

Property Approval Process & Procedure – Sale of Property

This process and procedure is to be applied across all entities under the jurisdiction of the Victorian Conference - Local Churches, AdventCare, Schools, Victorian Conference Property Assets

Preamble

All Church property in Australia is placed in the name of Australasian Conference Association Limited (ACA Ltd). ACA Ltd is a Church administered trust company and exists solely for Church asset protection purposes.

The authority to sell a property can be made by the Beneficial Owner of the property. Sale Authority is given by a clear majority vote at a duly constituted meeting being: Local Church – Church Business Meeting; AdventCare – AdventCare BOD; Schools Company – Education BOD; Victorian Conference Property Assets – Executive Committee; Assets of Wider Church Significance - Session Meeting.

If a property sale is approved at the meetings mentioned above, the request is then forwarded to the Conference Executive Committee for confirmation and approval.

When approved, authority is then sent to ACA Ltd for action.

It is strongly advised that the Beneficial Owner consults with the Conference Infrastructure Coordinator or Chief Financial Officer if any property sale is under consideration.

Guide Questions

The following questions have been provided to help guide Church Entities understand where their property sale fits within their future plans.

Steps	Stage	Description
1a.	JUSTIFY SALE OF PROPERTY	<p>Reason for Selling</p> <ul style="list-style-type: none"> • What is the real problem you are facing? • What are you trying to achieve from the property sale? • What key assumptions are being used to justify the sale and will this change over time? <p>Value of Property</p> <ul style="list-style-type: none"> • What is the present market value for the property? <ul style="list-style-type: none"> ○ Is the property price independently verifiable (“3-quotes rule” and industry benchmarking)? <ul style="list-style-type: none"> ▪ 1) Like Sales, 2) Price per sqm, 3) ROI (like property value) • Are there any encumbrances or caveats on the property? • What is the current market/economic condition? <ul style="list-style-type: none"> ○ Is it a good time to sell? ○ What is the market looking like it will do in 3-5 years?
b.		

<p>c.</p>		<p>Proceeds from the Sale of the Property</p> <ul style="list-style-type: none"> • Is there a clear and present need for the land asset to be sold? • Where will the proceeds of the sale be directed? <ul style="list-style-type: none"> ○ Does the property sale form a key part of a larger strategy or master-plan? ○ If so, does the future strategy/master-plan pass feasibility tests and scrutiny? • Are there alternative ways to raise the required funds other than selling the property? <p>Alternatives to Selling</p> <ul style="list-style-type: none"> • What are some other creative alternatives or solutions to avoid selling or uses for the property that would achieve a beneficial outcome? • Can the property be rented out or sold lease-held to create a longer-term return on investment for the Entity? • Can the property be utilized for some other denominational purpose? • Is there another use for the property that could benefit the wider Church community? <p>SDA Mission Defensible</p> <ul style="list-style-type: none"> • How does the sale of the property contribute the Mission of the Church here in Victoria? • Is this property sale in the best interests of the Mission of the Church here in Victoria? • Is selling the property the best solution in the context of solving the root issue?
<p>2.</p>	<p>LOCAL ENTITY SUPPORT</p>	<p>Widely Supported by Local Entity and Community (Business Meeting, Board of Directors, Wider Constituency)</p> <ul style="list-style-type: none"> • Is there a consensus within the Local Entity that property should be sold? Is that the best solution available – after being shown all other options? • Is there support for any potential new development in the local community?
<p>3.</p>	<p>CONFERENCE CONSULTATION</p>	<p>Confirm Wider Church Considerations</p> <ul style="list-style-type: none"> • Are there other beneficial uses of the land to the greater Conference? • Is there a way of increasing or maximizing the value of the property prior to selling? <ul style="list-style-type: none"> ○ Can the property maximization be completed easily, within a reasonable timeframe, without significant complications and costs to the Conference of Church Entity? • What (if any) are the long-term considerations for the Conference related to the sale for the property? • Are there synergies that can be achieved with other church entities? • Has the option of sale been considered, without the influence of self-serving interest groups? • Confirm adherence to Victorian Conference Conflict-Of-Interest guidelines (provided by Conference on request)