



DIOCESE OF GEORGIA
The Internal Control Checklist for Congregation Audits

Congregation, Town

Audit Year

Please append a written explanation and the recommendations for questions answered no.

Policies and Controls

1. Does the church have an active audit committee following diocesan policy? Yes No
2. Are prior audits and completed internal control checklists available? Yes No
3. Have the recommendations of prior reports been implemented? Yes No NA
4. Is a complete and current chart of accounts, listing all accounts, and their respective account numbers available? Yes No
5. Has the vestry elected an assistant treasurer who is familiar with the church accounting and bookkeeping system? Yes No
6. Is the budget approved by the vestry and recorded in the minutes? Yes No
7. Are all budget changes authorized by the vestry and recorded in the minutes of the meeting? Yes No
8. Is the treasurer's report submitted to the vestry every month? Yes No
9. Is the report of sufficient detail to include both the operating and non-operating income and disbursements for necessary financial analysis? Yes No
10. Does the report compare current values with the approved budget? Yes No
11. Are all liabilities noted in financial statements/reports to the vestry? Yes No
12. Is there periodic reporting, at least quarterly, of all other funds and activities, including designated or restricted funds? Yes No NA

Offerings

13. Are there safeguards to prevent the collections from theft or misplacement from the time of receipt until the time the funds are counted and deposited? Yes No

14. Are the special offerings to the Bishop's Discretionary Fund, UTO and EYCS made known and transmitted without delay? Yes No
15. Are there at least two unrelated persons responsible for the counting rotated on a periodic basis? Is there a clear policy that the pledge recorder shall not handle, count or deposit funds? (If not, explain vestry-approved procedure) Yes No
16. Do the counters have a standardized printed form for recording the offering figures that includes both operating and non operating income? Yes No
17. Are the counters' sheets and any pledge envelopes retained and reconciled with the actual deposits? Yes No
18. Are checks received in the mail immediately endorsed "for deposit only" and put in a safe place? Yes No
19. Are all pledge payments received in the mail counted and deposited with the Sunday collection? Yes No
20. Are all other cash receipts recorded and deposited on a weekly basis? Yes No
21. Is there a control prohibiting the cashing of checks from currency received? Yes No
22. Are personal giving statements, including amount and date of contribution, provided to donors of record at least annually? Yes No
23. Do acknowledgments of all contributions include, where appropriate, the phrase "In accordance with the Internal Revenue Code we certify that we did not provide any tangible goods or services in consideration of your contribution"? Yes No
24. Do contributions in excess of \$250.00 receive a separate contemporaneous acknowledgment letter with the IRS statement? Yes No
25. Is there a clear policy that the treasurer shall *not* handle or count funds unless teamed with another counter or have current vestry approval to do so? Yes No
26. Are all cash receipts from all sources deposited first into the regular checking account? Yes No

Checks, Petty Cash and Disbursements

27. Are all checks pre-numbered and used in sequence? Yes No
28. Is there a clearly defined approval process for all disbursements? Yes No
29. Check signing:
- a. Are checks signed only with supporting documentation? Yes No
 - b. Is the signing of blank checks prohibited? Yes No
 - c. Is the use of a signature stamp prohibited? Yes No
 - d. Are all account signers authorized by the vestry? Yes No
 - e. Are two signatures required for checks in excess of \$500.00 unless authorized by the vestry or unless they are for approved budget items such as salaries, insurance, diocesan assessments, etc? Yes No

30. Are voided checks properly cancelled and retained? Yes No
31. Are checks made payable to specified payees and not to cash? Yes No
32. Are all but small petty cash disbursements made by check? Yes No
33. Are all disbursements requiring special approval of the vestry properly documented in the vestry minutes? Yes No
34. Are all bank accounts reconciled within two weeks of receipt? Yes No
35. Are bank account reconciliations completed or verified by other than the Treasurer? Yes No
36. Does the reconciliation provide for:
- a. Verification of all bank debit and credit memos? Yes No
- b. Review of all checks outstanding for more than 90 days? Yes No
- c. The monthly recording of all bank charges and interest? Yes No
37. Is the Discretionary Fund:
- a. In the name of the church and not the rector? Yes No NA
- b. Identified by the church's federal tax ID number? Yes No NA
- c. Used only for non-operating expenses of the church? Yes No NA
38. Is the responsibility for the petty cash fund assigned to only one person? Yes No NA
39. Are petty cash funds maintained on an impress basis, i.e., the total amount of vouchers paid (since the fund was restored to its full value), plus cash on hand, always equals the established value of the fund (e.g., \$100)? Yes No NA
40. Is the petty cash fund reimbursed or checked at least monthly? Yes No NA
41. Is an adequate review made of documentation before the petty cash fund is reimbursed? Yes No NA
42. Is the actual petty cash protected from theft or misplacement? Yes No NA

Investments and Property

43. Are all investment instruments held in the name of the church only? Yes No NA
44. Are investment incomes, dividends, and interest recorded as received? Yes No NA
45. Is there a written record for each investment showing date of receipt, name of donor, and purpose of the gift, if any? Yes No NA
46. Is vestry approval required for all property and equipment additions and dispositions? Yes No

47. Is a detailed description maintained for all property, furniture, fixtures and equipment? Yes No
48. Are copies of this inventory kept in a safe place apart from the inventoried property? Yes No
49. Is the inventory current? Yes No
50. Is the church insured under the diocesan insurance program? Yes No
51. If independently insured, have you sent a certificate to the Diocesan Insurance Committee verifying that your insurance meets the diocesan insurance standards for all coverages established by this committee? Yes No NA
52. Are real estate deeds and other legal documents kept in a safe place? Yes No
53. If there is a safe deposit box, is there an inventory of contents? Yes No NA
54. Are all loan agreements in writing and properly safeguarded? Yes No NA
55. Is all borrowing authorized by the vestry and diocese? Yes No NA
56. Are there periodic reviews to determine compliance with any debt/lease provisions? Yes No NA
57. Are records maintained of all bequests, memorials, endowments and any other restricted gift, to include:
- a. Date, amount, and donor of the gift? Yes No NA
 - b. Any restrictions or limitations? Yes No NA
58. Is the use and investment of all restricted gifts and grants approved by the vestry? Yes No NA

Personnel and Payroll

59. Are personnel files maintained to include the following:
- a. Employment applications and/or letter of employment? Yes No NA
 - b. Authorizations of pay rates and effective dates? Yes No NA
 - c. Internal Revenue Service Form W-4? Yes No NA
 - d. Department of Justice Form I-9? Yes No NA
 - e. Georgia State Withholding Form? Yes No NA
60. Are there adequate records to:
- a. Show actual hours worked by hourly wage employees? Yes No NA
 - b. Show computation of gross pay? Yes No NA
 - c. Account for all deductions from gross pay? Yes No NA
 - d. Support payroll withholding tax returns and deposits? Yes No NA
61. Are federal and state payroll tax forms filed on a timely basis? Yes No NA

62. Are federal and state payroll withholding tax deposits made on a timely basis? Yes No NA

63. Are employees (both clergy and lay) receiving form W-2? Yes No NA

64. Are forms 1099-MISC provided for all individuals who are not employees and for all unincorporated entities paid \$600.00 or more annually? Yes No NA

65. Are Form W-2 wages reconciled to the general ledger accounts and quarterly payroll tax returns? Yes No NA

66. Are clergy housing allowances recorded in the vestry minutes prior to the effective year or effective starting date? Yes No NA

Computer files and paper records

67. Are the files backed up regularly and the backups maintained off premises? Yes No

68. Is access to the computer and computer financial programs limited to authorized persons? Yes No

69. Does the church own and provide for the accounting program used by the treasurer? Yes No

70. Are printed copies of all current financial records maintained? Yes No

71. Are monthly finance statements retained for two years after the current year? Yes No

72. Are annual financial reports retained permanently? Yes No

Additional Comments on Policies and Controls: