

Checklist for Closure and Separation

- X Letter to district superintendent requesting separation agreement and verification of Church Council Review. (Requested by pastor on behalf of Church Council)
- Letter to district superintendent requesting a Church Conference for vote to occur no later than March 1. Include start date of 30 day discernment period.
Copy of the letter to Annual Conference Trustees in care of conference treasurer (Annual Conference Trustees, c/o Beth Westbury, 4908 Colonial Drive, Suite 201, Columbia, SC 29203) and include the following information and documents.
(Documents to be provided in pdf format on a thumb drive.)
- Full appraisal report performed by a provider of commercial value assessments or appraisals licensed by the South Carolina Real Estate Appraisers Board and subject to the Uniform Standards of Professional Appraisal Practice.
 - Statement from lender showing current balance of any mortgage or other debt that is secured by church real property.
 - Copy of all deeds to property owned by the church.
 - Church's financial statements as of January 1. Include unrestricted, temporarily restricted, permanently restricted, endowed, and designated funds/assets (including cemetery funds). Include a current listing of all liabilities, debt, leases, payables, etc. and indicate if such liabilities will be transferred to the new entity or paid prior to the separation. (page 3, para. 4ai)
 - Bank reconciliations (including bank statements) for all cash and investment accounts for December and January (page 3, para. 4ai)
 - Copy of all endowment and/or foundation documents (See page 4, para. 4c)
- Annual Conference Trustees provide to church, by letter, estimated payment amounts required for separation.
- 10% of assets
 - Unpaid apportionments for prior year, if any
 - Unpaid apportionments through date of closure, if any
 - Additional 12 months of apportionments

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- Balance due on direct bill to include amounts owed on debt forgiveness plan, if any.
- Church's share of unfunded pension obligation

_____ Signed and dated document showing result of vote taken at Church Conference, witnessed by the presiding district superintendent or designee and an authorized officer of the church. (page 2, para. 1a) Included as exhibit to separation agreement.

_____ Church fully funds escrow account no later than May 31.

_____ Annual Conference provides certificate signed by conference secretary certifying that a resolution was presented to the members of the South Carolina Conference to ratify the separation agreement and the vote of the members on that resolution. Included as exhibit to separation agreement.

Prior to June 30 closure date, the church must provide:

_____ Proof all liabilities have been paid in full or transferred to new entity (page 4, para. 4b)

_____ List of local church affiliates and/or subsidiaries. Include federal employer identification number, GCFA no. if applicable, and address (page 4, para. 4e) List in Exhibit of Separation Agreement (page 8, para. 10b)

_____ Digital copy of membership rostrum-excel file (see page 5)

_____ Digital copy, in jpeg format, (see page 5, para. 4fi)

- Council meeting minutes (for Conference Archivist)
- Historical and current property records (for Conference Archivist)
- Membership rolls/records, funerals, baptisms, weddings (for Conference Archivist)

_____ Digital copy of cemetery policy for local church and verification that cemetery will be transferred to new entity or cemetery association (see page 5, para. 4g)

_____ Proof of creation of new entity (page 5, para 5)

_____ Proof of all insurance items identified in separation document provided by new entity (page 5, para 7)

- In place for three full years following closure date

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- Insurance carrier rated by A.M. Best's rating of A:VII or higher
- Commercial general liability
 - o issued on Insurance Office Form CG 00 01
 - o occurrence basis
 - o at least \$1,000,000 combined single limit coverage per occurrence for bodily injury and property damage
 - o at least \$1,000,000 coverage per occurrence for personal injury and advertising liability
 - o at least \$1,000,000 coverage per occurrence for contractual liability that insures the indemnification obligations of the Local Church and/or New Entity
 - o if aggregate limit applies, a general aggregate limit equal to twice the sum of all the required separate coverage limits (\$4,000,000)
 - o deductible or coinsurance amount of not more than \$1,000 per occurrence
 - o payment of all legal fees and other costs and expenses of defending and investigating claims without reduction of coverage or general aggregate limits.
- Pastor Professional Liability
 - o Claims made basis
 - o Retroactive date of 12/31/2009
 - o at least \$1,000,000 coverage per claim for the Local Church and/or New Entity and its pastors for damage arising out of pastoral counseling by the pastor and others for which an insured is liable
 - o deductible or coinsurance amount of not more than \$1,000 per occurrence
 - o payment of all legal fees and other costs and expenses of defending and investigating claims without reduction of coverage limits.
- Sexual Abuse and Molestation Liability
 - o Claims made basis
 - o Retroactive date of 12/31/1996
 - o at least \$1,000,000 coverage per claim for sexual abuse or molestation injury
 - o deductible or coinsurance amount of not more than \$1,000 per occurrence

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- o payment of all legal fees and other costs and expenses of defending and investigating claims without reduction of coverage limits.
- Additional Insureds and Policy Notices, each policy to include
 - o Name SC Conference et al as unrestricted additional named insureds
 - o Additional named insured coverage is the same as coverage for Local Church and/or New Entity
 - o Additional named insured coverage is primary to any other insurance available to an additional named insured
 - o Any insurance or self-insurance maintained by an additional named insured is in excess of, and non-contributory with, the policy of insurance of the Local Church and/or the New Entity
 - o Insurer to give SC Conference not fewer than 30 days' notice of insurer's intention to amend, cancel, not renew, etc.

_____ Copies of all property transfer (quitclaim deed) once vote has taken place at Annual Conference (page 7, para. 9)

_____ Signed copy of separation agreement pending all actions being completed.

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