



United Church of Christ
CORNERSTONE
FUND

Renting Your Church Facilities

Benefits, Challenges, and How to Get It Done

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Space Rental Case Study

- **Nov. 2018**
“Rental Task Force” formed
- **June 2019**
Due diligence
Business plan
Overcame opposition
Revenue +
- **Founded *Church Rental Services***
- **Jan. 2021 – Joined SNEUCC**



Begin with what you have

And Elisha said..."what have you in the house?"

And she said, "Your maidservant has nothing in the house, except a jar of oil."

2 Kings 4:1-7

They said to him, "We have only five loaves here and two fish." And he said, "Bring them here to me."

Matthew 14:17-18



Benefits of Renting Space

- Sustainable scalable income
- Greater community engagement
- Draws new people into your church
- **Fulfill mission**

“I will make you fishers of men”

Matthew 4:19



Rather than, “How are we going to...”

...deal with this internal conflict?

...become financially sustainable?

...increase our membership?



Let's ask, "What might happen if we..."



...create a new vision for our future?

...imagine new ways to use our buildings?

...increase our community engagement?

Your Church's Mission & Vision

- What's happening now?
- Church's mission?
- Goals & vision for future?
- How does a rental initiative fit in?



Mission Statement



- Why do we exist?
- Focuses on today and what you are doing to achieve your mission.
- Sets a common strategic focus across your church.
- Guides decision-making and creates positive frameworks for the behaviors and outcomes you desire.



Vision Statement



- Where are we going?
- How are we going to get there?
- Focuses on tomorrow and what your church wants to ultimately become.
- Gives meaning to the actions of your church in the future. They are future-oriented.
- Describe a desired future position of your church within your community.



Your Future



- Future: $x + y = z$.
- x - your mission statement
- y - the actions you take in light of your mission statement
- z - the final fulfillment, culminating in the achievement of your vision statement.

Thomas Griffen, Be a Better Leader blog

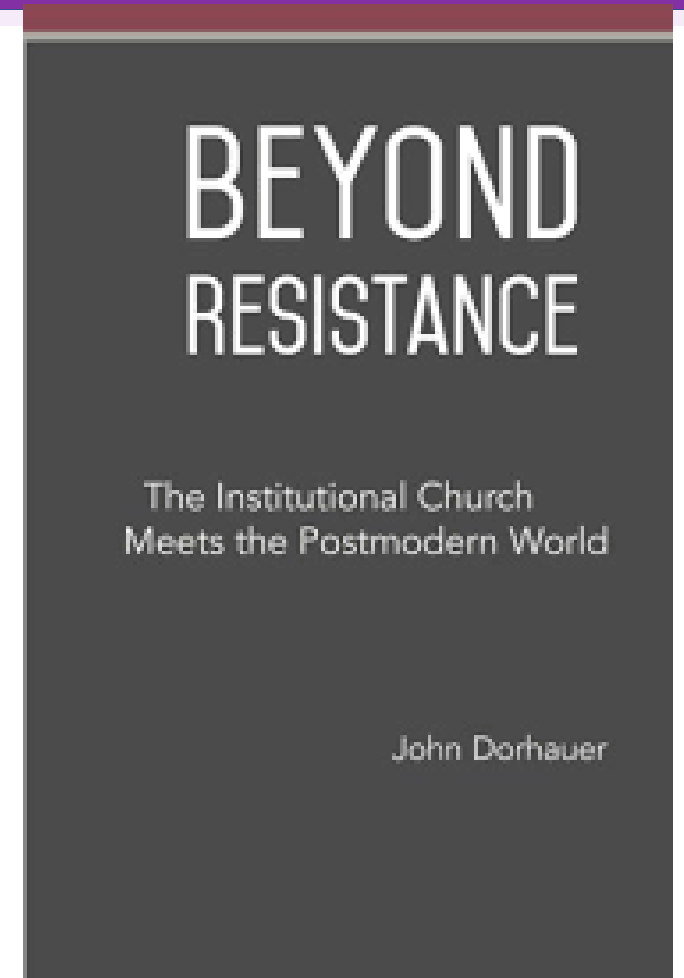


The Church is Birthed for Mission

*“Speaking for the Church,
I will argue that our business is mission.
How’s business?
Well, that’s the rub.”*

John Dorhauer

*Beyond Resistance: The Institutional Church Meets
the Postmodern World p. 33*



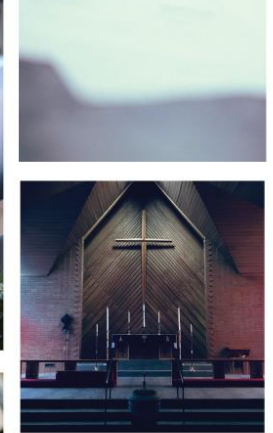
10 Stepping Stones to Success

Investigate:

- Feasibility
- Market analysis
- Unique Value Proposition
- Staffing
- Pricing

Implement:

- Legal & Tax Issues
- Contracts
- Finding renters
- Projections
- Go to market!



1. Feasibility

“YOUR CHURCH’S MISSION STATEMENT”

1. Pray! Proverbs 3:5-10
2. Create a “Task Force”
3. Survey congregation
4. Condition of facility
5. Other church challenges
6. Other priorities



1. Feasibility - Considerations

- Strain on staff
- Kitchen usage
- Sanctuary and/or classrooms
- AV usage
- Alcohol policy
- Who will keep watch?
- Liability insurance
- Nomenclature



2. Market Analysis

- Local faith communities
- Local organizations that rent space = potential strategic partners
 - Examples: library, museums, clubs.
- Types of space available
- Rents
- *Not* restaurants, catering halls



3. Unique Value Proposition

What makes our facility special?

- Location
- Variety & number of rooms
- Availability
- Furnishings
- Ambiance
- Parking
- “Bride’s Room”
- Performance space
- Outdoor space
- Kitchen



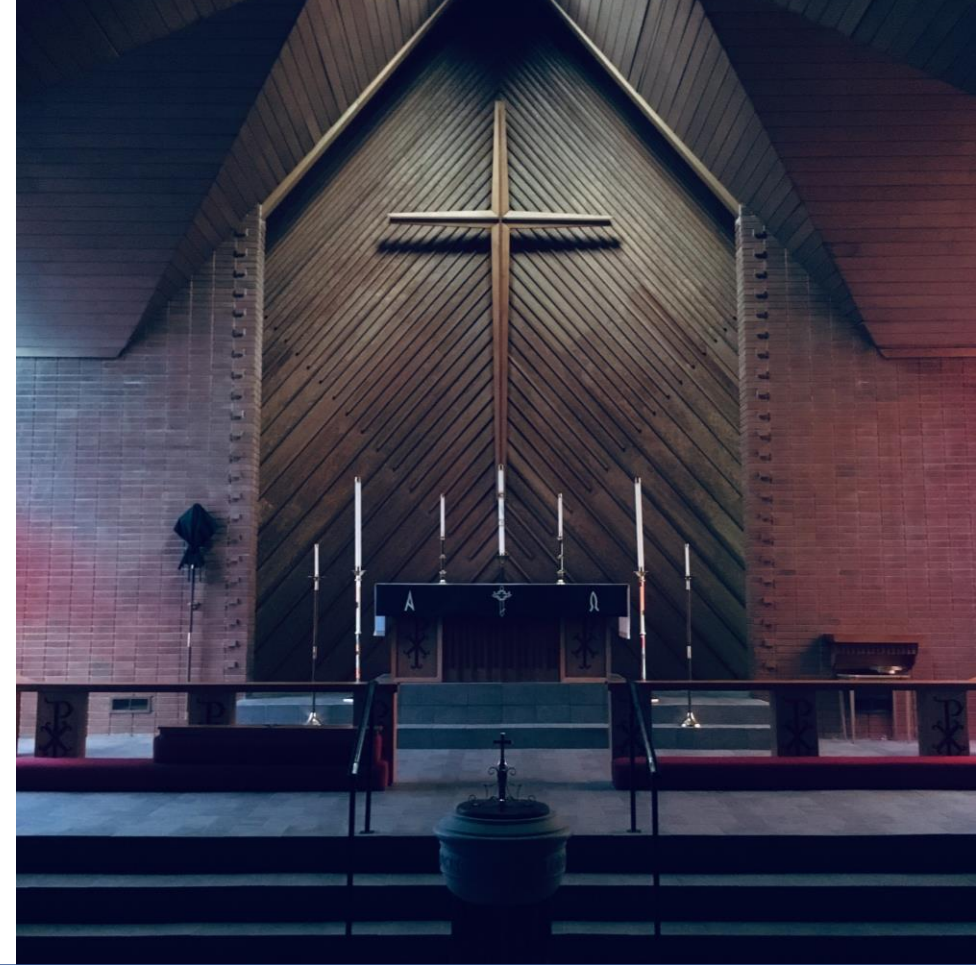
4. Staffing

- Rental Coordinator
 - Outreach & Sales
 - Respond to inquiries
 - Execute contracts, etc.
- Event Supervisors
- Facilities team
- Accounting – invoicing, expenses, credit cards, etc.
- Approval process



5. Pricing

- Worksheet:
 1. Space
 2. Capacities
 3. Furnishings
- Staffing costs
- Sanctuary vs. classrooms?
- Members vs. non-members?
- Nonprofit rate?
- Other fees?



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6. Legal & Tax Issues

“We’ve always been told...”

“It’s my understanding that...”

“I’ve heard that...”

Consult an expert!

- Expertise in non-profits
- Not a church member
- Pay and get it in writing



6. Legal & Tax Issues

- **Nonprofit Status**

- IRS Pub. 557 - “Tax Exempt Status for Your Organization”

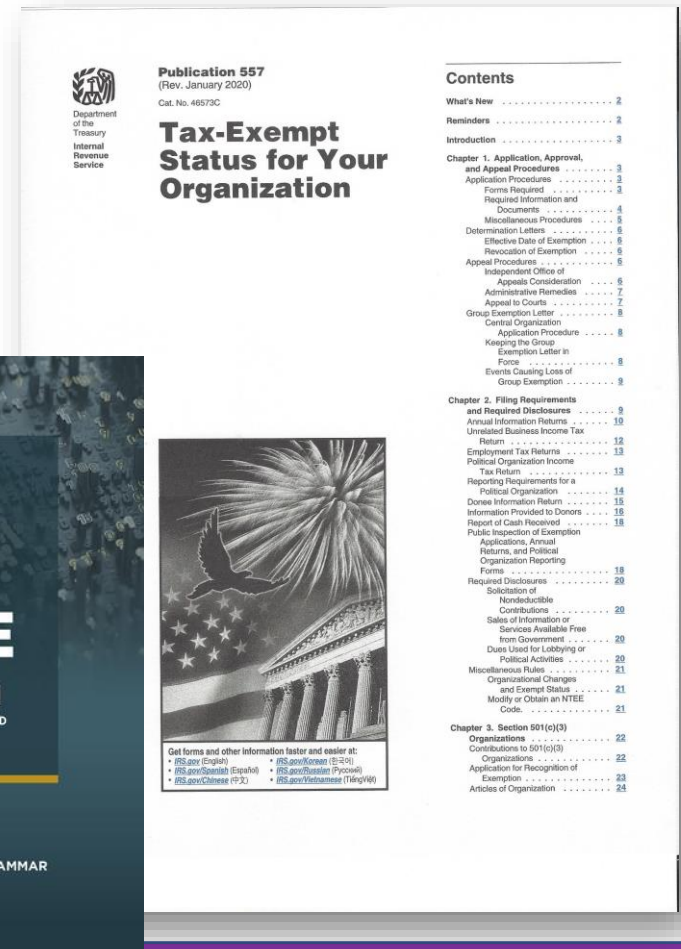
- **Income Tax**

- IRS Pub. 1828 - “Tax Guide for Churches & Religious Organizations”
- IRS Pub. 598 – “Tax on Unrelated Business Income of Exempt Organizations”

Church & Clergy Tax Guide By Richard R. Hammar

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6. Legal & Tax Issues

- **Property Tax**
 - Depends on local taxing authority
 - Lease – tenant responsible for real estate taxes & personal property taxes
 - For-profit vs. nonprofit tenant
- **Liability Insurance**
- **Advertising**
- **Consult an expert!**



7. Contracts

- **Contracts:**
 - General Usage
 - Weddings, Receptions and Performances
 - Catering & Music Contracts
 - Facility Usage Agreement/Invoice – outlines space & payment schedule
- **Deposits:**
 - Deposit on rental
 - Security Deposit – General vs. Wedding



8. Finding Renters

Mission and Vision

- What's happening now?
- Goals for renting?
- Church's mission?
- Goals & vision for future
- How does a rental initiative fit in?



Community Focus

- What does God want us to do in the lives of others?
- Are we located in the right place for what we want to do?
- Who is here where we are located?



Community + Mission Focus

- Mayor/First Selectman
- Social Services
- Economic Development
- Education
- Senior Services
- Parks & Recreation
- Arts & Culture



8. Finding Renters

Marketing Materials:

- Rate sheets
- Floor plans & room capacities
- Business cards
- Nomenclature

Types of Renters:

- Strategic Partners
- Ongoing renters
- One-Time Renters



8. Finding Renters

A. Strategic Partners

- **Strategic Partnerships** –
 - Extension of their space
 - Your space complements their space
 - Sends you leads
- **Target market** – Reflects Vision Statement
- **“Kingdom Partners”** –
 - Mission aligned



8. Finding Renters

B. Ongoing Renters – “If you had more space..”

- Local business organizations
- Local civic groups/clubs
- Tutors/educators/music teachers
- Therapists
- Health & wellness
- Theater & performance groups
- Retailers
- Lectures
- Art, craft, antiques, flower show
- Educators (PTA, Board of Ed)
- Cooking school
- Small business incubator



8. Finding Renters

C. One-Time Renters

- Weddings
- Memorial services
- Christening parties
- Birthday parties
- Trade show
- Schedule conflicts



9. Projections

- **Income projections:**
 - Based on initial research
 - With alcohol or not?
- **Initial investment?**
 - Facility improvement
 - Staffing
 - Marketing materials



10. Go to Market!

1. Put team in place
2. Create Action Plan – goals + benchmarks
3. Schedule tours + network – engage community & business leaders
4. Create “elevator pitch” based on UVP
5. Marketing materials
6. Target markets - prioritize



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