.

Southside's history, like most traditional Baptist churches, is complicated. In the 1950s, hundreds of children and adults would meet in assembly rooms to sing and pray together before dividing into small Sunday school classes in a sprawling church building big enough to accommodate the masses. Southside was the first church in Alabama to broadcast its services and began doing so in 1950. When the demographics of downtown Birmingham changed in the '70s, some churches relocated to the suburbs, but Southside remained committed to its neighborhood.

Membership has dwindled at Southside over the years following national trends, but the church still has a sprawling campus that has gradually become home to many other groups who serve the neighborhood alongside the congregation.

According to Southside's pastor, Dr. Tim Kelley, Southside dedicated space to a Korean Baptist church around 1982, and the church still meets there today. Then, in the early 1990s Southside Ministries, a cooperative ministry, needed temporary office space while it renovated. Southside Baptist had the space they needed for offices, so they entered into an agreement. Word-of-mouth led other organizations to Southside, and soon they were housing YMCA summer camps and

Leasing Space to Nonprofits
& Other Congregations

other area organizations. Hosting organizations has become more of a necessity over the last couple of decades as the cost of utilities and maintenance has increased but the church's membership, and therefore income, has not.

The church formalized its space partnership process years ago by establishing a committee that vets nonprofits who wish to use the facilities. These organizations must have nonprofit status or be in the process of securing it, have insurance, a constitution and by-laws and a mission statement. The Southside Building Use Committee does not insist that everything line up perfectly with Southside's beliefs. But, each organization using space must exhibit some reflection of Southside's mission. Southside Baptist is committed to the wellness of the whole person, so nonprofits must align with that commitment in some way, which is rarely an issue. Over recent years the church has hosted community nonprofits, a school for critically at-risk youth and adults, feeding ministries, and other organizations providing direct services.

Today, Southside Baptist is home to no less than five Birmingham-area nonprofit organizations and aside

from the congregation's weekly worship service, four other churches gather there on Sundays. This combination makes Southside itself a unique intersection of church and community as it occupies part of a unique intersection within Birmingham.

WHERE COMMUNITY AND CONGREGATION COME TOGETHER

Located in downtown Birmingham with proximity to bus stops and just minutes from major thoroughfares, Southside Baptist Church is an ideal location for organizations that want or need to be downtown but can't necessarily afford the prohibitive price per square foot to rent adequate space for their needs. Southside currently provides space for Collaborative Solutions and its two subsidiary nonprofits, Bridge Ministries, Family Promise and Alabama Possible.

"Years ago, these could have been ministries of the church," Dr. Kelley said. Today, however, with declining membership, they've decided to open their doors to other organizations and churches in the spirit of cooperation rather than having to "own" the ministries themselves. The nonprofits have seen a financial impact in the form of an in-kind gift that makes

square footage affordable downtown, according to Rana Cowan, the director of Family Promise Birmingham. She said that Southside Baptist offers a safer environment for their clients than traditional shelter settings and the church members are welcoming, making it both affordable and pleasant to operate out of the church. Shared spaces like a board room that can be scheduled for use by any group as well as shared resources like a copy machine and internet access, decrease overhead costs and logistical challenges for each partner headquartered in Southside's buildings.

Perhaps the most interesting intersection at Southside is that of the five churches that worship within its walls. The Church at Birmingham, Light House International, the Korean Baptist Church and Iron City Church all worship at Southside on Sundays. Dr. Kelley said that during the morning worship hour you can hear a cacophony of African, Korean and English-speaking praise that is really “quite something.” All these congregations are theologically different, but that hasn't been a deal-breaker for the Southside congregation.

“These churches and organizations create energy and life that wouldn't

be here otherwise,” Dr. Kelley said. The Rev. Kam Pugh, a pastor of Iron City Church, commented that because their congregation is composed mostly of college students and young families, they have more time than monetary resources to give in this season of their lives.

“Southside Baptist has been so gracious to allow us to minister in the neighborhood the Lord has called us to at a generous rate so that all of our funds for ministry aren't drained on a building. We have also been able to partner together with Southside, who has the longest running food bank in Birmingham, to help meet some of the needs of our community together,” Pugh said.

SPEED BUMPS AND SLOW-DOWNS: THE CHALLENGES OF SHARED SPACE

Becoming this unique intersection, however, hasn't been without challenges. Sharing space with others is sometimes inconvenient, especially when one group does not leave things as they have agreed to, and this model of facilities use is not without tension. However, Dr. Kelley notes, no relationships have ended badly thus far. Those who use the church for office and worship space are invited to meet regularly (pre-Covid this was quarterly) to share

updates and maintain a sense of community within the walls of the large facility.

The building-use fee organizations and churches pay to use their space helps Southside keep the doors open and lights on in their expansive buildings, but it doesn't stretch much further than that. The revenue generated by the building-use fee helps the church break-even on utility expenses, which continue to increase with rising rates and older structures. Having a large campus with multiple, aging buildings means there's always something in need of repair. The church chooses generosity over profit, which means "flipping" space for a new partner to occupy or making needed repairs and renovations are all the financial responsibility of the church. In turn, Southside continues to face financial challenges when it comes to maintaining its facility. Some projects may be delayed or take longer to complete and difficult choices about which projects will take priority sometimes have to be made.

GREEN-LIGHTING GENEROUS SPACE SHARING

Like Southside, many churches have ample space that sits empty five or six days of the week. Consider the layout of your church and which

rooms might be completely vacant or rarely used. If these rooms can be converted to office space, the next step is to think about which nonprofits or organizations might need affordable space. Which nonprofits would be a natural fit for your congregation? Family Promise discovered Southside because one of the board members was also a member of the church. If members of your congregation serve on boards or volunteer regularly with area nonprofits, these might be good places to explore first because they're pre-vetted and already share a connection with the church. You might also make a list of nonprofits the church partners with who would benefit from more affordable or adequate space.

You will also need to discuss and decide on the non-negotiables for your congregation in terms of who can use the space. In true Baptist fashion, Southside formed a building use committee that vets all of their partners. How will the church want those who use the building to align with your mission/vision/values? Accountability is important for both the church and the organizations that are housed within it. A building use committee would want to create some version of a contract or agreement that both parties feel provides good

guidelines for the use of the facilities. Knowing what your building costs to operate per square foot and what the average rental rate is for office space in your city/town will be important in helping to determine a rate that is mutually beneficial. It will need to cover the cost of the building usage while also being affordable enough that the nonprofit is getting a tangible benefit over other potential space, especially those properties that might be in a more convenient location.

A building use committee would also need to determine how spaces will be accessed. While some churches have keys, others have moved to keyless entry systems. Nonprofits would need access to the building as well as their clients, and being hospitable and a steward of facilities means making the building accessible. Though sharing space can prove challenging logistically, opening common spaces or resources helps further lift the financial burden of the organizations with whom you partner. Think about sharing internet, copy machine, and other operating costs with nonprofits to save supply costs and maintenance fees. This will add a layer of complexity to the church administrator and/or financial secretary to keep records. Churches might also consider assigning

space and ownership to individual organizations who use the space and assign the cost of renovation to the occupant. If organizations will not be responsible, the church will want to make a commitment to deferred maintenance so that facilities look and feel as hospitable as possible.

The biggest reason for Southside Baptist Church to extend hospitality to so many is that they simply wanted to maximize the space so that it doesn't sit empty and dormant, which they believe is poor stewardship of the expansive facility resources they have. Dr. Kelley quotes a speaker he once heard when he says, "Churches are often closed when people most need them," and Southside wants to be open for social ministries that will provide a tangible difference in the Birmingham community.

While vehicles may be confused by the tricky intersection outside of Southside Baptist Church, the intersection inside is clear: church and community are finding mutually beneficial ways to serve together.



Questions for Reflection

The following questions are meant to assist an individual, group or church committee in reflecting on the case studies presented in this resource. Our hope is that these thoughts will enable the reader to not only learn from the stories shared in this document but also to consider possible next steps in your own work with the property and facilities that your congregation has been called to steward.

1. Which of the six case studies do you resonate with the most? Why?
2. When you interact with this resource, what possibilities come to your mind for your own congregation related to its property and facilities?
3. Based on these stories, what other leaders or members in the life of your congregation need to be involved in evaluating and dreaming about your church physical plant? Is there anyone outside of your church that could be a helpful partner in this process?
4. What will be required for your church to live into some of the dreams that you have?
5. What are the biggest challenges and obstacles that you foresee as your church continues to steward your property and facilities?
6. Other than financial gain, what do you see as some of the biggest potential benefits for your church in better using your physical plant moving forward?
7. Beyond this document, what are other types of resources would be helpful to you at this point as you continue to plan and dream?
8. What are two or three concrete next steps in this process for you or for your church? When would you like to have those next steps completed?
9. Which relationships, both inside and outside the church, need to be leveraged as you discuss facility and property use?



Financial Considerations

Insights from Missional Business Services

Compiled by Nathan Edwards, Missional Business Services, Gadsden, AL, mbservicesllc.net

1. **Truthfully articulate how the opportunity aligns with and/or supports the broader church ministry.** Does the opportunity help the church advance its mission and purpose? Does it generate cash flow for the church to support its primary ministries and activities? The answers to these questions are important for the church's approval and acceptance of the opportunity and can have bearing on important tax implications.
2. **Be discerning.** Not every opportunity is worth pursuing. Not every idea is a great one. Not every pitch is worth a swing. Something that works in one place may not necessarily work every place.
3. **Engage the appropriate experts to advise, represent and protect the church.** This is absolutely critical! The legal regulations, fiscal responsibilities and tax implications are vast and complex, and the risks are significant. Engaging the right experts (attorneys, CPAs, insurance representatives, appraisers, etc.) is critical and should not be avoided or undervalued.
4. **Be thorough in the due diligence process.** Work with the church's leaders and trusted advisors to carefully, completely and honestly consider the opportunity—its varied forms and structures, benefits, risks, costs and probability of success. Consider various scenarios—selling, leasing or partnering to achieve the desired outcomes. Ultimately answer the question: does the realistic benefit of the opportunity make it worth the costs (financial and otherwise) necessary to execute and maintain it?
5. **Be realistic in the time needed to fully develop the opportunity from concept to fulfillment.** Opportunities of significance should take time to develop. Diligence and discernment are critical steps that should be afforded appropriate time and space. Consider the size and scope of the opportunity when setting time expectations on the church and the other parties involved. And, be honest about the time in which outcomes are expected to be realized.

6. **Identify the human resources (staff and volunteer) needed to fully evaluate the opportunity, execute it and manage it going forward.** Every opportunity will require human time and energy. Carefully consider who will be involved at each step in the process from the beginning through the ongoing management after the transaction is completed. Determine if the church has the necessary resources available to fully achieve the desired outcomes.
7. **Be clear regarding who bears the risk for property-related loss.** Determining who is responsible for property-related losses isn't always easy. Don't assume understanding and agreement for who pays for property damages or claims occurring on the property. Be clear in the written documents who bears financial and legal responsibility for property-related issues.
8. **Decide the allocation of property-related revenue (and costs) as part of the decision-making process.** Be sure the church has a clear plan (and documented process) for applying the income and costs of the opportunity. Ensure that the church can provide a clear, consistent reporting of the finances to the appropriate parties.
9. **Income activities financed with debt introduce significant compliance complexities.** The federal laws and regulations related to debt-financed income are highly technical and complex. The church should engage appropriate tax counsel as early as possible to strategically plan and advise the church in order to minimize tax liabilities associated with debt-financed income activities.
10. **Ensure that ALL terms and expectations are properly documented and approved.** All agreements, terms, expectations, and understandings should be documented in writing. Follow the church's governing documents to comply with the appropriate order of church approval. Maintain fully-executed copies of all agreements related to the transaction.
11. **Ensure the church has appropriate insurance protection.** Work with the church's insurance representatives to verify that it is adequately covered for the risks to which it is exposed. When appropriate, obtain a Certificate of Insurance from other involved parties to confirm they carry adequate coverage to protect themselves and the church. Request to be named as an "additional insured" party on their property and liability policies.
12. **Monitor the transaction for important compliance considerations.** Situations change, as do legal and tax regulations. Work with the church's trusted advisors to monitor ongoing activities and determine if there are any property and/or income tax implications. These can be from federal, state and local authorities. Again, it is important to work with experts in these areas to identify the relevant regulations and to confirm compliance.



Other Resources

ORGANIZATIONS WITH SOME FOCUS IN THIS AREA

Rooted Good, Kerrville, Texas

Rootedgood.org

Bricks And Mortals, New York, N.Y.

Bricksandmortals.org

Partners for Sacred Places, Philadelphia, Pa.

Sacredplaces.org

Wesley Community Development, Huntersville, N.C.

Wesleycdc.com

BOOKS

Generosity, Stewardship and Abundance: A Transformational Guide to Church Finance

Lovett H. Weems Jr and Ann A. Michel, Rowan & Littlefield, 2021

We Aren't Broke: Uncovering Hidden Resources for Mission and Ministry

Mark Elsdon, Eerdmans, 2021

Funding Ministry with Five Loaves and Two Fishes

Rosario Picardo, Abingdon, 2016

Transitioning Older & Historic Sacred Places: Community-Minded Approaches for Congregations and Judicatories

Rachel Hildebrandt with Joshua Castano, Partners for Sacred Spaces, 2021

FINANCIAL CONSIDERATIONS

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