

# Episcopal Diocese of East Carolina Contract Audit Report

Church \_\_\_\_\_ City \_\_\_\_\_  
Audit Year: \_\_\_\_\_ Dates of Audit: \_\_\_\_\_

## **General Review**

### **1. Review of Last Audit**

Obtain copy of the most recent audit report completed. Year \_\_\_\_\_

Source of audit:  In-house Audit by Parish  Audit by Diocesan Contract Auditor  
 CPA Audit  No Audit for Last Fiscal Year

### **Yes No Unknown**

Copy of Auditor's report on any deficiencies and Vestry's response to deficiencies was sent to Diocesan office.

### **2. Vestry Minutes Review**

Review vestry minutes for the year being audited and November and December of the prior year. Vestry minutes were found to include the following:

#### **Yes No**

- Approval of budget  
  Approval of monthly or quarterly financial reports  
  Clergy salary and housing allowance resolution is correctly worded and approved in the prior year minutes (if applicable) [see background information in Appendix]  
  Material expenditures approved  
  Comments on extraordinary gifts or bequests  
*Explain any no's on Comment and Recommendation page*

### **3. Insurance Records Review**

*See Appendix A for review guidelines*

Name of Insurance Carrier \_\_\_\_\_ Policy Period Dates \_\_\_\_\_

Building and Contents Limits: \_\_\_\_\_ Liability Limits \_\_\_\_\_

- Insurance coverage includes all areas listed in Appendix A  
  Does Insurance limit cover replacement costs?  
How often is insurance coverage reviewed and by whom. \_\_\_\_\_  
  Does the Parish maintain a video inventory of property?  
  The Parish adheres to the Diocesan policies and procedures requiring Sexual Ethics training and background checks for all employees and anyone working with children  
*Any comments should be noted on Findings and Recommendation page*

### **4. Tax Status**

- Parish has letter from IRS assigning church its federal tax ID number and tax exempt status or  
  Parish has copy of letter of National Church's Group Exemption Notice

*If no to both, Parish must obtain a copy of church's Exemption letter from IRS or Group Exemption Letter from Diocesan House to have on file*

- Parish tax ID is verified from last parochial report filed  
  Parish has State tax exemption letter [See background information in Appendix]  
*Any comments should be noted on Findings and Recommendation page*

### **5. Use of Church Property by Other Organizations**

- Other organizations regularly use church property; (If no, skip to #7)  
  Parish has current rental agreements between church and organizations on file  
  Does the church require Certificates of Insurance and Hold Harmless agreements when outside groups use the church property?  
  For groups who work with children, do they supply proof of Sexual Ethics training and required background checks on all employees/volunteers?  
*Any comments should be noted on Findings and Recommendation page*

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## 6. Church Sponsored Schools

- There is a church sponsored school or preschool on site (If no, skip to #7)
- The school has a separate Board of Directors and list of Board is on file
- There is a separate tax ID number \_\_\_\_\_
- The school is licensed by the state of North Carolina and copy of license is on file
- The school is accredited and copy of Accreditation Certificate is on file
- There are background screening procedures for teachers and copy is on file
- Property and liability insurance coverage of school is current  
Date of last periodic fire department inspection \_\_\_\_\_
- Last annual audit of school \_\_\_\_\_  
Last audit completed by \_\_\_\_\_

*Any comments should be noted on Findings and Recommendation page*

## 7. Parochial Report

- Parochial Report for year being audited has been filed
- Parochial report corresponds to the yearend income and expense statement.

*List major discrepancies, if any, on Comment and Recommendation page*

## 8. Property Report

- Annual Property Report has been filed
- All property on report is reflected in balance sheet items: Fixed Assets, Mortgages

*Any comments should be noted on Findings and Recommendation page*

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## Assets

1. List all checking, savings, investment, discretionary, guild and other church-related organization accounts in the table below. Review bank statements, passbooks, and investments for full year, plus December of prior year and January of succeeding year.

Account Name	Type: Checking Savings Investmnt Discretion Guild, etc.	Church Address		Church Tax ID		Statements Provided		Cancelled Checks		Bank Reconciliations Complete		12/31 bank balance agrees with year-end balance sheet	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If previous year was not audited, for accounts listed, obtain copies of bank reconciliations for month of December of prior year.

**Yes No**

- Bank reconciliations have been done on monthly basis on all accounts
- Bank reconciliation for December of prior year is accurate and agrees with January 1 beginning balance of current year.

If bank reconciliations have not been done, prepare bank reconciliations for all accounts for the year being audited.

*Any comments should be noted on Findings and Recommendation page*

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## Non-Operating Accounts

2. Test Guild and other church-related organization checking accounts (other than general operating account) per the following procedures for each account.
  - a. Determine the number of checks to be tested using the table below.

Checking Account Name:	
Last Check number used in audit year	
First check number used in audit year	
Total number of checks used in audit year	0
Percentage of checks to be tested	10%
Number of checks to be tested.	0

- - b. Randomly select one check number in the first 9 checks written in audit year, then test every 10<sup>th</sup> check after that one and use the #2 Spreadsheet below to record findings. (A-5-2)

Name of Account:       (Non-operating Acct)			Workpaper A-5-2		
Purpose of Account:			Adequate Documentation	Proper Use	
Check #	Date	Payee	Amount	Yes	Yes
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
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				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

# Episcopal Diocese of East Carolina Contract Audit Report

Obtain copies of all bank statements for savings and investment accounts for the year being audited. Examine monthly/quarterly statements for transfers between accounts and trace the transfers. Report findings in table below.

## Spreadsheet to test savings and investment accounts (A-6)

Name of Bank Account:			Work paper A-3	
Type of Account:			Audit Year	
Restricted: <input type="checkbox"/> Yes <input type="checkbox"/> No				
Types of Restrictions:				
Date	Amount	Purpose of Withdrawal	Proper Authorization	Proper Use
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
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			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
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			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes

Print and re-use this page for each Savings or investment account.

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**Yes No**

3.   Does the church have petty cash accounts for operating expenses or other church related organization accounts? If no, skip to #4

If yes, list the accounts in table below and test:

- Receipts in Petty Cash Box + Money on Hand = Original Amount  
  Are there IOU's in Petty Cash box

How often is petty cash is reconciled (replenished) \_\_\_\_\_

Test petty cash reimbursements and determine that expenses are being charged to correct expense accounts and not to balance sheet account.

Name of Petty Cash Account (Operating/Organization)	Account on Balance Sheet Yes	Original \$ Amount	Receipts on Testing Date	Money on Hand on Testing Date	Receipts + Money	IOU's in Petty Cash Box Yes	When is Petty Cash Reconciled	Petty Cash Activity Charged to Correct Accounts
	<input type="checkbox"/>				\$0.00	<input type="checkbox"/>		<input type="checkbox"/>
	<input type="checkbox"/>				\$0.00	<input type="checkbox"/>		<input type="checkbox"/>
	<input type="checkbox"/>				\$0.00	<input type="checkbox"/>		<input type="checkbox"/>
	<input type="checkbox"/>				\$0.00	<input type="checkbox"/>		<input type="checkbox"/>
	<input type="checkbox"/>				\$0.00	<input type="checkbox"/>		<input type="checkbox"/>
	<input type="checkbox"/>				\$0.00	<input type="checkbox"/>		<input type="checkbox"/>
	<input type="checkbox"/>				\$0.00	<input type="checkbox"/>		<input type="checkbox"/>

*Any comments should be noted on Findings and Recommendation page*

4. What method is used to report Fixed (Capital) Assets on balance sheet
- Cost (actual value when purchased)  
For year being audited, trace purchases to appropriate documentation
- Fair market value at end of year  
Review copy of documentation for fair market valuation and trace to balance sheet
- Appraised value  
Review copy of appraisal and trace to balance sheet.
- No fixed assets on balance sheet; expensed through budget
- Other: Explain \_\_\_\_\_
5.  There are material receivables on the balance sheet? If so, list the material receivables and confirm the balance by sending a confirmation to the customer, or trace to subsequent deposits in the current year.
6.  There are material prepaid expenses on the balance sheet? If yes, list the prepaid expense and confirm the balance by tracing to proper invoice. Determine if the expense should be designated as prepaid for the year being audited.

*Any comments should be noted on Findings and Recommendation page*

## **Fund Balances**

- Review list of permanently and temporarily restricted funds, and unrestricted funds (See Appendix for definitions of different types of funds)
- For each fund listed, verify that the uses of principal and income have been honored, including proper documentation of expenses.

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## Spreadsheet to test savings and investment accounts (A-6)

Name of Fund Fund:			Work paper A-6	
Type of Account:			Audit Year	
Restricted: <input type="checkbox"/> Yes <input type="checkbox"/> No				
Types of Restrictions:				
Date	Amount	Purpose of Withdrawal	Proper Authorization	Proper Use
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
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			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> Yes	<input type="checkbox"/> Yes

Print and re-use this page for each restricted fund

### Liabilities

**Yes No**

- Mortgage statements indicate that mortgage payments are up to date.
- Last mortgage statement for year being audited traces accurately to balance sheet, OR
- All mortgage payments for the year being audited trace to proper expense accounts.
- Pledge to Diocese for year being audited was paid in full
- Pledge statement from Diocesan House agrees with parish's records
- Utility bills for year being audited were paid on a current basis
- There are other significant payables at end of year being audited, excluding payroll taxes and pension payments (tested in other areas). List below
- \_\_\_\_\_ Balance verifies with supporting documentation
- \_\_\_\_\_ Balance verifies with supporting documentation
- \_\_\_\_\_ Balance verifies with supporting documentation

*Any comments should be noted on Findings and Recommendation page*

# Episcopal Diocese of East Carolina Contract Audit Report

## Cash Receipts

1. Are there proper safe guards and controls in place for plate collections and deposits :

**Yes No**

- Are the collection receipts counted and deposited so that the deposit equals the entire amount of receipts on a timely basis (e.g., at least weekly)?
- Are there at least two unrelated persons responsible for counting and depositing the collections?
- Are the persons responsible for counting receipts rotated on a periodic basis?
- Do the counters have a standardized form for recording the deposit information?
- Are the counters' sheets retained and reconciled with actual deposits, and are all discrepancies investigated?
- Is there a control prohibiting the cashing of checks from the currency received?
- Are all of the pledge envelopes or other memoranda retained and reconciled to the recorded amounts?
- Are all other cash receipts recorded and deposited on a timely basis?
- Are all checks received restrictively endorsed —for deposit only immediately upon receipt?
- Are all cash receipts deposited into the general operating checking account?
- Are periodic statements provided to donors of record, at least quarterly?
- Do acknowledgments of contributions in excess of \$250 include "any goods or services provided consist solely of intangible religious benefits"?

2. For **pledge receipts and plate offerings**, determine if deposits are made once a week, more than once a week or daily as checks are received in the mail.

- a. If pledge deposits are made once a week, choose 6 random deposits to test in the table below. Verify that journal entries match deposit slips.
- b. If pledge deposits are made more than once a week or daily, trace a random sample (10%) of cash journal entries to weekly cash receipts records.

Use table CR-2 on the following page to test these deposits.





# Episcopal Diocese of East Carolina

## Contract Audit Report

- If there are any other material receipts other than plate and pledge receipts over \$500, test a random sample (10%) by tracing cash journal entries to cash receipt records in the table below.

**Other Deposits**

Work paper CR-3  
Year:

Deposit Date	Deposit amount In Journal	Deposit amount Per deposit slip	Adequate Documentation	Deposit traced to Accurate Income Account
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
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			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>

# Episcopal Diocese of East Carolina Contract Audit Report

## Cash Disbursements:

1. Are there proper safe guards and controls in place for plate collections and deposits :

- Are all disbursements made by check, except for small expenditures made from petty cash?
- Are all checks pre-numbered and used in sequence?
- Is there a clearly defined approval process for all disbursements?
- Are all voided checks properly cancelled and retained?
- Are all checks made payable to specified payees and not to cash or to bearer?
- Are all disbursements supported by original documentation?
- Is the original vendor's invoice or other documentation cancelled at the time of signature to prevent duplicate payment?

2. Check signing:

- Is signing blank checks prohibited?
- Is using a signature stamp or pre-printed signatures prohibited?
- Does all supporting documentation accompany checks presented for signature?
- Are all account signers authorized by the Vestry?
- Is more than one signature required for any check?
- If not, do checks for more than \$500 require more than one signature?
- If signature imprint machines are used, are the keys kept under lock and key except when in use?
- Are all disbursements requiring special approval of funding sources or the Vestry properly documented in the Vestry or Finance Committee minutes?
- 10. Are there adequate controls and segregation of duties regarding electronic funds transfers?

1. Examine 10% of non payroll cash disbursements of \$500 or more and 1% of non payroll cash disbursements under \$500. You may use **Random Testing Calculations in Appendix B** to decide which checks are to be tested. Test the sample of cash disbursements for proper signature, correct amount per invoice, correct expense account per budget, and proper approval and record findings in Table CD-1 below

*Any comments should be noted on Findings and Recommendation page*

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<b>Cash Disbursements</b>			Work paper CD-1 Year:			
Number of checks over \$500 _____						
Number to be tested (10%) _____						
Number of checks under \$500 _____						
Number to be tested (1%) _____						
Check #	Date	Payee	Proper Signatures	Amount Agrees with Supporting Document	Correct Expense Account	Proper Approval
			☐	☐	☐	☐
			☐	☐	☐	☐
			☐	☐	☐	☐
			☐	☐	☐	☐
			☐	☐	☐	☐
			☐	☐	☐	☐
			☐	☐	☐	☐
			☐	☐	☐	☐
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# Episcopal Diocese of East Carolina Contract Audit Report

## Payroll and Retirement:

1. Obtain list of all employees and contract laborers for year under audit and test as follows:

Name	W-2 or 1099	Form W-4	Form NC-4	Form I-9	Salary Amount Agrees with Budget	Payroll Register Agrees With Check Register
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Employees who should receive a W-2 normally include:  
Clergy (full time and part time), Supply clergy if contracted for an extended period (3 or more months), Musicians that routinely play at services, Youth Directors, Administrative staff, Paid nursery attendants that routinely work a standard schedule (even if only once a month), Janitor or sexton

**Yes No**

3.   Based on examples in #2 above, any worker receiving a 1099 in lieu of a W-2 is correctly classified as a contract employee.
- Quarterly reports were filed by due dates
- Total amounts from the quarterly returns match the amounts on the annual Forms W-3 and NC-3
- Amounts on Forms W-3 equal general ledger compensation expense accounts adjusted for:
- a. Pretax deductions such as medical insurance premiums paid by employees and employee retirement contributions
  - b. Group Life Insurance Premiums
  - c. Clergy housing and utilities allowances
  - d. Taxable allowances such as travel
  - e. Taxable moving expenses
  - f. Personal use of auto owned by parish
4. Review of W-2 forms shows:
- Clergy Housing and Utility Allowances are reported in Box 14
- a. Box 12 includes proper items such as
- i. Employee contributions to retirement plan
  - ii. Group Life Insurance Premiums-annual letter sent to parishes from Diocesan House with information
  - iii. Pre-tax medical insurance premiums
- Clergy does not have information in boxes for Social Security and Medicare Wages or Taxes
- Lay employees do have information in boxes for Social Security and Medicare Wages and Taxes
5. If payroll taxes were due at end of year,
- They were properly reported on Balance Sheet as a liability
- They were paid on time

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6. Determine that employees are properly classified as exempt or non-exempt (for overtime purposes)
- Non-exempt employees document hours worked via time sheets
- Overtime is being compensated correctly (Any hours worked over 40 per work week must be paid at time and 1/2 rate)
7. Test Clergy Pension Payments for the following:
- Clergy Pension payments equal 18% of salary, FICA allowance, other taxable allowances, and actual utilities and housing allowances (or 30% of salary and FICA and other allowances if parsonage is provided)
- Clergy Pension payments are up to date
8. Verify that the retirement plan for lay employees:
- Includes all lay employees who work at least 1000 hours/year
- Pension payments are calculated correctly
- Pension payments are up to date

*Any comments should be noted on Findings and Recommendation page*

## **Discretionary Funds**

1. List all discretionary funds and clergy positions holding those funds:

	Name on 1 <sup>st</sup> Account	Name on 2 <sup>nd</sup> Account	Name on 3 <sup>rd</sup> Account
Clergy Person holding funds			
Fund in name of Parish	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Established by resolution of Vestry	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Church Tax ID # on account	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Did donors specify for Discretionary fund	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Were funds used for operating expenditures	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Were funds used for personal expenses subject to tax	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Were funds used for the purposes for which they were intended	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Were checks written to vendors and not individuals	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Were contributions deposited into the general fund, then transferred to the Discretionary Fund.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>

It is important that the information reviewed for the discretionary funds remains confidential. No individual testing of disbursements will be made.

*Any comments should be noted on Findings and Recommendation page*

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## **Findings and Recommendations**

Auditor may choose to use a separate blank sheet of paper to list Findings and Recommendations if preferred.  
(Cells will expand as needed when filled in electronically)

Area of Comment	Item #	Comment/Recommendation
<i>ex. General Review</i>	2	<i>No Clergy Housing resolution in place – Vestry should adopted resolution for 2015 and every year thereafter</i>