

FINANCIAL REVIEW CHECKLIST

PRESBYTERIAN CHURCH

For the Fiscal Year Ended _____ Date _____

Committee Member's Signature

| | <u>Date Completed</u> | <u>Initials</u> |
|---|-----------------------|-----------------|
| Reconciliation of Bank & Investment Accounts | | |
| Operating bank account # | _____ | _____ |
| Month | _____ | _____ |
| Bank account # | _____ | _____ |
| Month | _____ | _____ |
| Bank account # | _____ | _____ |
| Are bank accounts balanced monthly? | _____ | _____ |
| Verification of beginning and ending year balance | _____ | _____ |

BANK & INVESTMENT

| | | |
|--|-------|-------|
| Account signatories verified | _____ | _____ |
| Telephone or other transfer verified | _____ | _____ |
| Safe deposit box access checked | _____ | _____ |
| Account balances confirmed by Bank/Company (see attached forms) | | |
| Name _____ Confirmation Sent & Returned | _____ | _____ |
| Name _____ Confirmation Sent & Returned | _____ | _____ |
| Name _____ Confirmation Sent & Returned | _____ | _____ |
| Name _____ Confirmation Sent & Returned | _____ | _____ |

A. INCOME

Date Completed

Initials

Offering counted by two unrelated persons

Funds deposited in timely fashion

Financial secretary's and treasurer's

records compared against deposits

Transactions checked against postings to GL

Other income processes verified

Designated funds directed to restricted accounts

Pledges recorded on donor records

Confirmations sent to donors

#sent _____ (Keep a list)

returned _____

Differences researched & cleared

Finance secretary's records reviewed

Finance secretary's records agree with general ledger

NOTES:

B. DISBURSEMENTS

Date Completed

Initials

| | | |
|---|-------|-------|
| Invoices properly approved | _____ | _____ |
| Canceled checks examined to verify that disbursements were actually paid to the proper parties | _____ | _____ |
| Check number and date noted | _____ | _____ |
| All checks, used and voided, accounted for | _____ | _____ |
| Purchase order system, if applicable, functioning appropriately | _____ | _____ |
| Accounts to charge noted on invoice | _____ | _____ |
| Any invoices to vendors over 30 days in arrears | _____ | _____ |
| Per capita and mission apportionments paid per session direction | _____ | _____ |
| Interest & service charges recorded | _____ | _____ |
| General ledger balances equal daily transaction | _____ | _____ |
| A procedure in place to account for restricted gifts | _____ | _____ |
| Procedure in place to distribute gifts regularly (Confirm with receiving agency in Presbytery) | _____ | _____ |
| Designated gifts paid out on a timely basis (Confirm with receiving agency in Presbytery) | _____ | _____ |
| Canceled checks matched to invoice for appropriateness | _____ | _____ |
| Disbursement of petty cash funds given proper approval | _____ | _____ |
| Reimbursements to the petty cash fund properly made | _____ | _____ |
| Maximum figure for individual approval of payments established and followed | _____ | _____ |

NOTES:

C. REPORTS

| | <u>Date Completed</u> | <u>Initials</u> |
|--|-----------------------|-----------------|
| Complete financial picture provided by reports | _____ | _____ |
| Reports made helpful to committee members | _____ | _____ |
| Approved budget included in reports | _____ | _____ |
| Over-budget expenditure approvals in order | _____ | _____ |
| Controls for over expenditures provided | _____ | _____ |
| Policies for restricted funds reviewed | _____ | _____ |
| Restricted funds used according to policy | _____ | _____ |
| Regular reports provided on pledge giving to finance committee and pastor | _____ | _____ |
| Reports provided in timely fashion | _____ | _____ |
| Reports distributed to the appropriate people | _____ | _____ |
| Both a balance sheet and a statement of income and expense prepared | _____ | _____ |

NOTES:

D. GENERAL LEDGER

Date Completed

Initials

| | | |
|--|-------|-------|
| Restricted funds separated appropriately | _____ | _____ |
| Internal controls for receipts reviewed <small>(see separate document for understanding of internal controls)</small> | _____ | _____ |
| Internal controls for disbursements reviewed | _____ | _____ |
| Other asset accounts reviewed <small>(equipment, buildings, contracts, etc.)</small> | _____ | _____ |
| Accounts payable reviewed | _____ | _____ |
| Accounts receivable reviewed | _____ | _____ |
| Prepaid expense account reviewed | _____ | _____ |
| Any related party/employee loans noted | _____ | _____ |
| Unearned Income account reviewed | _____ | _____ |
| Fund balance from prior year correct | _____ | _____ |
| Correct fund balance carried into next year | _____ | _____ |

NOTES:

E. ADMINISTRATIVE

Date Completed

Initials

| | | |
|--|-------|-------|
| Church Employer Identification Number obtained | _____ | _____ |
| File for EIN and tax filings safeguarded | _____ | _____ |
| Deed to church property and/or mortgage safeguarded | _____ | _____ |
| Insurance policies safeguarded | _____ | _____ |
| Insurance coverage appears to be adequate | _____ | _____ |
| Prior year insurance policies safeguarded | _____ | _____ |
| Church has separate bond for persons handling money | _____ | _____ |
| Where and how documents are safeguarded noted | _____ | _____ |
| Persons with access noted | _____ | _____ |

NOTES:

F. PAYROLL

| | <u>Date Completed</u> | <u>Initials</u> |
|--|-----------------------|-----------------|
| Personnel files kept on individuals | _____ | _____ |
| Personnel files safeguarded and confidential _____ | _____ | _____ |
| Salaries paid according to approval | _____ | _____ |
| Tax forms issued to clergy persons, employed persons, and government | _____ | _____ |
| Payroll tax deposits and timely remittances to government made | _____ | _____ |
| Time sheets filed and approved <small>(not by treasurer)</small> | _____ | _____ |
| Employee benefits paid and current pension _____ other _____ | _____ | _____ |
| Any salary reduction plans noted _____ | _____ | _____ |
| Session/committee approval noted and written documentation in file | _____ | _____ |
| Amount paid to persons on contract/ honorarium verified | _____ | _____ |
| Proper 1099 filing of approvals for persons paid for over \$600 paid on contract/honorarium | _____ | _____ |
| Other | _____ | _____ |

NOTES: