

FINANCIAL REVIEW PREP LIST

Audit Scope

This procedure addresses all financial accounts, assets and liabilities of the faith community.

Evaluation Criteria

All Bank and Brokerage/Investment Statements for December 2019 (review year) through January 2020 (current year).

Bank reconciliations for all of 2019 (review year) and 2020 (current year).

Recommendations from previous audits for improvement have been followed.

Inaccuracies discovered while doing that audit are noted and corrected when possible.

Insurance documents indicate appropriate coverage of items on asset.

Copy of final 2019 (review year) Treasurer's Report (reviewer will keep the copy of this), Financial Statements as of 12/31/19 (review year), all interim financials if possible

1099's, W-2's and other tax forms filed in 201X (Form 941 and State if applicable)

Please have the following available at Audit Day: For Year Ending 12/31/19

- 1 Have a minimum of 2 people (not clergy) from your faith community attend/participate in the financial review
- 2 Checkbooks and voided checks
- 3 All Bank and Investment Statements for 2019 (review year) through January 2020 (current year)
- 4 All bank reconciliations for 2019 (review year) and January 2020 (current year)
- 5 Savings Accounts Books
- 6 Financial Receipts with acknowledgements if applicable, Disbursements with support documentation, detailed cash receipts and disbursement report if possible
- 7 Weekly counters tallies for 2019 (review year)
- 8 Paid Bills File for 2019
- 9 List of balances on notes and unpaid bills at the end of 2019 (review year). List of balances on notes at beginning of 2020 (current year). List should include name of creditor, date of origin, original debt amount, interest rate, payment schedule, monthly payment, unpaid balance, loan purpose and authorizing body.
- 10 Discretionary Fund (reports, checkbook, paid bills, bank statements, reconciliations) and any other accounts that ANY organization in the faith community has
- 11 Copy of final 2019 (review year) Treasurer's Report (reviewer will keep the copy of this), Financial Statements as of 12/31/19 (review year), all interim financials if possible
- 12 Parochial Report for 2019 (review year) if available
- 13 List of organizations that have separate checking and/or savings accounts. If they have not been reviewed the auditor will take care of this. This includes ECW, altar guild, etc.
- 14 2019 (review year) and 2020 (current year) Budget
- 15 Copy of Annual Report for 2019 (reviewer will keep the copy of this)
- 16 Last Financial Review/Audit Report

Please have knowledge of internal control process and completion:

- A 1099's, W-2's and other tax forms filed (Form 941 and State if applicable) and all payroll reconciliations (salary expense should be reconciled to 941)
- B Vestry, Bishop and Mission Committee Minutes
- C Inventory of Property (include purchase date and cost)
- D Proof of vestry/Mission Committee approval of Clergy Housing Allowance
- E Annual Giving Statements (Pledge Sheets)
- F All insurance policies and certificates for audit/review year
- G Copies of Articles of Incorporation (for Parish Congregations) and By-laws

FINANCIAL REVIEW CERTIFICATE INFORMATION

Financial Review for the period of January 1, ____ to December 31, ____

Faith Community	
City	
Rector/Vicar/PIC	
Senior Warden	
Junior Warden	
Treasurer	
Financial Review Date	
Date Presented to Vestry/Bishop's Committee	
Records reviewed (e.g. Faith Community, Youth Group and Discretionary)	
Financial Reviewer:	

FINANCIAL REVIEW CERTIFICATE

To the Rector/Vicar/PIC, Wardens, Committee and/or Vestry:

(Insert Reviewing Faith Community Name) Financial Reviewers have completed the attached report and believe that the accompanying financial statements fairly present all **(insert Reviewed Faith Community Name)** accounts. The work done and this certificate are

not to be construed as either an audit or review made in accordance with standards of The American Institute of Certified Public Accountants.

Included in the report are recommendations, of which the following need to be addressed as soon as possible:

Faith Community Lead Financial Reviewer

Date

FINANCIAL REVIEW CHECKLIST

REVIEW OF THE ACCOUNTING SYSTEMS:	YES	NO	N/A
Is the Manual of Business Methods in Church Affairs available?			
Is the Manual of Business Methods in Church Affairs utilized?			
Does the audit/review cover all funds of the faith community?			
Is a year-end financial report for each fund (e.g. ECW, Discretionary, etc.) attached to this report?			
Is there a separate backup of the Treasurers' Report?			
Is there a separate backup of the payroll?			
Is there a separate backup of the computer files?			
Are two signatures required for checks?			
Is a chart of accounts in use that includes all faith community funds?			
Accounting System - Recommendations			
REVIEW OF THE FINANCIAL REPORTS:	YES	NO	N/A
Have Financial Reports been issued monthly? Are they reviewed by Vestry/Bishops Committee?			
Are any bank accounts in excess of FDIC (\$250,000)?			
Are the authorized signatory names and Federal tax ID number on all bank accounts of the faith community up-to-date?			
Financial Reports - Recommendations			

FINANCIAL REVIEW CHECKLIST

REVIEW OF DOCUMENTS:	YES	NO	N/A
Do meeting minutes confirm approval of annual budget?			
Do meeting minutes confirm acceptance of the monthly financial report and statements?			
Do meeting minutes confirm acceptance of the Treasurer's Narrative Report?			
Do the December minutes reflect approval of the annual clergy housing allowance?			
Have receipts and disbursements in the discretionary fund been reported to the Vestry?			
Are financial reports for all faith community funds provided to membership at the faith community's annual parish meeting?			
Was the Annual Parochial Report submitted?			
Has a year-end list of securities/investments held been reviewed?			
Has the year-end bank statement and bank reconciliation for each fund been reviewed? By whom?			
Have sample cancelled checks and deposit slips for each fund been reviewed? Has the check register been compared to statement? The samples review total: _____ REVIEW STEPS: Review bank statements from December and a random month. (a) Trace two (2) random checks through to the account ledger. Examine endorsements and authorization. (b) Compare ending bank balance to that on the corresponding balance sheet and reconciliation.			
Have Form 1099 and payroll records been reviewed?			
Have year-end Savings Account statements been reviewed?			
Documents - Recommendations			

FINANCIAL REVIEW CHECKLIST

REVIEW OF CASH, CHECKS AND DISBURSEMENTS:	YES	NO	N/A
Are checking accounts reconciled monthly?			
Have the checks been signed by an authorized signatory?			
Do the payees and amounts match the disbursement register?			
Have voided checks been retained and examined?			
Are cash and checks counted by at least two persons? REVIEW STEPS: Review Income form two (2) random Sundays. (a) Trace two (2) random contributions from each Sunday from initial documentation to contribution record (deposit slip), the account ledger and bank statement.			
Are receipts records compared with bank deposits?			
Are all transfers between accounts traced?			
If a clergy-controlled discretionary fund exists outside of the primary faith community accounts, is it audited/reviewed?			
Are disbursements supported by vouchers or invoices approved by someone other than the check signer? REVIEW STEPS: Review expenditures from two (2) random months. (a) Trace two (2) random expenses from each month drawn from the months account ledger. Examine invoices, authroization, cancelled checks and account record and trace accounts to financial statement.			
Does documentation support any checks written to "Cash"?			
Cash, Checks and Disbursements - Recommendations			
REVIEW OF PLEDGES/SUPPORT:	YES	NO	N/A
Do acknowledgements of contributions in excess of \$250 include a statement that any goods or services provided consist solely of intangible religious benefit?			
Are future bequest and gift files, such as proceeds from life insurance policies or sale of property willed to a faith community, maintained on a current basis?			
Are files kept on life income, endowment and annuity gifts, including information on the nature of the principal, investment of the principal, or use of the principal income, as well as correspondence with donors and beneficiaries?			
Pledges/Support - Recommendations			

FINANCIAL REVIEW CHECKLIST

REVIEW OF INVESTMENTS:	YES	NO	N/A
Has the Vestry reviewed or created an investment policy in the last three years?			
Were security purchases or sales authorized by appropriate Vestry (or Committee) action and recorded in the minutes?			
Have receipts records of dividends and interest been compared with record of securities held? Trace investment statements to balance sheet.			
Investments - Recommendations			
REVIEW OF TRUST AND ENDOWMENT FUNDS:	YES	NO	N/A
Do you have an active planned giving program in use at your faith community?			
Has a list of trust and endowment funds been obtained, including their terms and locations of the investments?			
Has there been an examination of the deed of trust or agency agreement for each trust and endowment fund?			
Have the "agency" accounting records been checked to determine whether or not the terms of the trust or endowment funds are properly followed?			
Trust and Endowment - Recommendations			
REVIEW OF PROPERTY AND EQUIPMENT:	YES	NO	N/A
Is there a list of fixed assets, showing date of purchase and cost?			
Has a physical examination of property and assets been made to the extent possible?			
Are land and buildings carried on the financial statements?			
Are any liens outstanding against any property and equipment?			
Property and Equipment - Recommendations			

FINANCIAL REVIEW CHECKLIST

REVIEW OF PAYROLL TAXES AND OTHER LIABILITIES:	YES	NO	N/A
Have total wages been reconciled with quarterly Federal Form 941, Form W-2 and Form W-3? REVIEW STEPS: Trace payroll summary from two (2) random months to financial statements, trace FICA to deposits/bank statements.			
Have total withholding taxes been reconciled with Form 941?			
Have Federal and State withholding taxes been remitted on a timely basis?			
Are pension payments up-to-date?			
Is a signed Form W-4 and I-9 on hand for all employees?			
Has all required indebtedness been properly authorized by the Vestry/Bishop's Committee and ECMN?			
Have all liabilities been confirmed by creditors?			
Is a detailed schedule of all loans prepared, including name of creditor, date of origin, original amount of debt, interest rate, payment schedule, monthly payment, unpaid balance, loan purpose and authorizing body? REVIEW STEPS: Review loans (lending institution, terms and purpose) trace loan statement to balance sheet.			
Payroll Taxes and Other Liabilities - Recommendations			
REVIEW OF INSURANCE AND RISK CONTROL:	YES	NO	N/A
Have all Insurance Policies been reviewed?			
Are all faith community activities covered by its insurance policies?			
Are the limits of coverage adequate?			
Are the deductibles appropriate?			
Is there a current space use agreement and/or insurance certificate on file for all organizations regularly using the faith community's property/facility?			
Insurance and Risk Control - Recommendations			

FINANCIAL REVIEW CHECKLIST

Review results of examination and make recommendations, observations and suggestions.

LIST OF ITEMS TO BE ATTACHED TO CHECKLIST:

- Status of prior year's Financial Review recommendations
- Year-end Financial Reports for all funds
- Year-end Parochial Report - reconciled to the Year-End Financial Report

SEND TO ECMN

- Copy of Financial Review Certificate Info
- Copy of Financial Certificate with findings and recommendations
- Copy of Financial Review Check list
- Copy of year-end Financial Reports for all funds

SEND TO AUDITED FAITH COMMUNITY

- Copy of Financial Review Certificate Info
- Copy of Financial Certificate with findings and recommendations
- Copy of Financial Review Check list