TO: All Parish Treasurers

FROM: Sue Leishman, Chief Financial Officer

DATE: February 28, 2020

SUBJECT: Audit of 2019 Financial Statements by Committee due June 1

Please review eligibility requirements before using this packet to prepare your audit.

Committee audits are to be completed by June 1st; while audits using a Certified Public Accountant or the Diocesan Audit Team are to be completed by July 15th. The following items are for your use in completing an audit by committee:

- Internal Control Questionnaire;
- Audit Committee Certificate;
- Audit Committee Finding on Policies and Procedures;
- Audit Program Checklist; and
- Worksheets for cash receipts, cash disbursements, and payroll tests.

All of the above items, as well as the Instructions and Committee Audits of 2019 Financial Statements, can be found on our website, www.dohio.org, under the Parish Resources, Finance page, Audits folder. The first 4 items above are on the website in the Adobe pdf fill-in format. We encourage your use of these formats.

Parishes requesting an audit by a member of the Diocesan Audit Team will be notified of acceptance no later than April 1, 2020. The audit is just one element of our responsibilities as stewards of the gifts of our congregation, present and past, for the work of the Episcopal Church in our community. The annual audit of parish financial reports provides verification of the representations of the parish’s financial position at year-end and of the activity for the year. It is also an opportunity to have the benefits of an independent review of record keeping practices and obtain recommendations for improvement.

I look forward to working with you to fulfill these responsibilities. If you have any questions, please don’t hesitate to call.
2019 COMMITTEE
AUDIT
PACKET

PLEASE RETURN THIS ENTIRE PACKET
OF MATERIALS INCLUDING THE
FOLLOWING ON OR BEFORE
JUNE 1, 2020:

☐ SIGNED VESTRY RESOLUTION
☐ 2019 STATEMENT OF FINANCIAL
   POSITION (BALANCE SHEET)
☐ 2019 STATEMENT OF ACTIVITIES
   (INCOME STATEMENT)
Audit Program Checklist

To be completed by the Audit Committee

A committee member should initial each item. If an item is not applicable, please provide a reason on the line.

1. General Information:

Parish or Shared Ministry ________________________________
Address ________________________________
Telephone ________________________________
Rector ________________________________
Senior Warden ________________________________
Junior Warden ________________________________
Treasurer ________________________________
Records Maintained by ________________________________
Financial Records Located at ________________________________

What is the amount on Line G (Total All Expenses) of your 2018 Parochial Report? ____________

If Line G is below $600,000, your parish may be required to submit a CPA or Diocesan team audit. If you are unsure please check the eligibility requirements in the attached Business Practices for Parishes, if you are still in doubt please contact Sue Leishman at 216-774-0450.

Please circle the answer to each question below.

Pre-Audit meeting date ________________________________

Attended by:

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<thead>
<tr>
<th>Name</th>
<th>Title</th>
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</table>
a. Objectives and scope of audit discussed? 
   Yes  No
b. Time scheduled arranged? 
   Yes  No
c. Reimbursement for out of pocket expenses discussed? 
   Yes  No
d. Availability of workspace discussed? 
   Yes  No
e. Availability of required records established? 
   Yes  No
f. Availability of Manual of Business Methods in Church Affairs determined? 
   Yes  No
g. Assistance of staff requirements established? 
   Yes  No
h. Engagement letter setting forth agreement between the Vestry and Audit Committee discussed? 
   Yes  No

2. Pre-audit Documents Required for Review:

<table>
<thead>
<tr>
<th>Document Description</th>
<th>Yes</th>
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<tbody>
<tr>
<td>Original signed Vestry minutes</td>
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<td>Minutes of any group authorized to disburse monies</td>
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<tr>
<td>Annual financial report to parish</td>
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<tr>
<td>Treasurer's interim reports</td>
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<tr>
<td>Annual Parochial Report (accompanied by reconciliation to books &amp; records)</td>
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<tr>
<td>Names of those authorized for check signing, fund withdrawal or transfer, and disbursing approval</td>
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<tr>
<td>List of securities held</td>
<td></td>
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<tr>
<td>Arrangements made for receipt of unopened bank statement(s) or mailing request for confirmation of bank balance(s), loan balance(s) and investments</td>
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<td>Copy of previous year's audit and internal control letter</td>
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<td>Organization Chart</td>
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<td>Chart of Accounts</td>
<td></td>
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<tr>
<td>Budget</td>
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<tr>
<td>General ledger</td>
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<td></td>
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<tr>
<td>Cash receipts journal or detailed receipts report</td>
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<tr>
<td>Cash disbursements journal or check register</td>
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</table>
Bank statements for year audited plus last for previous year and first for current year

Paid checks and deposit slips

Payroll records with Forms I-9, W-2, W-3, W-4, and Federal, state and local withholding records

Savings account passbooks

Other investment records

Names of employees who have a parish credit card and the credit limits available to each card holder

Certificate of continued existence

Copies of Model Policies adopted:
  • Accountable reimbursement policy
  • Discretionary funds
  • Credit cards

For items 3-12, each "No" answer indicates a needed change in policy or procedures. All these items should be included in the Audit Committee Findings. All items marked with an asterisk are mandated by Diocesan business practices.

3. Cash:
   Is the petty cash fund imprest?

   Is the checking account(s) reconciled to the accounting records and checkbook using unopened year-end bank statements or an independently received bank confirmation?

   Have paid checks been examined for authorized signatures?

   Have paid checks been examined for endorsements?

   Have the checks been compared to the disbursements journal for payees and amounts?

   Have all voided checks been accounted for?

   If No, explain change needed
Has the subsequent January statement been reviewed?  Yes  No

Do vouchers approved by an authorized party other than check signer support disbursements?*  Yes  No

Are two signatures required on all checks*  Yes  No

Is the bank notified immediately of all changes of authorized check signers?  Yes  No

Are cash journal totals tested for accuracy?  Yes  No

Are receipts records compared with bank deposits for full year?  Yes  No

All transfers between accounts traced?  Yes  No

Does an authorized party other than a check signer approve journal entries, and are they adequately documented? *  Yes  No

Is documentation provided to support checks written to “Cash”? *  Yes  No

Are all checking accounts (including Discretionary funds and Episcopal Church Women) in the name of the congregation using its Federal Employer Identification number?  Yes  No

4. Parish Credit Cards
Has the vestry adopted policies regarding appropriate use and reporting requirements?  Yes  No
(See Model Policies for example)

Does the policy prohibit personal use?  Yes  No

Has the employee responsible signed a statement acknowledging that they have received a copy of the policies and agree to abide by them?  Yes  No

Has the vestry authorized the obligations of the parish for any credit cards issued to parish employees or volunteers?  Yes  No

If No, explain change needed
<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>If so, have all cards been issued in the name of a specific person?</td>
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<tr>
<td>Is documentation on file that substantiates what goods or services were purchased for each transaction and the account number that is to be charged for each?</td>
<td>Yes</td>
<td>No</td>
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<td>Are the accounts charged logical for the items purchased?</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>Has the cardholder been given the authority to incur expenses for that account?</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>Are total account expenses within budget?</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>Have any charges been assigned to balance sheet accounts rather than expense accounts?</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>If yes, investigate appropriateness and confirm that both treasurer and senior warden have approved the transaction.</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>Have any discrepancies between actual use and policy been reported to the treasurer, rector and senior warden?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Is documentation of their response on file?</td>
<td>Yes</td>
<td>No</td>
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</tbody>
</table>

5. **Pledges and Other Gifts:**
Do the records of total receipts per individual pledge agree with the amounts recorded and reported in the cash receipts journal?

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>Have the postings and arithmetic on individual pledge records been tested?</td>
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<tr>
<td>Enter number of pledge records tested</td>
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<tr>
<td>Is there budgeting of contributions that can be reasonably estimated?</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>Are contribution budgets periodically compared to actual, and are significant differences investigated?</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>Are records kept and periodically</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
reviewed of gifts, such as bequests, which are contingent on future events?

Are future bequest and gift files, such as proceeds from life insurance policies or sale of property willed to a parish, 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 or beneficiaries, and copies of pertinent documents?

Are individuals designated to be responsible for assuring compliance with the terms and conditions of all grants, restricted contributions, endowments, etc. received?

6. Securities: (if none, skip to #7)
Is the securities list verified against subsidiary ledger accounts, validating serial numbers against purchase records of gifts?

Is the name in which securities are registered verified?

In the case of coupon bonds, are unmatured coupons intact?

Is the market value of securities established at the date of the examination?

Are securities examined, or confirmed if held by depository or transfer agent?

Are brokers' reports examined for securities bought or sold through brokers?

Were security purchases or sales authorized by appropriate Vestry action and recorded in the minutes?

Have cash receipts records of dividends
and interest been compared with record of securities held?

7. Trust and Endowment Funds: (if none, skip to #8)

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
<th>If No, explain change needed</th>
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<tbody>
<tr>
<td>Has a list of trust and endowment funds been obtained including their</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>terms and locations of the investments?</td>
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<tr>
<td>Has there been an examination of the deed of trust or agency agreement</td>
<td>Yes</td>
<td>No</td>
<td>____________________________</td>
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<tr>
<td>for each trust and endowment fund?</td>
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<tr>
<td>Have the agency accounting records been checked to determine whether or</td>
<td>Yes</td>
<td>No</td>
<td>____________________________</td>
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<tr>
<td>not the terms of the trust or endowment funds are being properly</td>
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<tr>
<td>followed?</td>
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</table>

8. Property and Equipment: (if no, when is this to be done?)

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
<th>If No, explain change needed</th>
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</thead>
<tbody>
<tr>
<td>Is there a list of fixed assets, showing date of purchase and cost?</td>
<td>Yes</td>
<td>No</td>
<td>____________________________</td>
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<tr>
<td>Is an inventory identification procedure in effect?</td>
<td>Yes</td>
<td>No</td>
<td>____________________________</td>
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<tr>
<td>Using preceding information, has a physical examination of assets been</td>
<td>Yes</td>
<td>No</td>
<td>____________________________</td>
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<tr>
<td>made, to the extent possible?</td>
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<tr>
<td>Have any deeds and titles required been examined as evidence of</td>
<td>Yes</td>
<td>No</td>
<td>____________________________</td>
</tr>
<tr>
<td>ownership?</td>
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<td>Is land, buildings and equipment carried on the financial statements?</td>
<td>Yes</td>
<td>No</td>
<td>____________________________</td>
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<tr>
<td>Are any liens outstanding against any property and equipment?</td>
<td>Yes</td>
<td>No</td>
<td>____________________________</td>
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9. Liabilities:

Payroll taxes:

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
<th>If No, explain change needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have total wages been reconciled with quarterly Federal Form 941, Form</td>
<td>Yes</td>
<td>No</td>
<td>____________________________</td>
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<tr>
<td>W-2, Form W-3 and other required forms?</td>
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<tr>
<td>Have total withholding taxes been reconciled with Form 941?</td>
<td>Yes</td>
<td>No</td>
<td>____________________________</td>
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</table>
Has it been determined that all Federal, state and local withholding taxes were remitted on a timely basis, to avoid hidden penalties?

Yes  No

Are a current, signed W-4, I-9 and other required forms on hand for each employee?

Yes  No

Has a housing resolution been included in the Vestry minutes for each cleric employed by the congregation?

Yes  No

10. Other indebtedness:

Have appropriate church officials properly authorized all indebtedness?

Yes  No

Have unpaid balances per church records been reconciled with balances as reported by the creditor(s)?

Yes  No

Has a detailed schedule of all loans been 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?

Yes  No

11. Payables:

Have payments made subsequent to the end of the year been investigated for items which should have been included as expenses and accounts payable in the audit year?

Yes  No

Have inquiries been made as to any unpaid items from the audit year that should have been included as a payable?

Yes  No

Have inquiries been made as to any paid items from the audit year that should not have been expensed but recorded as a prepaid item?

Yes  No

12. Other:

Has insurance coverage been reviewed, and has a copy of policies been obtained?

Yes  No
and a schedule prepared detailing name of carrier, description of coverage, period covered, premium amount, and date of premium payment?

Has there been inquiry as to whether there are any contingencies or commitments facing the church, e.g., legal action with prospects of potential loss?  
Yes  
No____________________

Is there a policy covering the procedure for write-offs of receivables or loans, approval required, provision for reserves?  
Yes  
No____________________

Is a process in place for ongoing review of the budget?  
Yes  
No____________________

Audit performed by (minimum of 3 required):

Name

________________________

________________________

________________________

________________________

(signatures)

Accounting software used, if any __________________________

Payroll software or outside payroll service used, if any __________________________
Diocese of Ohio
Internal Control Questionnaire
(to be completed by the Treasurer or other financial person)

The following Internal Control Questionnaire is intended to provide guidance for setting up an accounting system and a checklist for periodic review and evaluation of an existing system. The questionnaire is designed also to assist a congregation’s internal audit committee. The format is a series of questions, most of which refer to some recommended internal control. The normative answer to a question will be positive. A negative response suggests an area of the system that could be strengthened.

Developing a narrative description is suggested, to provide documentation of the current review. This narrative should be retained for reference in future evaluations.

Please circle the response to each question.

General: The following items are intended to provide general information to aid understanding of the overall accounting and internal control system.

1. Are prior internal control questionnaire and auditors’ recommendations available? Yes No
2. Have recommendations of prior reports on internal controls been implemented? Yes No
3. Is a complete and current chart of accounts, listing all accounts and their respective account numbers, available? Yes No
4. Is there an accounting policy and procedure manual? Is it up to date? Yes No
5. Is a current (2019 edition) edition of this manual available? Yes No
6. Is the accounting system using a double-entry bookkeeping method? Yes No
7. Have the findings of external auditors been reported to the Vestry? Yes No

Budget: The development and use of a budget is a critical management tool that will aid in the stewardship and administration of church resources and program.

1. Is the budget approved by the Vestry? Yes No
2. Are all changes to the budget authorized by the Vestry and recorded in the minutes of the meetings? Yes No
3. Is there a periodic review of the budget by the Vestry? Yes No

Reporting: The best accounting system is of little value unless it communicates the information it contains to those responsible. Although there may be variation, certain minimum standards exist to assure adequate communication of the financial information.

1. Is a Treasurer’s report submitted to the Vestry or accounting committee each month? Yes No
Reporting (continued)

2. Is the Treasurer's report presented in sufficient detail to inform the reader about the nature of the various income and disbursement items? Yes No
3. Does the report present the current actual financial data compared with the approved budget? Yes No
4. Is there periodic reporting, at least quarterly, of all other funds and activities, including designated or restricted funds? Yes No

Cash Receipts: Clearly stated policies and procedures regarding the handling of cash and others receipts help not only to protect from loss, but assure that all receipts are properly recorded in the records.

1. Are there safeguard to protect the collections from theft or misplacement from the time of receipt until the time the funds are counted and deposited? Yes No
2. 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)? Yes No
3. Are there at least two unrelated persons responsible for counting and depositing the collections? Yes No
4. Are the persons responsible for counting receipts rotated on a periodic basis? Yes No
5. Do the counters have a standardized form for recording the deposit information? Yes No
6. Are the counters' sheets retained and reconciled with actual deposits, and are all discrepancies investigated? Yes No
7. Is there a control prohibiting the cashing of checks from the currency received? Yes No
8. Are all of the pledge envelopes or other memoranda retained and reconciled to the recorded amounts? Yes No
9. Are all other cash receipts recorded and deposited on a timely basis? Yes No
10. Are all checks received restrictively endorsed "for deposit only" immediately upon receipt? Yes No
11. Are all cash receipts deposited into the general operating checking account? Yes No
12. Are there procedures that will highlight, or being to someone's attention, the fact that all receipts or income have not been received or recorded? Yes No
13. Are periodic statements provided to donors of record (i.e. at least quarterly)? Yes No
14. Do acknowledgements of contributions of $250 or more include a receipt from the recipient organization which states that is "the contemporaneous acknowledgment required by the Internal Revenue Code, and states that, in accordance with Section 170(F) (8) (B), any goods or services provided consist solely of intangible religious benefits? Yes No
15. Are all discrepancies investigated? Yes No
Cash Disbursements: The following procedures will assist in assuring that all payments are properly approved, recorded, and supported by appropriate documentation.

1. Are all disbursements made by check, except for small expenditures made from the petty cash fund?  
   Yes No

2. Are all checks pre-numbered and used in sequence?  
   Yes No

3. Is there a clearly defined approval process for all disbursements, which includes an authorized signature and account number?  
   Yes No

4. Are all voided checks properly cancelled and retained?  
   Yes No

5. Are all checks payable to specified payees and not to cash or bearer?  
   Yes No

6. Are all disbursements supported by original documentation?  
   Yes No

7. Is the original vendor's invoice or other documentation cancelled at the time of signature to prevent duplicate payment?  
   Yes No

8. Check signing:
   a. Is signing blank checks prohibited?  
      Yes No
   b. Is using a signature stamp or pre-printed signatures prohibited?  
      Yes No
   c. Does all supporting documentation accompany checks presented for signature?  
      Yes No
   d. Are all account signers authorized by the Vestry?  
      Yes No
   e. Are two signatures required for any check?  
      Yes No
   f. If signature imprint machines are used, are the keys kept under lock and key except when in use?  
      Yes No

9. Are all disbursements requiring special approval of funding sources or the Vestry properly documented in the Vestry or Finance Committee minutes?  
   Yes No

10. Are there adequate controls and segregation of duties regarding Electronic Funds Transfers, such as approval before transmission, printing a copy for the files, and a different persons transmitting and recording the transfer?  
    Yes No

11. Are all individuals and unincorporated business performing services designated to receive a Form 1099-MISC, including supply clergy? Do you send or provide a Form W-9 to secure the person's SSN at the time they begin providing services?  
    Yes No

Journal Entries: Journal Entries offer a special opportunity to make adjustments to accounting records. The general journal is an equally important book of original entry as the cash receipts and cash disbursements journals.

1. Is there an appropriate explanation accompanying each journal entry?  
   Yes No

2. Are all journal entries approved by a knowledgeable authority other than the person initiating the entry?  
   Yes No

3. Is adequate documentation maintained to support each journal entry?  
   Yes No
Bank Account Reconciliation: The monthly reconciliation of all bank accounts is a primary tool for assuring the proper recording and accounting for all cash account activity.

1. Are all bank accounts reconciled within 10 days of receipt of the bank statement? Yes No
2. Do two different people perform the tasks of opening and reconciling the bank statement? Yes No
3. Does someone complete the bank account reconciliation other than the person who participates in the receipt or disbursement of cash? Yes No
4. Do the reconciliation procedures provide for:
   a. Comparison between the bank statement and the cash receipts journal of dates and amounts of deposits? Yes No
   b. Investigation of bank transfers to determine that both sides of the transaction has been recorded? Yes No
   c. Investigation of all bank debit and credit memos? Yes No
   d. Review of all checks outstanding more than 90 days? Yes No
   e. Is the bank immediately notified of all changes of authorized check signers? Yes No
5. Are all journal entries for bank charges and bank account interest recorded routinely? Yes No
6. Are all bank accounts included in the financial report to the Vestry? Yes No

Petty Cash: The following controls are intended to provide a timely recording of cash expenditures in the accounting system.

1. Is the responsibility for the petty cash fund assigned to one person? Yes No
2. Are all petty cash funds maintained on an imprest basis, i.e., the total amount of vouchers paid or disbursed, plus cash, always equal the amount of the fund? Yes No
3. Is adequate review made of documentation before the fund is reimbursed? Yes No
4. Is the petty cash fund reimbursed at least monthly? Yes No
5. Are check cashing and making loans to employees prohibited? Yes No
6. Is the actual petty cash protected from theft or misplacement? Yes No

Investments: Procedures for proper recording and control of all investment instruments will help to assure that all assets and related income are accounted for and properly recorded.

1. Are all investment instruments held in the name of the church only? Yes No
2. Is the authorization for the sale and/or purchase of investments provided for by the Vestry or authorized Investment Committee? Yes No
3. Are all investment instruments adequately protected from fire, theft, or misplacement, preferably in custody by a bank, broker or other financial intermediary? Yes No
4. Is the income/dividends/interest recorded? Yes No
5. Are all investment accounts included in financial reports to the Vestry? Yes No
6. Are the records reflecting original cost of the investments retained? Yes No
Investments (Continued):

7. Are the investments recorded or adjusted to reflect fair market value, at least annually? Yes No

Property and Equipment: Certain procedures involving the physical assets of the church will aid in detecting, identifying, and preventing losses.

1. Is formal approval of the Vestry required for all property and equipment additions and dispositions? Yes No

2. Is a detailed inventory of all property, furniture, fixtures, and equipment maintained showing:
   a. Date acquired? Yes No
   b. Detailed description? Yes No
   c. Cost or fair market value at the time of donation? Yes No
   d. Any funding source restriction? Yes No

3. Is a periodic review conducted to compare the actual property, furniture, and fixtures, and equipment with the recorded inventory listing? Yes No

4. Is there a safe deposit box?
   a. Is there an inventory of its contents? Yes No
   b. Who is authorized to enter it? Yes No

5. Are permanent records such as articles of incorporation, if applicable, by-laws and real estate deeds kept in a safe place? Yes No

6. Are they up to date? Yes No

Insurance: Insurance should be maintained that is adequate to protect against all reasonable risks of loss.

1. Is there a periodic review conducted to ensure the adequacy of the insurance coverage for:
   a. Property? Yes No
   b. Liability? Yes No
   c. Fidelity Bond? Yes No
   d. Sexual Misconduct? Yes No
   e. Directors and Officers Liability? Yes No
   f. Workers’ Compensation? Yes No

2. Is there a policy related to sexual misconduct? Yes No

3. Is there a periodic review conducted to ensure that adequate controls are in place to prevent loss? Yes No

Liabilities and Other Debt: All liabilities and other debt must be clearly reported, and all provisions or restrictions complied with.

1. Is all borrowing or indebtedness authorized by the Vestry and the appropriate Diocesan board or committee? Yes No
2. Are all loan agreements and/or lease agreements in writing and properly safeguarded?  
   Yes  No
3. Are there periodic reviews conducted to determine compliance with any debt/lease provisions?  
   Yes  No
4. Are all liabilities noted on the financial reports to the Vestry?  
   Yes  No

*Restricted Gifts and Income:* Gifts restricted by donors are not handled in the same manner as other contributions. Procedures are necessary to assure that these gifts are recorded properly and all restrictions are observed.

1. Are records maintained of all bequests, memorials, endowments, or any other restricted gifts to include:
   a. Date, amount and donor gift?  
      Yes  No
   b. Any restrictions or limitations?  
      Yes  No
2. Does the Vestry vote to accept all restricted gifts and grants, promising to abide by the restrictions?  
   Yes  No
3. Are written acknowledgements issued for whom they are required?  
   Yes  No
4. Are the income and other transactions periodically reported to the Vestry?  
   Yes  No

*Payroll:* The application of policies and procedures involving the employment of individuals assure compliance with payroll tax reporting to the various governmental entities. It is strongly recommended that payroll be processed by a professional service. Questions 3, 4, & 5 are necessary only if payroll is still processed in-house, whether manually or with an in-house computer software program.

1. Are personnel files maintained to include:
   a. Employment application and/or letter of employment?  
      Yes  No
   b. Authorizations of pay rates and effective dates?  
      Yes  No
   c. Internal Revenue Service Form W-4?  
      Yes  No
   d. Department of Justice Form I-9?  
      Yes  No
   e. Ohio withholding forms?  
      Yes  No
   f. New hire reporting?  
      Yes  No
2. Is there a written record of hours worked, approved by a supervisor when applicable?  
   Yes  No
3. Are there adequate records to:
   a. Show computation of gross pay?  
      Yes  No
   b. Account for all deductions from gross pay?  
      Yes  No
   c. Support for payroll tax returns and Forms W-2?  
      Yes  No
4. Are payroll tax returns filed on a timely basis?  
   Yes  No
5. Are payroll tax deposits made on a timely basis?  
   Yes  No
6. The Form W-2 wages reconciled to the general ledger accounts, and all four quarterly payroll tax returns?  
   Yes  No
7. Are clergy housing allowances recorded in the minutes of Vestry no later than the first meeting of the year?  
   Yes  No
8. Are any changes in the housing allowance during the year applied on a prospective basis only and also approved by the Vestry?  
   Yes  No
Computer Systems: The use of computers creates the need for additional procedures to safeguard the system and data.

1. Are current and duplicate copies of the operating system and programs maintained off premises? Yes  No
2. Is access to the computer and computer programs limited to authorized persons? Yes  No
3. Is there adequate documentation, including user manuals, available on-site for all computer programs? Yes  No
4. Is there a plan for recovery of data and continuation of operations in the event of a disaster? Yes  No
5. Are the files backed up daily and the backups maintained off premises? Yes  No
6. Is a printed copy retained of all journals, general ledger, financial Statements and any other computerized records? Yes  No

Upon completion of the questionnaire, please forward to the Audit Committee for review. The completed checklist is to be included in the Committee Audit Packet sent to the Diocese of Ohio upon completion of the Audit.