

CANON 22

Congregational Indebtedness

Sec. 1. No indebtedness shall be incurred by a Congregation without the approval of the Bishop and Standing Committee, except:

(a) indebtedness for permanent improvements, replacements or additions to real estate or equipment where the amount of such indebtedness, plus indebtedness of every kind already existing, shall not exceed 150% of the average annual receipts of such Congregation during the past three years; and

(b) indebtedness for current expenses where the amount of such indebtedness, plus all indebtedness heretofore incurred for current expenses and still existing, shall not exceed 20% of the current total receipts of such Congregation during the preceding fiscal year; and the payment of all such indebtedness shall be provided for in the budget of the next ensuing fiscal year with reasonable expectation of its payment out of the receipts of the next two years.

Sec. 2. In computing receipts under Sec. 1, amounts from or for endowments or from or by bequests, except income therefore not specially designated, and receipts for expenditures other than parochial, shall not be included.

Sec. 3. In any circumstance for which approval is required under Sec. 1, it shall be granted only when the payment of all indebtedness shall be provided for in a plan of amortization or other method of payment to be submitted to and approved by the same authority.

Sec. 4. This Canon shall not apply to the refinancing of existing loans