

Gulf Atlantic Diocese

February 19, 2020

PARISH REVIEW POLICY MEMORANDUM

To: All Treasurers, Sr. Wardens, & Rectors

From: Finance & HR Committee

Subject: Parish Review Policy – Update for 2019

All accounts of the diocese, of parishes, and of other institutions of the Gulf Atlantic Diocese shall be reviewed annually using the “Internal Review Checklist for Churches” (see below) provided by the diocese based on the following level of review described in the following table:

|  |  |
| --- | --- |
| **Annual Parish Gross Income** | **Level of Review\*** |
| Up to $750,000 | Approved Third Party for year 1  Diocese Review Committee (DRC) for year 2 |
| $750,000 and higher | Approved Third Party for year 1  Professional Review for year 2 |

*\*As noted on the list of churches below, if your church is designated to receive a review by:*

***Approved Third Party*** *– any member of the parish independent from the day to day operation of the parish or a vestry appointed third party outside the parish with an understanding of basic accounting principles and approved by the Diocese Review Committee may perform the review. Please submit a signed approval request form found below.*

***Diocese Review Committee (DRC)*** *– a committee of regional internal auditors established under the Finance and HR Committee will perform certain parish reviews and oversee the review process of all parishes. Members are appointed by the Finance & HR Committee. Mileage and other travel expenses for reviews will be paid by the church being reviewed as needed.*

***Professional Review*** *– an independent Certified Public Accountant (CPA). Note that the basis for this level of review is the “Internal Review Checklist for Churches” and not the in depth financial testing of a traditional “Full Audit” normally performed by a CPA.*

***Very Small Churches*** *– If possible, a 3rd party review would be beneficial.*

***Due Date*** *– Signed review reports are due to the DRC chairperson by* ***August 31st*** *of each year.*

***Review Statement*** *– The DRC will submit a Review Statement to the Vestry of each church by October 1st representing the findings from their review.*

***Review Status Report*** *– The Review Committee will submit a Diocese Review Status Report to the Secretary of Synod by October 1st summarizing the financial status of the diocese and each parish and the diocese.*

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Parish/Mission** | **Deanery** | **2020 Level of Review for Fiscal Year 2019** |
| 1 | All Souls Anglican Church | Northeast | Review Committee |
| 2 | Christ Church Anglican , Jacksonville | Northeast | 3rd Party Review |
| 3 | Christ Church Anglican, Savannah | Northeast | Review Committee |
| 4 | Christ The King Anglican | Northeast | 3rd Party Review |
| 5 | Christ's Anglican Fellowship High Springs, Fl | Northeast | Very Small |
| 6 | Church of Our Savior | Northeast | 3rd Party Review |
| 7 | Church of the Good Samaritan | Northeast | 3rd Party Review |
| 8 | Church of the Redeemer | Northeast | Professional |
| 9 | Epiphany Anglican Church Kingsland, Ga | Northeast | Very Small |
| 10 | Grace Anglican, Fleming Island | Northeast | Professional |
| 11 | Holy Trinity Jacksonville | Northeast | Review Committee |
| 12 | Paramount Church | Northeast | New to Diocese |
| 13 | Resurrection Anglican Fellowship | Northeast | Review Committee |
| 14 | Servants of Christ Anglican Church, Gainesville | Northeast | Review Committee |
| 15 | St. Andrews Anglican Church | Northeast | 3rd Party Review |
| 16 | St. Barnabas Anglican Church | Northeast | 3rd Party Review |
| 17 | St. Peter's in the Glen | Northeast | Very Small |
|  |  |  |  |
| 1 | Anglian Church of the Word, Miami | Southern | 3rd Party Review |
| 2 | Celebration Anglican Fellowship | Southern | Very small |
| 3 | Christ Church, Vero Beach | Southern | Professional |
| 4 | Epiphany Celebration Anglican Church | Southern | Review Committee |
| 5 | New Life Anglican Fellowship | Southern | Very small |
| 6 | Prince of Peace | Southern | Review Committee |
|  |  |  |  |
| 1 | All Saints Anglican Church | Central | Committee |
| 2 | Apostles By The Sea | Central | 3rd Party Review |
| 3 | Christ Church, Wakulla | Central | 3rd Party |
| 4 | Holy Cross Anglican Church | Central | Committee |
| 5 | Incarnation Anglican Church | Central | Committee |
| 6 | St. Luke's Anglican Fellowship | Central | Committee |
| 7 | St. Peter's Anglican Church | Central | Professional |
| 8 | Trinity Anglican Church | Central | Committee |
|  |  |  |  |
| 1 | Christchurch, Montgomery | Western | Professional |
| 2 | Church of the Apostles | Western | 3rd Party Review |
| 3 | Church of the Incarnation, Biloxi | Western | Very small |
| 4 | Holy Spirit Anglican Church | Western | 3rd Party Review |
| 5 | Resurrection Anglican on the Gulf | Western | Very Small |
| 6 | Resurrection Anglican, Shalimar | Western | 3rd Party Review |
| 7 | St. Andrews, Pensacola | Western | New to Diocese |
| 8 | St. Francis at the Point | Western | 3rd Party Review |
| 9 | St. Michael's Anglican Church (WEDCAP w/ Apostles) | Western | Very Small |
| 10 | St. Peter's Mission | Western | Very Small |
| 11 | The Church of the Good Shepherd | Western | 3rd Party Review |
|  |  |  |  |
| 1 | Gulf Atlantic Diocese | Diocese | Review Committee |
| 2 | Anglican 4th Day | Diocese | N/A |
| 3 | Camp Araminta | Diocese | Review Committee |
| 4 | Dynamos | Diocese | Review Committee |

3rd Party Approval Request

This is to request that the following individual and/or firm be approved to complete the

3rd Party Review for:

Parish/ Congregation Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Street Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City, State, Zip: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Parish Financial Contact Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Best Phone Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3rd Party Individual Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Representing: (Firm Name if Applicable): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Mailing Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City, State, Zip: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Best Phone Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Briefly Describe Financial Background or Experience: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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I certify that the above-named individual is: (please check one)

\_\_\_\_ a member of this parish, but NOT engaged in the day to day financial operations of the church.

\_\_\_\_ a vestry appointed third party outside the parish with an understanding of basic accounting principles.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Rector or Sr. Warden Signature Date Please Print Name

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

DRC Approval Date Please Print Name

Return completed form to: bbevis@gulfatlanticdiocese.org

or **Gulf Atlantic Diocese, 13077 Tall Tree Drive, S, Jacksonville, FL 32246**

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Gulf Atlantic Diocese

# \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Anglican Church

**GULF ATLANTIC DIOCESE PARISH REVIEW – For Fiscal Year 2019**

**Performed by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_**

# *WRITE A NARRATIVE ANSWERING EACH OF THE FOLLOWING QUESTIONS:*

1. Cash receipts and collection procedures
   1. Who is responsible for counting weekly collections?
   2. Give a list of names and the schedule for 2019.
   3. Who is responsible for making up deposits?
   4. When are receipts deposited?
   5. How are EFT or ACH deposits recorded?
   6. Who has access to online banking and how does the vestry oversee this?
   7. If there are separate auxiliary accounts, who has authorized access and how does the vestry oversee these?
   8. How are special or restricted gifts accounted for on Sunday?
   9. Does your church ask for and receive pledges? (If no, skip to question “n”)
   10. Who maintains pledge records?
   11. When are pledge statements sent?
   12. Where are the past years’ pledge statements kept?
   13. Are the pledge statements reconciled to the reported pledge income?
   14. What is the Gift Acceptance Policy of the church?
2. Cash Disbursements
   1. Who signs checks and how many signatures are required?
   2. Where are blank checks stored when not in use?
   3. Who approves bills and invoices for payment?
   4. How are wire transfer payments handled?
   5. Who is authorized to use credit cards and who approves these for payment?
   6. Who is authorized to use debit cards and who approves these for payments?

(The diocese strongly recommends debit cards not be used for security purposes)

* 1. Where and how are bills maintained on file**?**
  2. Who prepares checks and maintains invoice files?
  3. Who enters the transactions (including debit and credit card transactions) into the accounting system?
  4. Who reconciles the bank accounts and how often?
  5. Who maintains payroll records?
  6. Who receives and opens mail?
  7. Where is the financial information kept and who has access to the records?
  8. How is data backed up? What is the disaster recovery plan?
  9. How are special funds accounted for? (Both receipts and disbursements)?
  10. How often does the Vestry get financial reports? Is this noted in the minutes of the meeting?

## TESTING OF TRANSACTIONS: See Attached ‘Testing of Transactions’ spreadsheet.

## Please send the results of these tests (Sample description and answers to the following questions for each sample) to Diocesan Office electronically. (Excel spreadsheet would be fine.)

#### Review all bank reconciliations. List the Month and the date reconciled. Tie the reconciled balance to the financial statements for June and December. Note anything that seems odd.

#### Sample 24 payments and review the invoices related to them. Note: Who approved the payment? Is the account appropriate to the expenditure? Examine the cancelled checks for two signatures if two signatures are required.

#### Sample 12 deposits through the year. Note the Sunday Date, the date funds were deposited, Agree the amount deposited with the counter sheet, the entries in the accounting system and the entries on the contribution statements.

#### Designated Receipts: Choose one designated fund and request detail information on deposits and payments and trace these back to the deposits and invoices.

## REVIEW VESTRY MINUTES:

## Determine whether the financial statements were reviewed at each meeting.

## Determine if the Rector’s Housing Allowance was approved for the year under review (may need to see prior year’s vestry minutes). Send a copy of the resolution with your report. Per IRS ruling, it must be approved in the year prior to it becoming effective).

#### Ensure that the church with clergy on staff and being paid a salary report the salary on a W-2.

#### Determine that a budget was passed.

## Review insurance coverage for current period & appropriateness.

#### Property -

#### Liability –

#### Worker’s Compensation –

#### Sexual Misconduct and Child Abuse coverage –

## Verify Background Check and Sexual Misconduct and Child Abuse Prevention Training

#### Employee Background Checks & MinistrySafe Certifications -

#### Volunteer MinistrySafe Certifications -

#### Vestry MinistrySafe Certifications-

#### Vestry Policy for Child and Youth Protection- (the Policy should be in written form and reviewed by the vestry and recorded in the minutes annually)

* 1. Appendix A: Congregational Certificate of Compliance
  2. Appendix B: Individual Acknowledgment of Receipt of Policies for

all Clergy, Lay Employees, Volunteers, Vestry, and Postulants for Holy Orders

## Payroll:

#### Who approves Overtime hours?

#### Who keeps track of Paid Time Off?

#### Agree pension or retirement benefits paid to the budget.

#### How often are payroll tax deposits made?

#### Does the total of the quarterly 941s agree to the W-3?

#### Review disbursements to determine whether any independent contractors

exceeded $600 for the year and determine if a 1099 was issued.

#### Review at least two payroll checks (if payroll service using direct deposit,

choose from the journal) and check the personnel file for proper documentation to include verification of pay rate, W4, and I-9 forms.