

- g. Is there Debt owed to Presbytery, Synod or General Assembly? This would be good to check out upfront, so the selling church is aware of the required payment.
3. Land Contracts/Seller Financing. If a land contract sale (or other seller financing) is proposed, the following should be included in the Sales Contract/Purchase Agreement:
- a. Financing Document Prep Fees. The buyer should pay the costs incurred by Presbytery and/or the local congregation for drafting the land contract or other Seller financing documents.
 - i. Financing documents include: land contract, memo of land contract, deed in escrow agreement, land contract discharge documents, borrowing resolutions, etc. Borrowers pay these costs for mortgage lenders, and a seller is taking a risk when accepting an installment sale rather than cash up front.
 - ii. A nonrefundable flat fee should be charged to the buyer up front in the Sales Agreement, and this fee should be paid to Seller when the Sales Contract/Purchase Agreement is signed.
 - b. Due Diligence Requirements. Due diligence should either be done before the sales agreement is signed, or as a contingency to Seller's obligation to close. Due diligence review can include: review of financial statements, confirmation of bank holdings and investment holdings, name search in debtor databases, review of credit reports; reviewing credit references acceptable to seller & seller's attorney; reviewing payment timeliness on other debt obligations of the buyer. The costs of obtaining credit reports and other information and reviewing it should be charged upfront to the buyer.
 - c. Amortization Statement. An amortization statement should be attached as an exhibit to the purchase agreement/sales contract.
 - d. Monitoring of Land Contract. After the land contract is signed, the seller and/or Presbytery must be prepared to carefully monitor the following until final payment is made:
 - i. Are the monthly payments made timely?
 - ii. Is insurance being maintained by the buyer?
 - iii. Are taxes being paid (if applicable)?
 - iv. Did the buyer obtain tax exemption for their use of the property? (If not, taxes may be unnecessarily assessed which, if not paid, could result in tax foreclosure.)
 - v. Is the property being properly maintained by the buyer? Inspections by the seller and/or Presbytery should be done regularly.

Reported to Presbytery 11/24/09

T-16 ON NEW CHURCH DEVELOPMENT ACCOUNTING

All disbursements to an organizing pastor or a new church development shall be made through the Presbytery's financial procedures until the new church development is chartered.

Reported to the Presbytery 6/26/12

T-17 Policy Statement for Cash and Line of Credit

In the normal business operations of the Presbytery of Detroit cash and cash equivalents are kept in Bank checking and money market accounts.