

How to Fund Church Projects

B:log 68: Architect Innovator Series

Long gone are the days of centralised funding from denominations. In most cases the local church funds the acquisition of property and construction. Maintenance is also a local responsibility. However there are ways forward and these are often combined:

Commitment by Members

- Pledging to give a regular sum over time.
- Bequests in the wills of faithful members that have benefited from the church and wish to *pay it forward*.
- Commitment to give a portion from property value increase when selling a member's home.
- This active involvement provides *skin in the game* and develops commitment to use it when finished.

Cash and Equity

- The church's cash reserves if any.
- Borrowing against property value such as a house owned by the church or the emerging building as it is built. Low interest loans may be available from the denomination, but repayment servicing must be feasible.

Grants

- Less common but sometimes possible for specific items such as PV solar or water saving measures.

Surplus Site Value

- Do we need all of our land or buildings for our mission? Obtain value by leasing for alternative use or sale of the element that is not needed. Better still if it meets a mission need.
- Do not risk allowing a shrewd intermediary to buy from you cheaply and then re-marketing at a much higher price. Obtain advice on potential while it is in the church's control.

Dual Use Development

- Can you build to serve another need that will use it when you don't need it? This is sustainable, environmentally and socially. This could be a partnership funding with a strict legal agreement or a lease.
- A guarantee of income can be relied upon to repay a loan.
- New or extended churches need car parking which uses up large areas of valuable land. It is wasteful for these to remain empty for most of the week. An adjoining development could share this at times when the church does not need it.
- This could be school, university, child care, day care, office, gym and many other compatible uses.

How does a church set about organising all this? What are the risks?

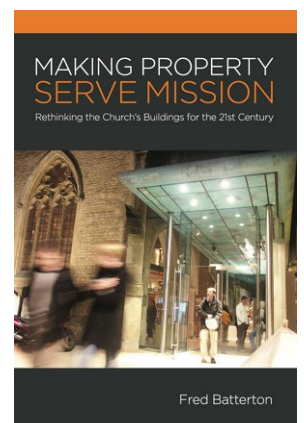
If another body is providing the key funding, the church can be at the mercy of the developer whose motive is profit. The arrangements need to be based on clearly defined legal agreements, a sound financial plan and a site layout that provides the benefit needed for each party. In addition to this permits need to be obtained and fees covered for professional work before value improves.

Appoint your own independent professionals to ensure your best interests are served as you navigate the way forward to successful and useful property for your mission. Ask us.

See also Part 9 *How Can We Pay For It* in [Making Property Serve Mission](#)



50,000 litre stormwater tank installation below the car park funded by a water authority grant at St Alfred's Church and used for cooling and irrigation



Fred Batterton

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