

2017

ARKANSAS-LOUISIANA  
ASSOCIATION

# Policy Guidelines

**LOAN REQUESTS / SALES-PURCHASE / SUBSIDIES  
BUILDING GUIDELINES**



Arkansas-Louisiana Conference  
of Seventh-day Adventists

[www.arklacsda.org](http://www.arklacsda.org)  
Associations Department

**The Arkansas Association of Seventh-day Adventists  
The Louisiana Association of Seventh-day Adventists  
Property Purchase, Sale and Lease Policy Guidelines**

Approved by Executive Committee on March 3, 2016

**Updated on November 30, 2017**

1. Property purchases and sales must be coordinated through the Association office at the Conference Office.
2. Churches are encouraged to develop a long-range plan for ministry prior to the development of property purchases and/or building plans. Points to consider include:
  - Review your church's mission statement and provide a brief description of how the purchase/building fits into your mission.
  - The reasons/needs driving the purchase/building plan.
  - Congregational support for project (describe congregational participation/commitment).
  - Steps taken in planning process—**all** the construction plans, budget, expenses, contractors, and resources available **must** be presented and approved by the church's appointed committees and/or subcommittees
  - Phases for project (if more than one, provide brief description).
  - Purchase/building project's fit into the church's long-range ministry.
  - Overview description of purchase/building project. Provide photos, plans, drawings, etc.
  - Project's church impact: financially, logistically, internally, and spiritually.
3. **Qualifications for a loan include**
  - Church debts and obligations must be current, including tithes and offerings, and Conference receivables.
  - Congregations requesting a loan shall have at least one full year of operating financial records as a group or company before a loan request for the purchase of land or church or school or the construction of the same is presented.
  - Congregations must achieve full Company status before requesting a loan to purchase land, a church, a school or the construction of the same.
  - Congregations requesting a loan must prove from records submitted to the Conference that their monthly or local offerings may support the payment of a loan plus operating expenses. If the monthly offerings do not support a full payment of the proposed loan, then they may receive pledges towards the loan payment from their membership, but the pledges must exceed the loan payment by 125% of the loan payment.

#### 4. Process for obtaining a loan

- **All property purchases must be first voted by the local church in a duly called business session and a copy of the minutes provided to the Association office.** The minutes must include the voted action regarding the purchase, the sale amount, or the cost for construction/repairs. The minutes must also include the time and date of the meeting as well of a head count of those present. If at all possible the names of the church members present should be included.
- Fill out Loan Request papers obtained from Conference Associations Department, making sure the pastor and church treasurer sign appropriately. Submit papers to Conference for approval.
- Before a purchase or sale contract is presented, the property must be evaluated by an Association official representative. This person will then get in contact with the congregation and present a report to the Associations Management Committee (AMC) for further action.
- All property-related purchase or sale contracts must be voted by the Arkansas-Louisiana Conference Associations Board. Properties must be titled in the name of the “The Arkansas Association of Seventh-day Adventists,” or “The Louisiana Association of Seventh-day Adventists,” as applies.

#### 5. Loan policies:

- If membership of church is **greater than 50**, then the church may borrow up to 400% of its annual tithe average for the last three years or 65% of the project cost, whichever figure is less.
- If membership of church is **less than 50**, then the church may borrow up to 300% of its annual tithe average for the last three years or 65% of the total project cost, whichever figure is less.
- A subsidy of 5% (English speaking churches) or 8% (Spanish speaking churches), up to \$20,000.00, can be obtained from the Conference for total purchase price of property/building. Application must be turned in along with receipts/invoices documenting renovations/purchase. No subsidies will be disbursed without itemized receipts. These subsidies apply only to structural construction and modifications, everything that qualifies as a planned asset and not to equipment, refurbishing or updating of structures already in place. The appropriate conference committees will review products purchased to determine their qualification for subsidy.
- The conference subsidy can count toward the down payment amount of purchase if approved by AMC, Associations Board, and the Executive Committee. Any exceptions must be approved by the Conference Executive Committee.
- The Loan Request to the Southwestern Union Revolving Fund (SWURF) must be signed by two Association officers from the Conference as well as the church treasurer and pastor before being submitted to SWURF. Loans can be obtained for up to fifteen years at the rate set by the SWURF.
- The loan request to the Adventist Lay Church Builders (ALCB) must be signed by two Association officers from the Conference as well as the church treasurer and

pastor before being submitted to ALCB. Loans can be obtained for up to fifteen years at rate set by ALCB.

- The Arkansas-Louisiana AMC and the Arkansas-Louisiana Executive Committee will **only** approve loan requests to be granted by either the SWURF or ALCB. The Arkansas-Louisiana Conference under no circumstance will approve nor guarantee loans from parties other than the SWUR or ALCB.

## **6. Sale Purchase Contracts:**

- No employee or church member is allowed to sign sales contract documents without first obtaining a written authorization agreement form from the Association. The local church board must first vote to authorize any pastor or church member to be the designated representative. Final closing documents and all legal deeds can only be signed by Association officers.
- Required contract contingencies must include:
  - a. A voted approval by the Arkansas-Louisiana Conference Associations Management Committee, Associations Board, and Executive Committee.
  - b. A phase I environmental site assessment completed with a clean report. (If deemed necessary)
  - c. Approved zoning for church use and an occupancy permit obtained.
  - d. A property survey.
  - e. An inspection by a professional, licensed inspector.
  - f. A property appraisal for all property purchases/sales.
  - g. A comparative market analysis (comps).
- All construction projects must include a working set of architectural drawings.
- All contracts are subject to review by a Conference attorney and/or an Association Officer.
- All real estate purchases and sales are handled by brokers or attorneys agreed on by the buyer and the seller in the area the closing is taking place.
- All original closing documents must be sent to Conference office for record keeping and filing.
- Closings should be scheduled on Tuesdays, Wednesdays, or Thursdays in order to avoid unnecessary delays due to Association office travel schedules.
- All closing (settlement) statements must be received and reviewed in the Association office at least a month prior to the actual closing.

## **7. Legal Aspects:**

- The church is required to seek the counsel of all local city or county building and planning officials prior to major project remodeling, expansion, new construction or purchase. Caution is needed in making sure that the property is zoned for a church and that it is rated for “assembly” and eligible for an occupancy permit.
- All new construction projects require “builder’s risk” insurance prior to commencement of construction.
- Property must be appropriately insured and proof of insurance provided to the

Conference office. Call office for minimum acceptable coverage. Churches located in a flood zone are required to purchase flood insurance and a copy of the policy provided to the Conference's Treasury Department. Request from the Association the check list of information required for insurance purposes.

- Tax exemption status is filed by the Associations Department at the Conference Office.

#### **8. Renting Property:**

- Must have signed agreement. (Rental/Use Agreement; request from Associations Department at the Conference Office).
- Business meeting minutes from church, approving another organization to rent, must be turned in to Associations Department for filing.
- Conference Officer must sign lease along with the Pastor, Treasurer and Elder from the church.
- Renters must carry insurance policy of **at least \$1,000,000** for liability and property damage, and provide proof of coverage from the insurance company. **Conference must be listed on insurance policy as additionally named insured.**

## **Building Subsidy Policy**

1. The ARKLA Conference provides a subsidy of 5% of the cost of purchasing or constructing a church or school facility.
  - a. The subsidy will be up to a maximum of \$20,000.
  - b. Subsidies are given only when funds are available.
  - c. Subsidies are based on actual cost. Volunteer labor or donated items do not qualify.
2. The purchase cost of the land is included for purposes of calculating the subsidy, but the subsidy will only be granted when a church or school facility is constructed.
3. The proceeds from the sale of a previously owned facility, on which a subsidy had already been granted, will be deducted from the cost of a new facility when calculating the subsidy.
4. Architectural building plans (see New Building Requirements) must be submitted to the ARKLA Conference Building Committee to qualify for the Conference subsidy.
5. When purchasing an existing building, renovation costs necessary to bring the facility to a point where worship can take place are also covered.
6. There is no subsidy for remodeling of an existing facility unless it is required to bring the facility up to code in connection with a larger project.
7. No subsidy is given for construction costs covered by insurance proceeds.
8. The following items are eligible for the subsidy when necessary for the covered project:
  - a. Sanctuary seating, pulpit, communion table and fixed appliances that are attached to the building.
  - b. Landscaping around the building.
  - c. **Signage and esthetical adornments (such as steeples, lighting boards, etc.) as building identifiers.**
  - d. PA systems, projection and other equipment **are not eligible for the subsidy.**
9. Paved parking lots added at the time of initial construction or at a later date will qualify for a subsidy.
10. Subsidies will be disbursed
  - a. Based on submission of original receipts and invoices.
  - b. Based on land cost being documented by closing statement.
  - c. After the project is completed.
  - d. If submitted within one year of project completion.
11. Subsidy requests submitted before the project is complete will be considered only if an exception to policy is granted by the appropriate committee.
12. This policy was voted by the Executive Committee and is effective as of September 15, 2015. Updated most recently on November 30, 2017.

## **New Building Guidelines**

A church or school building project require several plan components. The details below include architectural, structural, and mechanical plans to keep in consideration.

Any new church, school building project or addition to an existing facility must provide architectural plans including but not limited to the list below to the ARKLA Conference Building Committee.

### **Architectural Drawings**

Name and address of project

Name, address and occupation of the author of the construction documents

Scaled and dimensioned floor plans with all room names labeled; doors and windows shown; and special features clearly noted

Exterior elevations, showing all openings

All door and window sizes noted either on elevations, plans or door and window schedules referenced to plans. Indicate sleeping room and basement egress.

Complete sections and details for foundations, floors, walls and roofs, with components of assemblies completely noted, properly cross-referenced, with floor-to-floor heights dimensioned

Indicate compliance with braced wall requirements, indicating the specific methods used and details of the method(s) in the construction documents.

Indicate compliance with Energy Code. Show insulation values plus mechanical drawings as required.

Indicate stair dimensions, tread and riser dimensions, handrail and guardrail information.

For additions and renovations, make clear the distinction between existing construction, alterations to existing, and new work.

If at all possible, indicate rated walls, provide a copy of the testing agency design detail(s) on the drawings, and show compliance with other parish, city or county requirements.

### **General Information**

Site plan drawn to scale showing project, distances to nearby buildings, fences, parking, handicapped access, location of hazardous features such as fuel storage or incinerators.

Floor plan(s) drawn to scale showing walls and partitions, openings, door swings, built-in features, changes in elevation such as steps or ramps, dimensions, and notes to indicate what is shown and the use (room name) of each space.

Details required to explain construction and/or other features.  
Exterior elevations if appropriate. Stair and railing details, plans, and sections.  
Schedules for doors, windows, hardware, and room finishes.  
Drawings of heating and air conditioning systems.  
Electrical drawings showing service, fire alarm, exit lighting and emergency lighting where required.  
The drawings shall clearly indicate what is existing and what changes are proposed.  
A ground floor plan showing required exits and floor plans of the entire floor(s) where work is contemplated (such as in high rise buildings).

### **Structural Information**

Note uniform design loads and any special loading.  
Scaled and dimensioned foundation plans. Show ventilation and access openings as required.  
Scaled and dimensioned floor and roof framing plans. Indicate all beam sizes, headers, ledgers, posts and columns. Note species and grade of lumber, or manufactured structural members performance grade.  
Sections and details properly referenced to plans  
Reinforcing steel, if used, for slabs, retaining walls, grade beams, foundations and foundation walls  
For additions and renovations, detail the existing structure and footings that provide bearing for new work.  
General notes and construction notes

### **Mechanical Plans**

New construction require  
– heating/cooling load calculations  
– duct layout  
– complete mechanical layout and the equipment list (type and size) including exhaust system for kitchen, baths and dryer, venting systems and combustion make up air for fuel-burning appliances prepared and signed by a licensed HVAC contractor, or architect or mechanical engineer with sealed drawings.  
For alterations or additions to existing dwellings, the same requirements apply.  
When adding or replacing exterior units, a scaled, certified plat is required. It must clearly indicate the location of the new or replacement unit(s).

### **Plumbing**

New construction will show the water service location and pipe size on the site/grading plan.  
Renovations and additions to existing structures may continue to use the existing water service.  
Plumbing riser diagrams are not required, except for unusual features such as solar water heating systems.  
All projects will show plumbing fixture layouts as part of the architectural plans.



## **Electrical**

Complete plans and specifications of all electrical work.

Labeling criteria of all electrical equipment.

Lighting floor plan including electrical circuits indicating conduit and wiring sizes.

Power floor plans including electrical circuits indicating conduit and wiring sizes, equipment and disconnect switches.

Exit sign/means of egress lighting location and power supply.

Panel board schedule.

Lighting fixture schedule.

Symbol schedule and diagrams.

Specifications to include requirements for:

- Raceway and conduit fittings.

- Wire and cable.

- Electrical boxes, fittings and installation.

- Electrical connections.

- Electrical wiring devices.

- Circuit and motor disconnects.

- Hangers and supporting devices.

- Electrical identification.

- Service entrance and details,

- Overcurrent protection.

- Switchboards.

- Grounding.

- Transformers.

- Panel boards.

- Motor control centers.

- Lighting fixtures.

- Fire protective signaling systems.

- Automatic fire detection systems.

- Emergency/standby systems