

Guidelines

for

Association Properties

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Michigan Conference Association

of Seventh-day Adventists

*Revised – May 3, 2022*

Our hope is that these guidelines will help us as we work together to avoid mistakes and to insure we have the best possible outcomes when dealing with Association property matters.

1. Purchasing Property
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9. **Purchasing Property**
	1. When there is a desire to search for property to purchase, contact the Michigan Conference Association (MCA) before proceeding, at 517-316-1507.
	2. We strongly encourage no dual agent representation when choosing a realtor.
	3. When chosen property is located, contact MCA for further instruction.
	4. All voted minutes from duly called church board and business meetings, or school board and constituent meetings, supporting the purchase, must be forwarded to the MCA.
	5. Local church or school recommendation to purchase property must be approved by the MCA Board of Trustees.
	6. Any offer to purchase real estate needs to be made by the MCA and signed by one of the officers (not by the local church). The officers are President-Jim Micheff, Vice-President-Justin Ringstaff, Vice-President-Mike Bernard, Treasurer-Tom Owiti and Secretary-Joel Nephew. The MCA Secretary handles all property matters.
	7. All properties must be titled in the name of the *Michigan Conference Association of Seventh-day Adventists, a Michigan Church Trustee Corporation*.
	8. When purchasing an existing facility (and perhaps even vacant land) MCA will require either a fee appraisal or a Comparative Market Analysis (CMA) depending on the property and the area in which it is located.
	9. When purchasing an existing facility or vacant land, the church or school must have in place a financial plan which details how the cost of the property will be funded. The plan should specify the amount of cash on hand, pledges in hand, existing assets to be used or sold (i.e., the sale of existing church building, etc.) and the amount of debt financing that will be needed. This plan must be submitted to the Conference Treasury Department for review and counsel. Treasury will then submit the financial plan to the MCA and Michigan Conference Executive Committee (MCEC) for approval. Any loans required to finance the acquisition of property, need to be financed by the Lake Union Revolving Fund (LURF). All loans must be processed through the Michigan Conference Administration, MCA and MCEC. The Association Treasurer can provide the necessary LURF loan application and a fact sheet detailing what is required to qualify.
	10. All negotiations in the purchasing process will be handled by the MCA representative in cooperation with the local church or school. The MCA will work with the title company to complete the closing of the property and keep the local church or school informed.
	11. Environmental Hazard Assessment will be conducted by a MCA Representative prior to purchase.
	12. If the property has existing buildings, they will need to be inspected by a licensed inspector.
	13. It is appropriate when using facilities for the first time to invite the Conference President and or his designee to be present for a consecration service.
10. **Selling Property**

* 1. When there is a desire to sell property contact Michigan Conference Association (MCA) immediately at 517-316-1507.
	2. We strongly encourage no dual agent representation when choosing a realtor.
	3. All voted minutes from duly called church board and business meetings or school board and constituent meetings, affirming sale, must be forwarded to the MCA.
	4. Local church or school request to sell property must be approved by the MCA Board of Trustees.
	5. Any purchase agreement to sell real estate needs to be made by the MCA and signed by one of the officers of the MCA (not by the local church). The officers are President-Jim Micheff, Vice-President-Justin Ringstaff, Vice-President-Mike Bernard, Treasurer-Tom Owiti and Secretary-Joel Nephew. The MCA Secretary handles all property matters.
	6. All negotiations in the sale process will be handled by the MCA representative in cooperation with the local church or school. The MCA will work with the title company to complete the closing of the property and keep the local church or school informed.
	7. Funds from the sale will be held by the Treasury Department of the Michigan Conference until local church or school board requests the funds in writing, with supporting minutes from meeting.
1. **New Build/Addition**
	1. If you are constructing a new building or adding to your current one, you will need to submit drawn building plans to the Michigan Conference Building Committee (MCBC) for approval PRIOR to the breaking of ground and the start of the project. These plans must be reviewed and approved by the MCBC and then sent to the Michigan Conference Association (MCA) and Michigan Conference Executive Committee (MCEC) for their review and approval. After the MCA and MCEC approves the plans, the building process can begin if there is an approved financial plan in place.
	2. All voted minutes from duly called church board and business meetings, or school board and constituent meetings, approving project, must be forwarded to the MCA.
	3. It is a requirement that at least two bids be secured for all projects and or sub-contractor work on any building project. Three bids are better. All paid contactors must be licensed and insured.
	4. When building a new or adding to an existing facility the church or school must have in place a financial plan which details how the cost of the building project will be funded. The plan should specify the amount of cash on hand, pledges in hand, existing assets to be used or sold (i.e., the sale of existing church building, etc.) and the amount of debt financing that will be needed. This plan needs to be submitted to the Treasury Department for review and correction as needed. Treasury will then submit the financial plan to the MCA and MCEC for their approval. Any loans required to finance the building, or the addition need to be financed by the Lake Union Revolving Fund (LURF). All loans need to be processed through Conference Administration, MCA and MCEC. Association Treasurer can provide you with the necessary LURF loan applications and a fact sheet detailing how a LURF loan works and what is required to qualify.
	5. Prior to construction you must contact) MCA Insurance Representative to get “builders’ risk” insurance in place.
	6. It is appropriate when beginning construction to invite the Michigan Conference President and or his designee to be present for a ground-breaking ceremony for a new building project.
	7. Periodic construction updates need to be presented to MCA property management to keep MCA Board of Trustees informed.
2. **Remodeling/Maintenance Projects**
	1. If you are planning to do a remodeling project that involves structural changes (i.e., moving walls, plumbing, electrical etc.) you must submit detailed plans to the Michigan Conference Building Committee (MCBC) for their approval.
	2. If you are desiring to remodel or do a maintenance project and the cost will exceed $50,000, you must submit detailed plans to the MCBC for approval PRIOR to the start of the project. These plans must be reviewed and approved by the MCBC and then sent to the Michigan Conference Association (MCA) and Michigan Conference Executive Committee (MCEC) for their review and approval. After the MCA and MCEC approve the plans, the remodeling process can begin if there is an approved financial plan in place.
	3. All voted minutes from duly called church board and business meetings, or school board and constituent meetings, affirming structural changes in remodeling project must be forwarded to the MCA.
	4. All minutes from duly called church board and business meetings, or school board and constituent meetings, affirming remodeling or maintenance projects exceeding $50,000, must be forwarded to the MCA.
	5. We require that at least two bids be secured for all projects and or sub-contractor work on any remodeling project. Three bids are better. All paid contractors must be licensed and insured.
	6. When remodeling, the church or school must have in place a financial plan which specifies how the cost of the remodeling/maintenance project will be funded. The plan should detail the amount of cash on hand, pledges in hand, existing assets to be used or sold (i.e., the sale of existing church building, etc.) and the amount of debt financing that will be needed. This plan needs to be submitted to the Treasury Department for review and correction as needed. Treasury will then submit the financial plan to the MCA and MCEC for their approval. Any loans required to finance the remodeling or maintenance project need to be financed by the Lake Union Revolving Fund (LURF). All loans need to be processed through Conference Administration, MCA and MCEC. Association Treasurer can provide you with the necessary LURF loan applications and a fact sheet detailing how a LURF loan works and what is required to qualify.
	7. Proposals for remodeling or maintenance projects costing $50,000 or more will be submitted to MCA Board of Trustees for approval.
	8. Prior to remodeling, you must contact the MCA Insurance Representative to get “builders’ risk” insurance in place.
3. **Insurance Claims**
	1. When there is an occurrence contact Michigan Conference Association (MCA) Insurance Representative to file a claim as soon as incident occurs.
	2. Start necessary clean up right away.
	3. There is a $15,000 deductible of which the local church or school is responsible for the first $1,000 and the Michigan Conference is responsible for the remaining $9,000. Receipts for reimbursement will be needed.
	4. Insurance adjuster will meet with locally designated contact.
	5. Once claim is processed by Adventist Rick Management (ARM) the church or school will be forwarded claim funds from the Michigan Conference.
	6. If all repairs are “like and kind” no further authorization is required. If in the process of making repairs, there will be structural changes made to building then you will need to follow section 4 above (Remodeling/Maintenance Projects)

1. **Receiving Donated Property**
	1. When a donor desires to donate property, contact the Michigan Conference Association (MCA) before proceeding at 517-316-1507.
	2. All voted minutes from duly called church board and business meetings, or school board and constituent meetings, supporting the donation, must be forwarded to the MCA.
	3. A paid appraisal of property must be done for the donor to receive a Noncash Charitable Contribution 8283 tax form. MCA will provide the donor with the form.
	4. Environmental Hazard Assessment will be conducted by a MCA Representative prior to acceptance of property.
	5. If the property has existing buildings, they will need to be inspected by a licensed inspector.
	6. Local church or school recommendation to support donation of property must be approved by the MCA Board of Trustees.
	7. It is appropriate when using facilities for the first time to invite the Conference President and or his designee to be present for a consecration service.

1. **Use Agreements**

~ Use Agreements are to be utilized when the property is used for any events not sponsored by

the local church or school.

~ The Michigan Conference Association (MCA) attorney-approved Use Agreement can be

obtained by contacting the MCA.

* 1. **Short Term** (1 month or less)
		1. All voted minutes from duly called church board or school board meetings, approving the use of the facility, must be recorded by local entity.
		2. MCA Use Agreement form must be used.
		3. User, at its sole expense, agrees to acquire and keep in full force during its use of the Premises, comprehensive public liability and property damage insurance, in which both the MCA of Seventh day Adventists, and its affiliated organizations, and the Local Church are named as additionally insured parties together with the user, covering any and all claims for injuries to persons or property occurring in, upon or about the premises during user's occupancy and use, or related thereto. This insurance is to be in the minimum amount of one million dollars ($1,000,000) single limit coverage to indemnify the claim of one or more persons, and for indemnification for property damage.
		4. Local church or school is responsible for executing agreement and monitoring outcomes.

* 1. **Long Term** (More than 1 month)
		1. All voted minutes from duly called church board and business meetings or school board and constituent meetings, approving the use of the facility, must be forwarded to the MCA.
		2. MCA Use Agreement form must be used and returned to MCA Board of Trustees for approval.
		3. Any long-term use agreement needs to be signed by one of the MCA officers (not by the local church). The officers are President-Jim Micheff, Vice-President-Justin Ringstaff, Vice-President-Mike Bernard, Treasurer-Tom Owiti and Secretary-Joel Nephew. The MCA Secretary handles all property issues.
		4. User, at its sole expense, agrees to acquire and keep in full force during its use of the Premises, comprehensive public liability and property damage insurance, in which both the MCA of Seventh day Adventists, and its affiliated organizations, and the Local Church are named as additionally insured parties together with the User, covering any and all claims for injuries to persons or property occurring in, upon or about the Premises during User's occupancy and use, or related thereto. This insurance is to be in the minimum amount of one million dollars ($1,000,000) single limit coverage to indemnify the claim of one or more persons, and for indemnification for property damage. User is required to provide a certificate of liability prior to occupancy and a complete insurance policy to Owner at any time upon request of the Owner and shall cause User’s insurance carrier to provide the Owner with notice of cancellation within thirty (30) days prior to any cancellation of said insurance policy.
		5. Local church or school are responsible for executing agreement and monitoring outcomes.
1. **Contact Information**
	1. Joel Nephew – Michigan Conference Association Secretary and Property Manager

jdnephew@misda.org

Office 517-316-1524

Mobile 517-750-8050

* 1. Mona Hickman – Michigan Conference Association Insurance Representative & Property Assistant

mhickman@misda.org

Office 517-316-1507

* 1. Tom Owiti – Michigan Conference Association Treasurer

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