

POLICY: PR005 'PROPERTY SALE PROCEDURE'

Date Created: 31 July 2007

Version Date: August 2007

ANGLICAN DIOCESE OF CANBERRA AND GOULBURN

1. Title

Diocesan Property Sale Procedure

2. Purpose

To provide guidance on the various steps and procedures that need to be completed when diocesan land is sold

3. Scope

This procedure is designed for internal use of the Registry Office

4. Process / Procedure

- a) Where a ministry unit or Diocesan Agency wishes to sell, exchange, mortgage, lease or otherwise deal with church trust property as provided for in the Trust Property Act, it must lodge a proposal with the Registrar. See PR001 Sale Ordinance Procedure and PR002 Ordinance Initiation Form for more details.
- b) On receipt of a proposal the Registrar shall provide to the ministry unit or Diocesan Agency a notice of the dealing with the property and provide a copy of the proposal to the Area Dean or relevant Archdeacon and to the Property Trust (See PR003 Church Notice). and. The ministry unit or agency must display the notice in a conspicuous position for a consecutive period of 3 weeks. No earlier than 5 weeks after the notice has been displayed, the Area Dean or relevant Archdeacon provides a report to the Registrar (See PR004 Archdeacon Report)
- c) The Registrar then prepares an Ordinance and provides the proposal to Bishop-In-Council in order for Bishop-In-Council to pass the Ordinance. When the ordinance is passed, the Registrar notifies the ministry unit or agency and the sale, lease, lease or mortgage can be progressed.
- d) The Parish or agency then appoints a sales agent and commences the sales process

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- e) The sale of surplus property will require the payment of 15% of the net proceeds of the property to the Diocesan Foundation. However, the ministry unit or Diocesan Agency may apply to Bishop-in-Council for a reduction in or exemption from the payment of 15% of the net proceeds to the Foundation.
- f) Before the property is placed on the market the Registrar will clarify the GST treatment of the proposed sale and if GST is payable will generally advise the parish or agency to advise the solicitor that the GST Margin Scheme should be applied to reduce any GST liability. An independent Margin Scheme Valuation will need to be commissioned and provided to the Registry Office with the Sale documents in order to support the GST calculation on the sale.
- g) After the sale has taken place any documents need to be executed by the ACPT, so these will be forward to the Registry Office for signing. If a property file does not currently exist for this property, a new one will be created by the Property Manager and copies of all correspondence relating to the sale will be kept in this file. The Property Manager will ensure that the property is removed from the Diocesan Insurance Register when ownership is formally transferred from ACPT to the purchaser.
- h) On completion of the property transfer the Registrar will request the Chief Financial Officer to create a new Trust for the proceeds and this will be named in relation to the Sale Ordinance. The Chief Financial Officer will create a schedule to record receipt of monies from the sale and any expenditure associated with the Sale process. This will include the 15% contribution to the Foundation and any GST that may be payable.
- i) When all the sale proceeds have been received by the ACPT and all settlement documentation has been provided by the solicitor, the Chief Financial Officer will finalise the payments schedule and provide a copy to the Parish. The Parish will also be notified about management of the Trust and how income and any capital payments will be distributed from the trust. This notification should include a copy of the Allocation from Trust Form.