



**Diocese of Toronto**  
Anglican Church of Canada

*Capital Redeployment Policy*

Approved by: Diocesan Council  
Approved: June 2003  
Revised: November 2018, September 2024

# *Capital Redeployment Policy*

This Policy reaffirms that all real property in the Diocese of Toronto is held for the purpose of ministry throughout the entire Diocese irrespective of the name of the registered owner. It is the policy of this Diocese that the proceeds realized from any sale or other disposition of surplus real property (referred to as “proceeds” in this policy), are to be shared with the Diocese for the purposes of the church.

For purposes of this Policy, the definition of real property includes land, buildings, any other thing that is erected or growing on or affixed to land, minerals and other things under land, and all rights issuing out of, annexed to, and exercisable within or about land such as leases, licenses, mortgages, and air rights. (Canon 1, section 1)

The definition of surplus real property, the determination of whether a particular piece of real property constitutes surplus real property and the degree of sharing of the proceeds of any sale of such real property shall be made from time to time in accordance with the canons, having regards to the needs of the parish, as applicable, and the needs of the Diocese. Typically, the Diocesan share of such proceeds will be placed in the Ministry Allocation Fund (MAF), which shall be designated and accounted for within the financial accounts of the Diocese. Generally speaking, the proceeds shall not be used for ongoing operating expenses of the Diocese.

Surplus real property may arise as follows:

- **Disestablishment** - On disestablishment of a parish, all proceeds are designated as Diocesan share.
- **Amalgamation** - Under Canon 13, all assets of the predecessor parishes become assets of the merged parish on amalgamation. However, in many situations, one or more of the church properties is viewed as surplus to the needs of the merged parish. Canon 13 requires that in such circumstances, all the proceeds of surplus real estate will be designated as the Diocesan share with any other arrangement to be agreed as part of granting the amalgamation.
- **Other** - In all other situations involving surplus real property, there will continue to be a starting assumption that the parish and Diocese will share net proceeds on a 50/50 basis. However, the parish may apply to Synod Council in particular circumstances to receive up to 70% of the proceeds and Synod Council may decide in other circumstances that the parish should receive less than 50%. The factors that may weigh into Synod Council’s decision are set out below.

The proceeds from any sale of surplus property will be split as follows.

In the first instance, 10% of the amount of net sale proceeds after recovering overdue parish receivables and debt owed to the Diocese and selling costs shall be set aside as tithe and be distributed in accordance with the following principles. The decision to distribute funds from the tithe from time to time shall be at the discretion of Synod Council. Its true character shall be that of making a gift. Any such gift shall be made to support important and worthy initiatives and causes in the wider church. The recipients shall be those who minister in the wider church and who would not

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normally be supported financially within the Diocese of Toronto. The approach to discernment shall be simple, streamlined, and non-bureaucratic. Synod Council will be guided by the bishops in the discernment of worthy initiatives and causes. Until disbursed the tithe shall be held in the MAF.

After the tithe portion, the parish and Diocese shares will be calculated.

The amount of the parish share will be decided upon based upon the following factors:

1. **Amounts required for the repayment of external debt** - Includes debt owed by a parish but held by one or more external financial institutions. Parishes need to disclose the nature of the debt (Mortgage, loan, line of credit) along with the repayment terms, the lending institution and provide the parish's financial statements (past 3 years), budget for the current year and the loan statement. Taking on external debt and payment of the funds to an external financial institution is subject to the existing approval processes.
2. **Investment in capital parish infrastructure projects** - The parish may apply for funds from the proceeds of the sale of surplus property for capital repairs, redevelopment of existing infrastructure, or expansion of existing facilities. Parishes must provide a preliminary plan and budget, a risk assessment including items such as required zoning changes and governmental approvals, internal project management team details and details as to how any debt will be repaid and how the property will be maintained. Payment of the funds is subject to the existing approval processes.
3. **Purchase of added or replacement property** - the parish may apply for funds to expand the existing campus or replace the sold property such as replacing an unusable rectory. Parishes are requested to provide a detailed proposal explaining the reason and justifying the investment, preliminary plan and budget, risk assessment, including items such as required zoning changes and governmental approvals, internal project management team details and details as to how any debt will be repaid and how the property will be maintained. Payment of the funds is subject to the existing approval processes.
4. **Replacement of lost income** - With the sale of property, the parish may lose access to income for a period. The parish may apply to keep proceeds equivalent to the present value of the income stream over five (5) years using the specified Diocesan interest rate. Parishes must provide details regarding the lost income source, with supporting documentation, such as leases.

Synod Council may delegate the work of providing a recommendation in respect of the parish's proposal to one of its committees. It should be noted that missional projects are excluded from consideration and need to be vetted through the existing MAF and other processes.

With respect to the Diocesan share, proceeds will be paid into the MAF to be used for the following purposes:

- Real estate purposes
- Congregational growth and ministry development
- Creating new forms of ministry
- Other urgent or strategic needs of the Diocese

Synod Council may choose to allocate less than 100% of the proceeds from time to time, to permit adjustments to allocations.

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Considering the long-term financial needs of the Diocese, redeployment of capital in the MAF over the longer term is expected to be as follows:

- Approximately 70% will be reinvested for real estate purposes to support the maintenance and redeployment of Diocesan land and buildings.
- Approximately 20% will be allocated to congregational growth and ministry development needs.
- Approximately 10% will be allocated to creating new forms of ministry.

The MAF in each category will be allocated by Synod Council or by one or more of its committees in the following way:

- **Real estate purposes:** Includes making loans or grants to acquire real property, acquiring real property, forgiving, or repaying parish debt incurred to acquire real property, or creating an endowment fund, the income of which is for real estate purposes.
- **Congregational growth and ministry resources:** Includes making loans or grants with the concurrence of the College of Bishops to congregations, creating program materials, initiating leadership or people development strategies, or creating an endowment fund, the income of which is for congregational growth and ministry resources needs.
- **Creating new forms of ministry:** Includes making loans or grants to create ministry initiatives, initiating non-traditional ministry strategies, or to create an endowment fund, the income of which is for supporting new forms of ministry.

Undisbursed proceeds are financial assets of the Diocese and as such are under the stewardship and administrative oversight of the Executive Director and the Treasurer, as delegated by Synod Council and the Bishop.

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