



Diocese of the

# MID-ATLANTIC

Anglican Church in North America

## AUDIT PROGRAM CHECKLIST FOR YEAR

# 2017

**For Churches with Total Annual Revenue of \$250,000 or less**

Audit for the period of \_\_\_\_\_, 20\_\_ to \_\_\_\_\_, 20\_\_

Church Name	
City	
Rector/Vicar	
Senior Warden	
Junior Warden	
Treasurer	

Date(s) audit conducted:	
Audit Committee Members:	
Date received by vestry/vestry ctte.	

### **Audit Committee Certificate**

To the Rector or Vicar, Wardens and Vestry:

The audit committee has inspected the financial position of the church in accordance with the audit guidelines of the Diocese of the Mid-Atlantic (DOMA) for churches with operating budgets of less than **\$250,000**. We have taken steps to see that the financial statements and report of the church funds present fairly the assets and liabilities of the church; and that the receipts and expenditures and changes in all fund balances for the audit year are in accordance with the principles authorized by the Anglican Church in North America (ACNA) and DOMA.

Our inspection and certificate are **not** to be construed as an audit and opinion rendered by a Certified Public Accountant.

\_\_\_\_\_ (Signature) \_\_\_\_\_ (Date)

\_\_\_\_\_ (Title)

## Orientation

This document serves to provide a common financial accounting template for Anglican congregations and missions in the Diocese of the Mid-Atlantic. As a resource, members of the Finance Committee and the Vestry may find additional church related financial control information available at:

<http://store.churchlawtodaystore.com/fi.html>

The purpose of this auditing practice is to thoroughly engage the local churches in adequately demonstrating the financial well-being of their accounting functions. This form attempts to capture the primary issues with respect to parish financial management for our smaller churches. These churches are encouraged to use the following format but may certainly use the longer format for additional compliance.

<b>Understanding the Bookkeeping System and Financial Reports</b>	<b>Yes</b>	<b>No</b>
Is a chart of accounts in use that includes <b>all</b> church funds?		
Is the primary bookkeeper a paid employee of the church?		
Are the Treasurer and the primary bookkeeper bonded?		
Are financial statements reviewed by the vestry on a regular basis?		
Is an annual budget prepared and variances reported to the vestry on a regular basis?		
Is there a designated Treasurer who is not the bookkeeper?		
Is there a separation of duties between 1) entering bills in the accounting system and/or tracking donor contributions and 2) signing checks and/or handling bank deposits?		
Working from the full Treasurer's final year-end report:		
Does it include year-end cash reconciliations for each separate fund?		
Does it include a Revenue and Expense statement for all funds of the church?		
Are any bank accounts in excess of the FDIC insurance limit of \$250,000?		
If so, has the church considered an additional bank account for overage funds?		

<b>Audit Documents Reviewed by Committee:</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Vestry/Vestry Committee minutes (especially to confirm approval of annual budget, monthly financial reports and the annual housing allowance)			
Does annual financial report to parish explain budget variances?			
Review last year's audit and internal control letter. <b>Were the recommendations adopted and/or action taken on them?</b>			
Review bank statements for this audited year, plus last statement for previous year and first for current year. Are there any unusually large deposits or withdrawals?			
Other financial or investment records. Are there any unusually large deposits or withdrawals?			

<b>Cash/Pledges/Support/Other Financial</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Is/are the checking account(s) reconciled monthly?			
Are all bills approved by someone other than the bookkeeper?			
In a statistically significant <u>sample</u> of all checks, <b>if checks are returned</b> , do the payees and amounts match the check register or disbursements journal?			
Do the endorsements of those checks sampled match the payee?			
Have all voided checks been accounted for?			
Any bank accounts regularly exceed FDIC \$250,000 insured limit?			
Any investment accounts regularly exceed Securities Investor Protection Corporation (SIPC) \$500,000 insured limit?			
Are all church discretionary funds under clergy control outside the primary church bank accounts audited?			
Does the collection remain in the sight of at least two unrelated people until it has been counted and/or delivered to an overnight bank depository? (Those counting funds should never be those able to authorize disbursements.)  If no, please explain:			
Does documentation support any checks written to "Cash"?			
Do acknowledgements of contributions in excess of \$250 include a statement that any goods or services provided consist solely of intangible religious benefits?			
Are donor acknowledgements sent out on a regular basis?			
Has all indebtedness been properly authorized by the Vestry?			
If debt service payments exceed 33% of average annual income over the previous three years, has the Diocese been notified?			
Has the vestry reviewed the investment policy in last three years?			
Are pension payments and withholding tax payments up to date for all eligible employees?			
Have all withholding tax payments been made on time?			
<b>Do all employees get a W-2?</b> Only supply clergy and temporary employees should get 1099s.			
Is a current, signed Form W-4 on hand for each employee?			

Was a proper housing allowance resolution adopted and recorded in the minutes by the vestry or vestry committee?			
Is there a current space use agreement and/or insurance certificate on file for any and all organizations regularly using the church property/facility?			
If your church has Trustees, are they up to date with the local court? Please note that all local church property held by Trustees is held for the congregation not for the Diocese of the Mid-Atlantic. <b>Please complete the list of your Trustees below.</b>			
Do you have an active planned giving program in use at your church? (A <b>planned gift</b> is a contribution that is arranged in the present and allocated at a future date. Commonly donated through a will or trust, planned gifts are most often granted once the donor has died. A planned giving program would address financial and/or estate planning)			

**Parish Trustees (If more than three, include on back)**

The following were formally appointed through the Circuit Court of (County/State)

\_\_\_\_\_.

Name of Trustee	Address	Year Appointed

**Required Attachments:**

1. **Year-end Treasurer's report.** Please show total receipts and total disbursements for the year.
2. **Proof of Cash** form for **all** bank accounts. This should reflect reconciliation of cash balances at year-end and explain any variances.
3. Copy of insurance **declarations page** (front page of policy, typically). **The entire policy is not required to be submitted.**
4. Copy of Audit Committee Findings and Recommendations.

Please return completed forms with attachments to The Diocese of the Mid-Atlantic, 14851 Gideon Drive, Woodbridge, Virginia 22192, Attn: Lynn Milograno, Administrator. Or, email to [lynn.milograno@anglicandoma.org](mailto:lynn.milograno@anglicandoma.org).