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Uniting Church in Australia  
Synod of NSW and the ACT

## **SECTION 3— PURCHASING PROPERTY**



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## PURCHASING PROPERTY

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#### Purchasing Property

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## 1. General Overview

- 1.1 Both Property Trusts are entities incorporated under statute. They are the entities within the bounds of the Synod that can legally acquire and hold property whether real or personal. Trust property is either vested in or acquired by the Property Trust and is beneficially held for the use of church bodies within the bounds of the Synod.
- 1.2 All property purchases must be undertaken in accordance with the processes set down by URPS and the ownership of the property must be in the name of the relevant Property Trust as applicable.
- 1.3 All property purchases must be undertaken in accordance with the Property Approval Delegations under Regulation 4.2 as approved by the Synod Standing Committee October 2010 (see Annexure 2).

## 2. Purchasing Process

Any church body seeking to purchase property must complete the following steps in sequential order.

### Step 1

The body identifies a need to purchase a property for its use.

### Step 2

The body undertakes a formal assessment of the proposed purchase. Factors that need to be considered include:

- Missional and/or strategic impact assessment,
- Impact on any other part of the church and consideration of any relevant regulations, by-laws and policies of the church,
- Financial capacity to meet all associated costs,
- Whether borrowings from within the church are required and capacity to service those borrowings,
  - A risk assessment which includes such considerations as:
    - Full legal due diligence
    - Contamination and hazardous materials
    - Building and pest inspections
    - Due diligence on purchaser.

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## Step 3

The body obtains appropriate approval within its governance structure by passing a written resolution agreeing or disagreeing with the proposal to purchase.

- For a congregation the church council will make this resolution.
- For all other bodies it will depend on their respective governance arrangements.

## Step 4

If no formal valuation has been obtained prior to this step, then a formal valuation has to be obtained from an independent registered valuer.

## Step 5

If the resolution is to proceed with the proposal to purchase, then the body will complete a "Purchase Application Form" (see Annexure 3) and attach the proposal, valuation and assessment to it.

- For all bodies oversighted by a presbytery, the Purchase Application Form and attachments must be submitted to both the presbytery and to URPS.
- For purchases of \$1 million and under, the presbytery has the power to approve according to its delegation and will provide details of the approval to URPS.
- For purchases above \$1 million, the presbytery needs to formally endorse and recommend approval to URPS, which in turn will then submit the proposal to the Uniting Resources Board for approval.
- For all other bodies, the proposal is to be submitted to URPS, which in turn will then submit the proposal to the Uniting Resource Board for approval.
- Where any body has a specific delegation of approval from the Uniting Resources Board, it may approve the proposal in accordance with the delegation and provide details to URPS.

NOTE: If land is being purchased with a view to a building project the application should give full details of the proposal and, if possible, sketch plans and preliminary costings of the building.

NOTE: If borrowings are required then the body needs to formally seek approved funding from Uniting Financial Services. Where borrowings have not yet been approved by Uniting Financial Services then any final approval to purchase will be subject to approval of borrowings.

NOTE: If existing Sales Proceeds are to be used for the purchase, this must be identified in the application form as specific approval for use of Sales Proceeds is required. Sales Proceeds should not be shown as "cash in hand" and are to be separately identified in the "Purchase Application Form" (see Sales Proceeds Policy in Section 4 Purchasing Property).

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## Step 6

The approving body will formally advise the relevant body in writing that its application has been successful or unsuccessful. Where approval to purchase is given by a presbytery or the Uniting Resources Board, formal written notification will be provided by URPS.

## Step 7

In consultation with URPS, the property is to be purchased in the name of the relevant Property Trust.

## Step 8

Prior to settlement, arrangements must be made with Uniting Resources Risk & Insurance Services to insure the property.

## Step 9

Prior to the exchange of contracts, all legal documents relating to the purchase of the property are to be submitted to URPS for execution by the Property Trust. A Certificate of Correctness (see Annexure 1) signed by the appointed legal representative must accompany this documentation.

## Step 10

Undertake settlement of the purchase in consultation with URPS and, where applicable, any funding body.

## Step 11

Following settlement, all documents — including but not limited to original certificate of title, survey, drainage diagrams, and zoning certificates — are to be forwarded to URPS for secure retention. Copies of such documents may be retained by the relevant church body for future reference.

## Step 12

URPS enters details of the purchase into the Synod Property Register and the relevant body assumes ongoing responsibility for the property purchased.

## 3. See Annexure

- Annexure 1 Certificate of Correctness
- Annexure 2 Property Approval Delegation
- Annexure 3 Purchase Application Form
- Annexure 7B Checklist for the Approval of a Purchase by Presbytery up to \$1,000,000