

GULF STATES CONFERENCE OF SEVENTH-DAY ADVENTISTS
GUIDELINES FOR CONGREGATIONS BUILDING A CHURCH/SCHOOL

Responsibility

NOTE: DO NOT SIGN ANY DOCUMENT WITH AUTHORIZATION OF THE CONFERENCE SECRETARY.

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|-----------|-----|-----|--|
| CH | ___ | 1. | Send a letter of intent to Conference Secretary. All contact to be made with the Conference Secretary. |
| CH | ___ | 2. | Obtain this check list. Allow 6 months to one (1) year advance planning. |
| CH | ___ | 3. | Analyze cash on hand to see what is affordable - use the form provided.
a. Determine, with assistance from the Conference Secretary, amount that can be borrowed according to General Conference policy. 200% of annual tithe or 50% of project in hand, whichever is less.
b. Combine the cash and borrowable amounts and conference subsidy assistance. (Conference subsidy not given on land only.) |
| CH | ___ | 4. | Determine what part of town you wish to build a church. Remember the need for good public exposure. Remember that the three most important elements of purchasing property are location, location, location. Wait until you find just the right property that you will be proud of 10 years from now rather than rushing into something. |
| CH | ___ | 5. | Locate property or properties as possibilities. |
| CH | ___ | 6. | Check: hazardous wastes from former buildings, such as underground oil tanks, lead paint and chemicals in soil, formaldehyde, foam insulation, radon and their cost of removal. The conference has an individual on staff who can do this free of charge. |
| CH | ___ | 7. | Seek legal counsel that specializes in real estate obtained by the local church to check out problems with title, parking, easements, zoning, with enough room for setbacks, etc. <u>The legal report should go to the conference legal counsel.</u> The conference secretary should receive a copy of the legal report along with hazardous waste report, and financial plan. |
| CH | ___ | 8. | Get appraisal of property. Preferably by a certified real estate appraiser. |
| CH | ___ | 9. | Get preliminary approval of church board. Give minutes to conference secretary. |
| CH & CONF | ___ | 10. | Request conference officers (President, Secretary, Treasurer) to look at property and get preliminary approval from conference. |
| CONF | ___ | 11. | Get preliminary approval of proposal to purchase real estate or purchase and sale agreement from conference legal counsel before signing offer. List contingencies:
a. "In the name of Gulf States Conference Association of Seventh-day Adventists."
b. "This agreement is subject to Gulf States Conference Association of the purchaser giving preliminary and final approval of the purchase."
c. "In the event that the Association Board does not give final approval, for any reason, the Buyer shall be discharged of all contractual liability and all deposit monies shall be promptly returned." |

- CH ___ 12. Make up written itemized financial plan including loan for closing, monthly mortgage, etc. Should be ready by next Association Board meeting (meets same time as Executive Committee).
- CH & CONF
 ___ 13. Get preliminary approval on loan from Southern Union Revolving fund.
- CH ___ 14. Final recommendation of church board to Association Board. Minutes to be sent to Conference Secretary.
- CH & CONF
 ___ 15. Final legal approval by conference attorney.
- CONF ___ 16. The Association Board will evaluate all of the information and make a decision either to approve or deny, or require additional steps to be taken.
- CH & CONF
 ___ 17. Final application for Revolving Fund loan or other lending institution.
- CH ___ 18. Coordinate legal closing, times and place with conference attorney, and get check from loan and savings, etc.
- CH & CONF
 ___ 19. Closing with conference representative or their agent present.
- CH ___ 20. Select a reputable architect to design your churches desired facility - consider options for future expansion. Consider plan of other structures built in the Conference. See if plan are available from Conference Treasurer.
- CH ___ 21. Obtain list of costs for construction and compare those costs to square footage rate in community and availability of funds on hand to conference policy limits for borrowing. (Adventist contractors and craftsmen available on request with references to check.)
- CH ___ 22. Submit preliminary blue prints to conference officers before finalizing plans.
- CONF ___ 23. Send plans to Adventist Risk Management for Life Safety considerations, wait for clearance.
- CH ___ 24. Obtain approval for final financial plan from Conference Secretary, and determine if you can afford the mortgage payment.
- CH ___ 25. Submit borrowing request to Association Board for approval. Allow sufficient time for periodic meetings.
- CH ___ 26. Secure reputable architect, contractors and sub-contractors, and require them to submit copies to you AND conference of proof for their employees' workers compensation.
- CH & CONF
 ___ 27. Secure "Builder's Risk" insurance from the conference; call the treasurer for details.
- CH ___ 28. Begin construction-if volunteer work is being done check with conference treasurer to see what insurance covers any personal accidents.
- CH ___ 29. When construction is completed contact the Conference Treasurer to remove "Builder's Risk" insurance and request full property insurance.

LOAN APPLICATION

SOUTHERN UNION REVOLVING FUND, INC.

P. O. BOX 849, DECATUR, GA, 30031
TELEPHONE: (404) 299-1832

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TYPE OR PRINT CLEARLY * * * * *
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NAME OF CONFERENCE: _____ DATE OF REQUEST: _____
NAME OF BORROWING ORGANIZATION: _____
MAILING ADDRESS: _____ COUNTY: _____
NAME AND ADDRESS OF INDIVIDUAL TO RECEIVE PAYMENT INFORMATION: _____

PROJECT INFORMATION:

DESCRIPTION OF PROJECT: _____

ESTIMATED PROJECT COST: _____ ESTIMATED COMPLETION DATE: _____
IS THE LAND PAID FOR FULLY? YES _____ NO _____ IF NOT, AMOUNT OWING? _____
ANNUAL TITHE: _____ CHURCH MEMBERSHIP: _____

DOES THE BORROWING ENTITY HAVE ANY OTHER OUTSTANDING LOAN OBLIGATIONS: YES _____ NO _____
IF YES, INDICATE CURRENT BALANCE(S): _____

DOES THE BORROWING ENTITY HAVE A CURRENT LOAN WITH THE REVOLVING FUND: YES _____ NO _____
IF YES, INDICATE CURRENT BALANCE (S): _____

HAVE YOU COMPLETED THE "PLAN OF FINANCE" ON THE REVERSE SIDE: YES _____ NO _____

LOAN INFORMATION:

AMOUNT OF LOAN: _____ TERM OF LOAN (up to 240 months): _____
ESTIMATED DATE WHEN LOAN (OR FIRST DRAW) WILL BE NEEDED: _____

THE INTEREST RATE MAY BE ADJUSTED BY A VOTE OF THE SOUTHERN UNION REVOLVING FUND, INC. BOARD, SE PARAGRAPH #2 OF INSTRUCTIONS (reverse side).

ON CONSTRUCTION LOANS THE INTEREST WILL ACCUMULATE DURING THE PERIOD FOR DRAWS AND WILL THEN BE A PART OF THE INSTALLMENT LOAN NOTE. PAYMENTS WILL BEGIN ONE MONTH AFTER THE LAST DRAW OR TWELVE MONTHS AFTER THE FIRST DRAW, WHICHEVER COMES FIRST.

AUTHORIZATION AND SIGNATURES:

DATE OF BOARD ACTION TO AUTHORIZE BORROWING OF FUNDS: _____

SIGNATURE: _____ SIGNATURE: _____
(Church Pastor / School Principal) (Church Treasurer / School Treasurer)

SIGNATURE: _____ SIGNATURE: _____
(First Elder / School Board Chairman) (Church Clerk / School Secretary)

Continued on back

DATE OF COMMITTEE OR BOARD AUTHORIZATION TO BORROW: _____ AMOUNT: \$ _____

SIGNATURE: _____ DATE SIGNED: _____
(Conference Treasurer)

IS THE PLAN OF FINANCE WITHIN N.A.D. WORKING POLICY? Yes _____ No _____
IF NOT, PLEASE ENCLOSE A COPY OF THE COMMITTEE ACTION WHICH AUTHORIZES SUCH AN EXCEPTION TO POLICY.

UNION SECTION:

DATE OF SURF, INC.. LOAN ACCEPTANCE COMMITTEE ACTION: _____ ACTION NUMBER: _____

SIGNATURE: _____ COMMENTS: () APPROVED / DISAPPROVED ()

INSTRUCTIONS

AFTER CONSULTATION WITH THE LOCAL CONFERENCE OFFICE, THIS FORM MAY BE FILLED OUT, TAKING NOTE OF THE FOLLOWING:

- BORROWING LIMITS:** A LOCAL CHURCH MAY BORROW UP TO THE EQUIVALENT OF 500 PERCENT OF ITS ANNUAL TITHES OR 65 PERCENT OF PROJECT COSTS, WHICHEVER IS LESS, PROVIDED THERE ARE PLEDGES IN HAND EQUAL TO THE LOAN.
- INTEREST RATES:** FUNDS BORROWED FROM SURF, INC. WILL BE LOANED AT THE PREVAILING INTEREST RATE. DURING THE COURSE OF THE LOAN, THE INTEREST RATE MAY BE SUBJECT TO CHANGE AS VOTED BY THE SURF, INC. BOARD. HOWEVER THE ORIGINAL MONTHLY PAYMENT AMOUNT WOULD REMAIN THE SAME, UNLESS THE LOAN IS REFINANCED.
- INSTALLMENT NOTE:** AFTER SURF, INC. APPROVES A LOAN REQUEST, AN INSTALLMENT LOAN NOTE WILL BE SENT TO THE BORROWING ORGANIZATION. THIS NOTE MUST BE RETURNED TO SURF, INC. BEFORE ANY LOAN FUNDS WILL BE RELEASED.
- MORTGAGE:** FOR LOANS IN EXCESS OF \$100,000, A MORTGAGE, PLUS TITLE INSURANCE, SHALL BE REQUIRED. ALL RECORDING FEES, ATTORNEY FEES AND TITLE INSURANCE SHALL BE AT THE BORROWER'S EXPENSE AND MAY BE ADDED TO THE OUTSTANDING LOAN BALANCE. INFORMATION TO RECORD THE MORTGAGE MUST BE RECEIVED BEFORE THE FIRST DRAW CAN BE DISBURSED.
- PROOF OF INSURANCE:** FOR LOANS IN EXCESS OF \$100,000, SURF, INC. IS TO BE NAMED IN THE PROPERTY INSURANCE POLICY AS A "MORTGAGEE." FOR LOANS OF \$100,000 OR LESS, THE SURF, INC. IS TO BE NAMED AS AN "LOSS PAYEE."
- PLAN OF FINANCE:** PLEASE COMPLETE THE FOLLOWING PLAN OF FINANCE:

	ESTIMATED COST		FUNDS SOURCE
Land already owned	\$ _____	Land already owned	\$ _____
Land To Be Purchased	\$ _____	Cash on hand for project	\$ _____
Architectural fees	\$ _____	Conference Appropriation	\$ _____
Building	\$ _____	Revolving Fund Loan	\$ _____
Equipment	\$ _____	_____	\$ _____
Interest cost	\$ _____	_____	\$ _____
_____	\$ _____		
Total Estimated Cost	\$ _____	Total Funds Source	\$ _____

- WHERE TO SEND - LOAN APPLICATION:** THE ORIGINAL COPY OF THIS LOAN REQUEST SHOULD BE SENT TO YOUR LOCAL CONFERENCE OFFICERS, KEEPING A PHOTO COPY FOR YOUR RECORDS. THE SURF, INC. LOAN ACCEPTANCE COMMITTEE WILL CONSIDER ONLY THOSE LOAN APPLICATIONS THAT HAVE LOCAL CONFERENCE AUTHORIZATION.