

CHURCH/SCHOOL BUILDING/PURCHASE PROJECTS

Please request a checklist for "Purchasing a Church/School Building" or a checklist for "Building a Church/School Building."

Properties - The title to all churches, parsonages, schools, and all other owned properties shall not be held by local churches, local schools, individuals or trustees. Titles to such properties shall be held in the name of the Gulf States Conference Association of Seventh-day Adventists.

Because of legal implications, great care must be exercised in the purchase and selling of properties owned by the Gulf States Conference Association. It is imperative that any agreement to sell or purchase properties be first approved by the Gulf States Conference Association Board, whose officers alone have the right to sign all legal documents for the Gulf States Conference Association.

Building Projects - In the purchase of properties or buildings, or the construction of buildings -- whether for churches, schools, or otherwise -- great care should be exercised to not undertake financial obligations which would embarrass the constituent members of such entities. In all building undertakings, the Gulf States Conference Executive Committee shall give careful counsel; as the case may warrant, taking into consideration the size of the congregation, its financial strength, and location of the proposed building, and other pertinent matters.

Commitments to purchase or build shall not be made, or building operations begun, until:

1. The purchase has been approved by the Gulf States Conference Association Board of Trustees.
2. All financial and building plans have been approved by the Gulf States Conference Executive Committee.
3. Fifty percent of the entire cost of the project, including initial furnishings, is in hand, either in cash or in readily convertible assets; provision for paying the remaining 50 percent must be arranged to the satisfaction of the Gulf States Conference Executive Committee. In the case of construction, the work shall proceed and financial obligation be incurred only as funds are available.
4. In cases wherein the judgment of the Gulf States Conference Executive Committee shall deem it advisable, a church may be authorized to borrow up to 300 percent of its annual tithe, or 50 percent of the project cost, whichever is less. In special cases an exception may be made to the percentage by the Union Committee if a recommendation by the local Gulf States Conference is involved.
5. Approval:
 - a. Projects exceeding \$50,000 - shall be approved by the Gulf States Conference Executive Committee.
 - b. Projects exceeding \$3,000,000 - shall be approved by the Union Committee.

Borrowing may be for a period not to exceed fifteen years. The Southern Union Revolving Fund, with its lower interest rate, has been developed to assist in these construction projects.

Liability insurance coverage for all building contracts, Builder's Risk Insurance for the building under construction, and proof of contractor's and subcontractor's workers' compensation coverage, must be submitted for approval to the Gulf States Conference Executive Committee and Adventist Risk Management before final acceptance of building contracts can be made.

Building Subsidy - The Gulf States Conference gives assistance to churches and schools (excluding early childhood education centers) that embark on building, adding, or major remodeling or repairing projects. The source of funding for this assistance is the Church Development Funds and is subject to the approval of application submitted to the Gulf States Conference Executive Building Committee. It is based on the actual building cost,* excluding volunteer labor and the availability of funds and at the following percentages:

1. Ten percent of the first \$50,000 of actual building cost.
2. Five percent of remaining actual building cost.
3. The ceiling for Gulf States Conference subsidy is \$100,000 to any one church or school for any single project.

*In cases where a congregation sells its present facilities the actual building cost will be calculated by subtracting the selling price of the present facilities from the total cost of the construction of the new facility.

Note: These funds are not loans but are in fact gifts to the church and will be provided only so long as funds are available.

Sources of Funding for Local Building Projects

Southern Union Revolving Fund Loan - See **Revolving Fund** under **Loans – Church/School**.

Laymen's Church Development Foundation (LCDF) Loan - These funds are provided through special donations from individuals in our Gulf States Conference. When a church requests an LCDF loan the Gulf States Conference Executive Secretary will present the request to the Gulf States Conference Executive Committee to vote approval of the loan request.

Requests for Southern Union Revolving Fund, LCDF or Church Development Fund loans or grants must be applied for through the Gulf States Conference Executive Secretary's office and approved by the Gulf States Conference Executive Committee.