

SAMPLE GUIDELINES FOR FINANCIAL REVIEW COMMITTEES

CAMPUS MINISTRY AGENCY FINANCIAL STATEMENT

A board appointed committee is satisfactory for most agencies. A review by a professional accountant is necessary for large multi-campus agencies and those with complex fiscal structures.

RESPONSIBILITY

The review committee is a committee appointed by the campus ministry agency board and should consist of two or more persons, not including the treasurer or bookkeeper. Each of the reviewers should personally be satisfied that the review information supplied to the agency is factual. The certification verifies the accuracy of the financial statement. The review committee is also asked to examine the insurance coverage.

In order to certify that the information is correct, the documents listed on the certificate should be examined. If the financial statement has inaccuracies, the committee should discuss this fact with the treasurer. An amended financial statement should be filed with the review report.

VERIFICATION OF CASH

Verify that the cash reported to be on hand as of the fiscal year end actually was on hand and was properly reported.

VERIFICATION OF CHECKING AND SAVINGS ACCOUNTS

Checking account and savings account balances should be verified as of the end of past fiscal year. The account should be verified with 1) the bank statements, 2) previous end of year financial statements. Any discrepancies should be explained to the agency and to DHES in writing.

VERIFICATION OF CERTIFICATES OF DEPOSIT, etc.

Certificates of Deposit and other similar securities should be verified to be in the possession of the agency and that interest and/or dividends have been paid and properly recorded in the reports to the agency.

VERIFICATION OF UNDEPOSITED CHECKS

Undeposited checks included in the report should be verified. They are reflected as income on the proper lines.

VERIFICATION OF RECEIPTS AND DEPOSITS

Taking a minimum of two random months during the year, verify that the funds received are recorded in the ledger and appear as deposited in the checking/savings account and as reported on the bank statements. If volume is small, several months may be verified. Further, verify that the total deposits for the months checked are accurately reported on the related reports filed with the agency. Mathematically verify the accuracy of the ledger for the months reviewed.

VERIFICATION OF DISBURSEMENTS

Taking a minimum of two random months during the year, verify 1) that all disbursements were properly authorized, 2) that all disbursements made during the months are properly entered in the ledger, the checkbook or the appropriate petty cash book, and 3) that the total disbursements for the periods equal the amount reported for those periods to the agency. If the volume is small, several months may be verified. Verify the mathematical accuracy of the ledger for the months audited.

VERIFICATION OF PROCEDURES

Verify that the procedures used in receiving, handling, depositing and disbursing funds are adequate. Where larger sums of cash are handled, at least two persons should verify the amount before it is deposited. The agency needs established rules regarding disbursements. For example, the campus ministry staff person may authorize expenditures of a certain kind or up to a certain amount, but agency board action or agreement with the agency chairperson may be required for other disbursements. Larger disbursements may require action by the entire agency board. All petty cash disbursements should be supported by vouchers signed by the recipient showing the date, amount and purpose for the expenditures.

REVIEW OF ADJUNCT GROUPS

Determine that the records of all groups identified with and responsible to the agency are included in the review and that the figures certified agree with those reported.

OTHER REPORTS AND RECOMMENDATIONS

Discrepancies discovered during the review should be put into writing and reported to the agency. Recommendations for improving procedures for handling receipts and disbursements should be made.

DISTRIBUTION

The **Certification of Financial Review** should be kept on file at the campus ministry agency.