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British Union Conference
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BUILDING ACQUISITION AND LOAN POLICY

The acquisition of property is among the larger of financial decisions made by local churches, Conference/Mission and Union Committees. Each committee has a specific role. The purpose of this policy is to define the objectives and boundaries of each. The committee with whom beneficial ownership resides (usually the Conference/Mission) has the greatest duty of care. Prior to an offer being made, respective officers will have had a valuation survey by a qualified surveyor of the property to support their bid. Such documentation will be presented to respective committees prior to an offer being supported.

Need Assessment

The purchasing body shall assess the need of a new property with regard to the growth and capacity of the church represented. Such churches will demonstrate harmony, growth and a preparedness to maximise the use of the building in services including but beyond regular worship services. The return on capital employed is to be viewed with reference to the total spiritual and charitable use of the properties.

Prioritisation of Need

Where several churches are simultaneously attempting to acquire buildings priority will be given to those churches with a strong track record of stewardship with regard to their building fund.

Proximal Position of the church

Church buildings lie at the heart of church communities. Every effort shall be made to purchase buildings or land central to the witness of constituent members. Where a church group decides to purchase property in the vicinity of another church group, consultation between church groups and the Conference/Mission shall be made prior to an offer to purchase.

Church buildings represent the whole of the Seventh-day Adventist Church; as such they should be positioned and maintained so as to represent our key values.

Availability of the Church to the Public

Churches should express willingness for their church to be available for community use, in accordance with the values and ethos of the Seventh-day Adventist church, while at the same time having due regard to the church's own nurture and evangelistic programmes.

Maintenance & Condition of the Building

A building survey prior to a tender being made shall assess the total cost of purchase, maintenance and repairs, such that the building can be used for its intended purpose.

Covenants, Insurability and Restrictions

Care and consideration shall be given to identify such covenants, insurance risks and restrictions that would contribute additional operating costs during the life time usage of the property. The following are some examples of such matters:

- Restrictive covenants from previous owners
- Listed building status
- Tree preservation orders
- Stained glass windows

Restrictive covenants, listed building status, tree preservation orders and the presence of stained glass windows etc shall be disclosed to the authorising committees. Special features including stained glass windows shall be disclosed with plans to protect and insure such features.

Affordability

All buildings purchased shall represent good value for money with reference to prices in the region of purchase. Purchase at premium prices in competitive markets should be resisted.

Financial plans will be assessed with regard to the ability of a church to provide resources not just for the purchase but its ability to sustain the operation of a comprehensive ongoing church programme. In making this assessment, regard will be given to giving patterns over the last three years in terms of tithe, non-tithe and Gift Aid returns.

The financial plan will disclose all resources of the church: reserves dedicated to the purchase of buildings, the current annual budget and a feasible operating budget contingent on purchase.

Regard will be given to anticipated cost of borrowing over the life of any loans taken with a commercial view to the volatility of interest rates.

Pledges from members are regarded as an indication of both willingness and capacity to fund. They are understood to have no legal basis and are thus to be discounted in terms of materiality when included in financial plans.

External funding from either the Conference/Mission/beneficial owner or public authorities should be assessed and approved by appropriate committees prior to Contracts being signed by the Seventh-day Adventist Association Ltd.

Limits on Borrowing

Reference shall be made to TED Policy S15.

This requires that TED executive committee approval be given where borrowing exceeds 15x the Local Wage Factor (LWF = BUC Pensionable portion of Salary), and the project cost is 30x LWF and where the total loan is greater than 50% of the project.

BUC approval shall be required when any of the following criteria are encountered.

- (i) Borrowing on a project is between 25% and 50% of the total projected budget
- (ii) The total loan profile of the Conference/Mission exceeds 20% of the Conference/Mission's unallocated funds.
- (iii) The working capital of the Conference/Mission is less than 100%
- (iv) The Conference/Mission total loan liability exceeds twice the non-tithe annual income.

Ownership and Title

All properties are registered in the name of the Seventh-day Adventist Association Ltd (for UK properties) and World Wide Missions Ireland (for properties in the Republic of Ireland), the titular owner, that holds all properties in trust for the beneficial owner, usually the Conference/Mission in whose territory the local church resides. Churches have the responsibility of maintaining buildings in their use and insuring them with the support of the beneficial owner.

Communication

In order to avoid confusion and to expedite matters during the sale or purchase process the secretary of the Seventh-day Adventist Association Ltd or World Wide Missions Ireland should be the single point of contact with the solicitors handling the conveyance.