



The
Episcopal Diocese
of New York

**INTERIM ALTERNATIVE AUDIT PROCEDURE
FOR 2020**

For use in 2021 by all congregations unless they need a certified audit for another reason or are already planning to have a certified audit prepared. Please print clearly or type all entries. For further guidance on completing this form, please download the accompanying workbook.

Congregation _____

City or town _____

Audit year: 2020

Audit Committee members,
with parish role/position:

If you are unable to answer "Yes" to any question below, please explain why in the Comments section at the end.

GENERAL REVIEW

✓ = Yes ✓ = See
Comments

- | | | |
|---|--------------------------|--------------------------|
| 1. Is audit report for previous year available? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Have recommendations included in previous years' audits been implemented? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Are Vestry minutes for the year complete? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. If a Finance or Investment Committee is authorized to expend or invest funds, are the minutes of such committee meetings complete? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Review the minutes of the Vestry and such Finance/Investment Committees. | | |
| 6. Was budget approved by the Vestry? | <input type="checkbox"/> | <input type="checkbox"/> |
| a. Was the parsonage allowance voted prior to being paid? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Were large or unbudgeted expenditures approved? | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Were large or unusual receipts noted? | <input type="checkbox"/> | <input type="checkbox"/> |
| d. If you answered "yes" to c. above, could you trace to recorded receipts? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Are monthly financial reports to the Vestry complete? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Is balance sheet information prepared at least annually for the Vestry and congregation? | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Did you examine a copy of the financial report to the Annual Meeting? | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Was the Parochial Report filed on time? (March 1 is the canonical due date) | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Are insurance records and property records complete? | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Are insurance coverages adequate? | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Have you seen the Articles of Incorporation and the By-laws? | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Is there a space use agreement and insurance certificate for each outside organization using church facilities? | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Have staff and volunteers attended safe church workshops as required? | <input type="checkbox"/> | <input type="checkbox"/> |

CASH BALANCES, INVESTMENTS & INCOME

- | | | |
|---|--------------------------|--------------------------|
| 16. Have you checked to see that all operating cash accounts (including all passbook savings accounts) have been reconciled regularly throughout the year? | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Review all organization cash accounts (ECW, Guilds, etc.). | | |
| a. Have they been reconciled regularly? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Organization accounts may not be used for general parish purposes (e.g., to receive flower donations or pay altar expenses). Are the organization accounts free of activity that should have been in the operating fund? | <input type="checkbox"/> | <input type="checkbox"/> |
| c. If there was operating fund activity in organization accounts, was it included in the Parochial Report? | <input type="checkbox"/> | <input type="checkbox"/> |
| d. List any accounts that exist that you were unable to examine in notes. | <input type="checkbox"/> | <input type="checkbox"/> |

✓ = Yes ✓ = See
Comments

CASH BALANCES, INVESTMENTS & INCOME (CONTINUED)

✓ = Yes

✓ = See
Comments

- | | | |
|---|--------------------------|--------------------------|
| 18. Examine year-end statements of any invested funds. Are all investments properly recorded on the books? | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. Were any restricted gifts received during the year? | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. Has the congregation respected donor restrictions on all current and past gifts? | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. Review procedures and control of plate collections, other cash receipts and deposits. Do these systems provide adequate controls? | <input type="checkbox"/> | <input type="checkbox"/> |
| 22. Are contribution statements sent out at least quarterly? | <input type="checkbox"/> | <input type="checkbox"/> |
| 23. Do contribution statements show the pledge balance? | <input type="checkbox"/> | <input type="checkbox"/> |

CASH DISBURSEMENTS

- | | | |
|--|--------------------------|--------------------------|
| 24. Did you receive a list of authorized signatories for each account? | <input type="checkbox"/> | <input type="checkbox"/> |
| 25. Examine a selection of disbursements. | | |
| 26. Are there invoices (not statements) for disbursements? | <input type="checkbox"/> | <input type="checkbox"/> |
| a. Are there authorizations for disbursements? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Do checks have the specified number of authorized signatures? | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Is the accounting system used adequate and properly maintained? | <input type="checkbox"/> | <input type="checkbox"/> |

LIABILITIES

- | | | |
|--|--------------------------|--------------------------|
| Are clergy and lay pension payments calculated correctly and up to date? | <input type="checkbox"/> | <input type="checkbox"/> |
| 27. Is payment of the diocesan Apportioned Share current? | <input type="checkbox"/> | <input type="checkbox"/> |
| 28. Are any diocesan loans current? | <input type="checkbox"/> | <input type="checkbox"/> |
| 29. Are utility and insurance payments current? | <input type="checkbox"/> | <input type="checkbox"/> |
| 30. Are any mortgage or other loan payments current? | <input type="checkbox"/> | <input type="checkbox"/> |

DISCRETIONARY FUNDS

- | | | |
|--|--------------------------|--------------------------|
| 31. Is the account in the name of the church? | <input type="checkbox"/> | <input type="checkbox"/> |
| 32. Was the account set up by Vestry resolution? | <input type="checkbox"/> | <input type="checkbox"/> |
| 33. Is the church's tax ID number used for the account? | <input type="checkbox"/> | <input type="checkbox"/> |
| 34. Is the discretionary account free of operating fund activity, or if there was operating fund activity in the account, was it included in the Parochial Report? | <input type="checkbox"/> | <input type="checkbox"/> |
| 35. If the account was used for personal expenses which the IRS would consider taxable, were these amounts included in the priest's W-2? | <input type="checkbox"/> | <input type="checkbox"/> |

PAYROLL

- | | | |
|---|--------------------------|--------------------------|
| Are workers properly classified as either employees or independent contractors? | <input type="checkbox"/> | <input type="checkbox"/> |
| 36. Are 1099s issued to independent contractors who made more than \$600? | <input type="checkbox"/> | <input type="checkbox"/> |
| 37. Do payroll records indicate that filing requirements were met and that withheld taxes & all employer taxes were properly calculated and remitted? | <input type="checkbox"/> | <input type="checkbox"/> |
| 38. Do the salaries authorized in the budget match the amounts that were paid? | <input type="checkbox"/> | <input type="checkbox"/> |
| 39. Was all compensation, including any bonus, reported on the W-2? | <input type="checkbox"/> | <input type="checkbox"/> |

PAROCHIAL REPORT

- | | | |
|--|--------------------------|--------------------------|
| 40. Compare the annual report to the Parochial Report. Are all amounts entered on the Parochial Report in accordance with the Parochial Report instructions? | <input type="checkbox"/> | <input type="checkbox"/> |
| 41. If not, has a revised Parochial Report been prepared and submitted? | <input type="checkbox"/> | <input type="checkbox"/> |

LITIGATION

- | | | |
|---|--------------------------|--------------------------|
| 42. Is there any current or threatened litigation involving the congregation? | <input type="checkbox"/> | <input type="checkbox"/> |
|---|--------------------------|--------------------------|

✓ = Yes

✓ = See
Comments

COMMENTS

List here, or in a separate letter, comments about any question above that you could not answer in the affirmative. Please number your comments to correspond to the question you are commenting on.

RECOMMENDATIONS

List here, or in a separate letter, any recommendations about needed improvements in systems or controls. Anything included here should be discussed with the congregation's leadership.

REQUIRED ACCOMPANYING DOCUMENTS

Alternative Audits should include the following attachments. Please check to indicate that they are present:

1. 12/31/2020 Bank Reconciliations for ALL bank accounts belonging to the congregation or its organizations.
2. 12/31/2020 Profit and Loss statement.
3. 12/31/2020 Balance Sheet

AUDIT COMMITTEE'S CERTIFICATION

We certify:

1. that we have performed the procedures outlined above;
2. that we have noted all exceptions on this form or in an attached letter;
3. that we have included all recommendations on this form or in an attached letter.

Audit Committee members' names (please print) and signatures**Date****Audit Committee chair's telephone number****Audit Committee chair's e-mail address**

Please Note that All Completed Worksheets and Supporting Documents Must be Uploaded Using the Form at 2020.diocesenyny.org/altaudit20.

In the event that you are unable to submit using the online form, you may mail your completed audit and attachments to:

Controller's Office, Episcopal Diocese of New York 1047 Amsterdam Avenue New York, NY 10025-1747
Please note that under current circumstances, you should avoid using this method if at all possible.