**POLICY for Lease or License Approval by the Diocese**

**Policy Statement**

This policy explains Diocesan policy on Lease or License approvals by the Diocese.

**Who is subject to this policy?**

* Congregations in the Diocese of Hawai‘i
* Wholly-owned subsidiaries of the Episcopal Church in Hawai‘i (ex. St. Andrews Schools, Camp Mokulē‘ia, A Cup of Cold Water)

**Rationale**

* Since the majority of real property is owned by The Episcopal Church in Hawai‘i, the Diocese needs to do its due diligence in managing risk.
* Leases involve encumbering real property for a period of time and the Diocese needs to make sure that does not adversely impact the Diocesan’s overall plan for properties.

**Definitions**

* Congregation: A Parish or Mission of the Episcopal Diocese of Hawai‘i
* Licenses are a permit from an authority to use something, do a particular thing, or carry on a trade (non-exclusive use of property and revocable), usually in return for periodic payment.
* Leases are a contract by which one party conveys land, property, services, etc., to another for a specified time, usually in return for a periodic payment. A lease usually involves the lessee being responsible for maintenance and utilities (separate meter).
* Related Entity is an entity that is a wholly-owned subsidiary of The Episcopal Church in Hawai‘i. Examples would be St. Andrew’s Schools, Camp Mokulē‘ia and A Cup of Cold Water.

**Getting Help**

* Questions about this policy? Please contact the Business Manager, Rae Costa
  + E-mail: [rcosta@episcopalhawaii.org](mailto:rcosta@episcopalhawaii.org)
  + Phone: (808) 536-7776, ext. 326
* Questions about implementation of the policy? Please contact the Business Manager, Rae Costa
  + E-mail: [rcosta@episcopalhawaii.org](mailto:rcosta@episcopalhawaii.org)
  + Phone: (808) 536-7776, ext. 326

**Procedures**

* Please refer to the Checklist for Leases or Licenses
* All leases or licenses will need Vestry or Bishop’s Committee approval and Diocesan Chancellor/attorney approval. Leases or licenses over 1 (one) year in duration will require additional approval(s) determined by the total number of years of the license (including options to extend)
  + Over 1 year, but no more than 7 years, will need Commission on Finance and Administration approval
  + Over 7 years will need Commission on Finance and Administration approval (1st) and then Diocesan Council approval (2nd or 3rd) and Standing Committee approval (2nd or 3rd).
  + NOTE: The length of the lease or license is the total number of years including any rights/options to extend. For example, if you have a one-year license (or lease) with option to extend for two years, the total number of years is three.

**Forms**

* Checklist for Leases or Licenses