

**Community Church of Chapel Hill Unitarian Universalist  
Board Meeting Minutes  
December 13, 2016**

<b>Attending:</b>	Cathy Cole Katie Heineman Dan Hill	Bill Poteat Bill Rote Pete Bird	Kathy Hodges Mike Vann Steve Warshaw
<b>Ex Officio:</b>	Thom Belote	Laurence Kirsch Richard Edwards	Andrew Wright
<b>Guests:</b>	Jenny Warnasch	Barb Chapman	Bonnie Nelson

1. **Welcome** – Bill Poteat called the meeting to order at 7:00 pm, welcoming newly elected Board members Barbara Chapman and Jenny Warnasch to the meeting.
  - a. **Chalice Lighting/Reading** – Cathy Cole opened the meeting with a reading.
  - b. **Sharing** – Bill Poteat recognized Kathy Hodges, Mike Vann and Cathy Cole who are rotating off the Board, Richard Edwards, who will be replaced by Bonnie Nelson as Secretary, and Laurence Kirsch, who will be replaced by Andrew Wright as Treasurer.
  
2. **Approval of Tonight’s Agenda** – Bill Poteat provided a copy of the proposed agenda in advance of the meeting.  
Bill Poteat made a motion to approve.  
Katie Heineman seconded the motion.  
All in favor with none opposing.
  
3. **November Minutes** – Minutes for November were distributed in advance of the meeting.  
Bill Poteat made a motion to approve as presented.  
Peter Bird seconded the motion.  
All in favor with none opposing.

**Congregational Meeting Minutes**

Dan Hill made a motion to approve the minutes from the Congregational Meeting on December 4<sup>th</sup>, 2016.  
Kathy Hodges seconded the motion.  
All in favor with none opposing.

4. **Minister’s Report** – Thom Belote provided a report to the Board in advance of the meeting. Thom explained the purpose of the report for new members. Discussed allocation of additional \$4000 gained from the Service Auction: approximately \$1000-\$1500 to Youth service travel fund (such as the Straley Fund) and remainder to Operating Reserves. No revision to the Budget for the allocation of these funds will be required. Discussed the support for action teams and collective initiatives, for example, discussion around “Sanctuary Status” for the Community Church and the presence of political discourse within the sphere of Sunday worship. Discussed this as a potential topic for the

Board Retreat. Acknowledged the considerable amount of church activity that Thom has been involved in.

- 5. Board Appointment** – Steve Warshaw shared that one of the members of the congregation who was recently elected to the Board, Russ Bowen, due to work concerns, has had to decline the election. Outside of the election cycle, the Board may appoint members to fill out any vacant slots. Dave Klibanow has agreed to serve on the Board for one year.

Steve Warshaw made a motion to accept Russ Bowen's resignation from the Board.

Bill Rote seconded the motion.

All in favor with none opposing.

Steve Warshaw then made a motion to appoint Dave Klibanow to the Board to fill the vacant seat.

Katie Heineman seconded the motion.

All in favor with none opposing.

- 6. Annual Vision of Ministry** – Thom Belote reviewed with the Board the preparation involved in gathering input and developing the initial draft for the Annual Vision of Ministry. Reviewed the AVoM draft presented by Thom with respect to its component parts, and how it would be used. Board Members raised questions about specific elements and language within the AVoM draft and discussed within the context of the covenants of the Community Church and its role in the wider community and the world. Discussed the importance of communicating clearly with the Congregation and listening purposefully about the many responsibilities the Community Church has to its members, as well as the leadership role imbued in Thom's role as Minister and as Chief of Staff. Next steps will include review of the draft with the Committee on Ministry, discussion at the Board Retreat and at the January Board Meeting.

- 7. Building Project Budget** – Laurence Kirsch shared a budget update on the building project. Reviewed current and projected expenditures based upon requests from multiple task forces. A copy of the report is attached to these minutes. Reviewed budget assumptions going forward, including how lost revenue from the departure of the Chapel Hill Cooperative Preschool could be addressed.

Bill Poteat made a motion to accept the budget as presented by Laurence Kirsch.

Katie Heineman seconded the motion.

Discussion: Cathy Cole shared that she met with the architects about their requirements for developing a sufficient plan and model, which will come to \$3000 versus the \$1500 budgeted.

Cathy Cole made a friendly amendment that the original motion to amended to accept the budget with an increase of the Artists' Drawings line item from \$1500 to \$3000. Bill Poteat accepted this as a friendly amendment.

Discussed the changes recommended and what is entailed in the additional cost.

All in favor with none opposed.

Follow up question referred to Chief of Staff regarding costs of the congregational meetings where childcare is concerned.

- 8. Building Project Next Step** – Cathy Cole presented to the Board that the team is working on the artists’ drawings, communication tools to build the Case for Support (expected to be ready in January), and preparing for the Financial Feasibility Study. From January 5 – 9, a representative group from the Community Church will be asked to provide input as a sample for Mark Ewart to interview. Board Members should expect to be asked to sign up for an interview slot. Interviews will be conducted in a structured format to assess whether there is sufficient support for a capital campaign. The final report will not attribute individual commenters, and will be presented to the Board confidentially. Only a summary of the report should be included in the Board meeting minutes. Discussed concern that there continues to be a lack of understanding by some members about the process we are involved in, and where the process is in development.
- 9. Financial Review Report** – Andrew Wright provided a report in advance of the meeting. The Board was highly complimentary of the report, which is included as an attachment to these minutes. In terms of next steps, there are several items which have associated costs, and Andrew will work with Thom Belote on either addressing these costs or working them into the budget for coming years. Also reviewed specific processes that are being recommended for improvement. The Finance Committee will also review this report at their next meeting in January, 2017.
- 10. Annual Board Self Evaluation** – Bill Poteat led discussion among the Board Members reflecting on the challenges and opportunities of the past year. Several Board members expressed satisfaction that the negotiations with CHCP ended amicably after months of diligent efforts to meet the needs of both organizations. The negotiations involved engaging new Board Members and helping bring Board Members up to speed on complex issues. Bill Poteat and Cathy Cole were both commended for their leadership and extra work throughout the year.

Challenges in updating the Board Policy Book were noted, and several Members stated they would like to have been able to stay more on top of needed revisions. It was noted that the Building Project is on a tight schedule. This tight schedule may have led to some confusion among Board Members as to the details of the process steps. Also noted there has been unusual amount of Board Members attrition through the year., which should be cause for further review.

Thom Belote followed up the discussion noting the engagement and hard work the Board has put in over the past year, and acknowledged the Board’s support of him throughout the year.

**11. Board Retreat and January Meeting** – Steve Warshaw presented the Board Retreat Agenda. Discussed the content for new members and existing members. Suggested extending time for the Annual Vision of Ministry, in light of the earlier discussion. Comments affirmed the importance of extending this time on the agenda for a thorough discussion. Shared the process for review and approval of the AVoM. No further questions about the retreat agenda.

**12. Closing** –

- a. **Process Observations** – None noted.
- b. **Action Items** – None noted.
- c. **Closing Words** – Cathy Cole closed the meeting with a song.

**Meeting adjourned at 8:46pm.**

**PRELIMINARY BOARD AGENDA**  
**December 13, 2016**

<b><u>ITEM</u></b>	<b><u>RESPONSIBLE PERSON</u></b>	<b><u>END TIME</u></b>
<b>Holiday Social</b>	<b>All</b>	<b>6:30</b>
<b>Welcome</b>		
<b>Chalice Lighting/Reading</b>	<b>Cathy</b>	<b>7:02</b>
<b>Sharing</b>	<b>Board</b>	<b>7:12</b>
<b>Approval of Tonight's Agenda</b>	<b>Bill P.</b>	<b>7:15</b>
<b>November Minutes</b>	<b>Bill P.</b>	<b>7:20</b>
<b>Minster's Report</b>	<b>Thom</b>	<b>7:35</b>
<b>Board Appointment</b>	<b>Steve</b>	<b>7:40</b>
<b>Annual Vision of Ministry</b>	<b>Thom/Pete</b>	<b>7:50</b>
<b>Building Project Budget</b>	<b>Laurence</b>	<b>8:00</b>
<b>Building Project Next Step</b>	<b>Cathy</b>	<b>8:10</b>
<b>Financial Review Report</b>	<b>Andrew</b>	<b>8:20</b>
<b>Annual Board Self Evaluation</b>	<b>All</b>	<b>8:40</b>
<b>Board Retreat and January Meeting</b>	<b>Steve</b>	<b>8:55</b>
<b>Closing</b>	<b>Cathy</b>	<b>9:00</b>
<b>Process Observations</b>		
<b>Action Items</b>		
<b>Closing Words</b>		

**December Minister's Report**  
**Rev. Thom Belote**  
**12/13/16**

**Items of Interest to the Board**

- I was in the pulpit on 11/13, 11/27, and 12/4. Charlie Kast preached on 11/20.
- Recorded worship attendance the last three Sundays in November: 302, 234, 242 (average worship attendance previously this fall was approximately 200 per Sunday.)
- Lots and lots of first time visitors over the past several weeks (see comments below in Denominational Affairs.)
- Two new members since last Board Meeting: Mike Recane and Judi Lilley
- Our next Exploring Membership class in January already has 14 people enrolled.
- Held two special sessions on November 9 for those seeking a healing space following the election. 60 people attended.
- Responded to multiple requests for counseling due to post-election related anxiety, grief, depression, and “triggering.”
- Met with Campus Ministry following the election to help them debrief. (Campus Ministry is thriving with a dozen people who attend regularly.)
- Met with High School Youth Group following the election to help them debrief.
- Attended anti-hate rally in Chapel Hill. Approximately 400 people attended including 7 from our church.
- Attended “No Hate, No Fear, No Stealing Our Votes” Moral Monday rally in Raleigh. Approximately 1,000 people attended including 20 from our church.
- Attended NC Justice and Unity Rally (response to KKK march) in Raleigh. 1,000+ attended including 7 from our church.
- Held collaboration meeting with representation from all of our justice and service ministries. At the table were Peace & Justice, Community Service Ministry, ECO, Standing on the Side of Love, Sanctuary for Dialogue, and Youth Group. More than 20 people attended and there was a lot of good energy. It has been a long time since these groups had been in the same room together. We talked about ways to better focus our energies, better communicate our work in the community, and what we’re called to in these times. Each team will report back to their respective ministries for conversation and discernment. We will reconvene after the new year and begin to implement changes.
- Learned that the net proceeds from the Services Auction was \$16,629.55. This is \$4,000 more than budgeted. In the past, some amount of the additional money raised has gone to

various youth travel funds such as Coming of Age and the Straley Fund. Susan & Don Blanchard have agreed to lead the Auction in 2017!

- Attended a production of Little Women. (Very proud of our young thespians and all who participated.
- Attended the Greening. Most notable for me was that we had high enough attendance that we barely all fit in the Jones Building for the Chili Supper. Thanks to the Worship Ministry for organizing and to the UUkes for providing the music!
- Met with Worship Ministry, Caring Ministry, Committee on Ministry, and Building Committee leadership.

### **Denominational Affairs**

- UU congregations (as well as other faith groups) across the country have begun to declare “Sanctuary Status.” On the next page is the message our large congregation in St. Paul, Minnesota sent to its membership announcing its decision. As more and more UU congregations claim this status, I’d be interested in having a conversation with the Board about whether we might do so as well.
- UU World had this story about the surge in attendance following the election. <http://www.uuworld.org/articles/uu-attendance-surges-after-election>  
What I’m finding is that people are coming to us for several reasons: to not feel alone, to find a community that reflects their moral values and to expose their children to those same values, to engage in meaningful social action in the context of relationship.
- Hundreds and hundreds of Unitarian Universalist ministers and lay-people have been among those who went to Standing Rock to help support and bear witness to the efforts of the water protectors to halt construction of the DAPL.

## **Letter to Members of Unity-Unitarian Church in St. Paul, Minnesota**

Dear Members and Friends,

In light of significant concerns for the safety and well-being of the approximately 90,000 Minnesotans threatened with deportation, the Board of Trustees and Executive Team have decided to designate Unity Church as a sanctuary congregation. In doing this, we join congregations across the nation and here in Minnesota in considering how best to respond to the heated rhetoric of the incoming administration. ISALAH, Minnesota's most broadly-based interfaith organizing effort has more than 300 member congregations, some of which will choose, as we have, to declare sanctuary. Others will play supporting roles in helping to protect our neighbors. ISALAH will be holding a press conference on Tuesday, December 6, at 10:00 a.m., at Redeemer Lutheran Church in St. Paul, during which our designation as a sanctuary congregation will be announced.

In order to sustain what may well be a long-term commitment, a new community outreach team is being formed. Two informational meetings have already been held and more than 60 people have indicated an interest in becoming involved. A third informational meeting will be held this coming Sunday, December 11, at 12:30 p.m., in the Ames Chapel. Additional opportunities for learning and commitment are being planned for the coming weeks.

We are aware that many questions remain unanswered. The situation is fluid and we need to be agile. It is the strong sense of Unity's leadership team that the times call for a clear moral declaration that our church will not stand by when our neighbors are in imminent danger. Our religious principles and our stated Ends undergird this public commitment.

We pledge to do our best to keep you well informed and to welcome your questions and concerns as they arise.

Yours in Faith,

Janne Eller-Isaacs and Justin Cummins

For the Executive Team and the Board of Trustees



**Building Project Budget – Attachment**

**Table 1  
 Capital Fund Summary (inception to 12/8/2016)**

Receipts:		
Donations	25,261	
Legacies	<u>36,104</u>	
Total		61,366
Expenditures:		
Architect Fees	9,367	
Generosity Consultant	5,688	
Meeting Expenses	805	
Space Assessment	<u>242</u>	
Total		<u>16,102</u>
Balance at 12/8/2016		<u><u>45,263</u></u>

**Table 2  
 Building Project Budget, Pending at 12/8/2016**

Capital Campaign Task Force:	
Generosity Consultant	7,312
12/4/2016 meeting	800
Artists' drawings	1,500
FFS Congregational Meeting	800
March Kickoff Party	750
Miscellaneous Supplies	500
Communications Task Force:	
brochure printing	1,000
Construction Task Force	
Finance Task Force	
Other:	
loan principal, FY 2017	<u>13,477</u>
Total	<u><u>26,139</u></u>

## CCCHUU Financial Review 2016

Andrew Wright

November 17, 2016

### Executive Summary

Accounting procedures at CCCHUU are in good shape. Controls around paying bills, cash collections, and other accounting procedures are functioning well but could use the following improvements: Two people counting Sunday collection, an updated safe with deposit slot, closing periods in QuickBooks, developing a list of church assets, additional controls around large invoices, and online backup of electronic files.

### Details

Andrew Wright met with Andrea Sordean-Mintzer for approximately 6 hours over 10/13/16, 10/31/16, and 11/2/16 and reviewed accounting processes. The UUA Financial Review questions were reviewed as well as other questions from Andrew's experience.

We noted that per Accounting Standards Update 2016-14 the presentation of financials for churches will be slightly different in the restricted funds section, and we also discussed that the deadline for submitting 1099 information to the IRS has moved up one month beginning with January 2017 reporting of 2016 data. Risks were assessed in the following categories.

#### **Data Integrity and Cyber**

**Risk:** Loss of data

All financial data is kept on site, on Andrea's laptop, old laptop, and on site backup. A flash drive is used for QuickBooks data and updated monthly which Andrea keeps with her. This will help if the laptops are lost but would set the recordkeeping back to the prior month end.

Most of the information begins as paper, and all paper files are kept on site. The biggest risk of loss is fire or other natural disaster, though in my opinion there is a higher cost than benefit in scanning all paper files.

**Recommendation:** Use a cloud backup service to continuously backup laptop files online. Also, transfer files off of the old laptop to the new laptop so it will be backed up as well.

**Cost:** \$100 / year

**Risk:** Data breach

Risk of the church being responsible for a data breach is low for credit card information due to use of a third party for credit card payments. Personal information of members is at low risk due to the computers not being networked. Potential use of cloud backup does create a low risk of data breach however good cloud backup services are encrypted.

### **Cash**

**Risk:** Theft of cash from Sunday collection

With only one counter, the possibility of theft is high, though the amount of cash in a typical Sunday collection is low (\$280). Locking Collection bags are probably not worth the expense.

**Recommendation:** Require a second counter or observer to the counter from the point of pickup of the envelope to deposit into the safe. This person should be unrelated to the counter and could be recruited ad hoc after the Sunday service if needed. The second counter/observer should be recruited before picking up the Sunday collection envelope from the sound booth to maintain dual custody.

**Risk:** Theft of check stock

The counters have the safe combination where the check stock is stored, making theft risk high. Requiring a second counter mitigates this risk but does not eliminate it.

**Recommendation:** Purchase a depository safe, with a slot for the counters to drop the Sunday collection into without having access to the contents of the safe. I prefer mechanical combination safes for higher fire resistance and no problem with loss of battery power.

**Cost:** \$300-\$350

**Risk:** Petty cash and checks made to "cash" are abused

Risk is low as cash on hand not related to Sunday collection is very low (<\$100) and is only used for making change for parking payments (and are not accounted for on the balance sheet). If parking payments made in cash are stolen it will show up in Accounts Receivable and/or expense for bad debt. Monitoring those accounts as is already happening to some degree and would catch material theft of cash parking payments. No checks are made out to "cash."

### **Payments, Vendor Invoices**

**Risk:** Incorrect or fraudulent invoices are paid

In this section “Invoice” refers to any payment such as payroll or bills.

Non-recurring invoices are approved by the relevant committee member or employee either physically or through email. Recurring invoices are only approved by Andrea and are paid by Andrea. Requesting approval of recurring invoices would probably not be worth the extra time and complexity. Overall risk is medium for an incorrect invoice to be paid.

Paying a fraudulent invoice, such as through a fraudster sending a fictitious invoice hoping it will be paid without question, is a low risk due to non-recurring invoices needing approval from someone other than Andrea. Fraudulent invoices created by Andrea and paid would only be caught during the check signing process or review of the financials and are a medium risk.

Email spoofing is a medium risk, such as someone sending an email that appears to be from Thom Belote with an attached invoice to pay. During the capital campaign this would be a higher risk than normal due to a large number of non-recurring invoices being paid, some of which may only be approved over email.

**Recommendation:** Invoices over \$1000 should have some verbal verification either before or after the invoice is sent (on the phone or in person). This could mean a conversation with Andrea where the approver says they expect an invoice soon from a certain vendor which will be approximately X dollars. When the final invoice arrives, the email approval will be in line with the conversation and expected vendor and amount. Verbal approval could also happen at the time the invoice is sent or after.

A short duty description should be drafted for check signers, indicating they should ask for details on any payments that they are not extremely familiar with.

### **Accounting Procedures**

**Risk:** Material misstatement of financial data

Risk of an inexperienced user making an error is low because only Andrea has access to the general ledger. Review by Treasurer is a control that is functioning properly to catch errors. During the financial review, we did note that prior month cash reconciliations did not tie to the bank statement, probably due to a transaction(s) posted to prior, open periods.

Fixed assets of the church is the weakest portion of the financials found during my review. While an inventory was done in 2011, Andrea had no detail behind the \$75k of assets, and Brad Kosiba does not have a list of church assets.

**Recommendation:** Close completed periods in QuickBooks once the month is completed. This will prevent inadvertent changes to prior periods. This will complicate some transactions such as voiding and reissuing checks but makes the financials easier to audit and more secure. During our meeting I showed Andrea where to do this in QuickBooks and she indicated she would follow this process going forward.

Develop a list of church assets, both to support the financial statement amount and for monitoring maintenance and replacement needs. I have already reached out to Brad and he is willing to do this with my help.

**Miscellaneous Observation:** Employment contracts are not centralized to check against payroll records, but the budget serves as a record of the approved salaries including annual raises. Checking actuals vs budget on salaries is an appropriate control that people are paid the correct amount.

**Appendix A**

These are the items on the UUA Financial Review.

Item	Comments
1.1 Review the procedures for counting cash & check collections. Are the procedures clear and complete?	Yes. Not written but procedures are simple.
1.2 Review the forms used to record the count. Can all cash be properly accounted and classified?	Yes
1.3 Are any funds received which do not go through this same counting process? Discuss the accounting of all funds with the Treasurer, Minister, Lay Leaders, and Finance Committee Chairpersons. Do all funds collected flow through this process?	Some cash may come in from parking customers. All other income is in the form of checks.
1.4 Review the list of counting personnel and compare it to the group of record-keeping people to ensure that none of the people counting are also record-keeping people. This review promotes a separation of duties. Is everyone counting the collections excluded from the list of	Yes. Only Andrea is a record keeper.

people involved in keeping the records for the collections?	
1.5 Review deposit dates and amounts on bank deposits and compare to reported dates and amounts. Selecting a sample of deposits. Are these dates and amounts the same?	Yes. Reviewed collections from these dates: Aug 14 – deposited 17 <sup>th</sup> , May 8 – deposited 11 <sup>th</sup> , Jan 31 (Jan 24 initially selected but was a snow day) – deposited Feb 2 <sup>nd</sup> .
2.1 Review the invoice authorization process. Inquire how bills are distributed to responsible parties for approval. Does this approval process appear to be adequate?	Yes. Usually email approval but some signing of bills. This is only for non-recurring / irregular bills. Recurring / regular bills are only approved by Andrea.
2.2 Are bills routinely approved by the person responsible for the respective line items in the budget?	N/A due to small congregation and Thom is the only one truly responsible for the budget. He is kept aware of spend through emails and monthly financial info.
2.3 Review a sample of invoices paid during the past year. Based on actual practice, are people in compliance with this process and does this approval process still appear to be adequate?	Yes. Reviewed the following invoices: 10/1/16 from Keenan Williams for electrical receptacles, 1/28/16 from Crescent Electric through BBT credit card, 4/4/16 Gina DeVine CPA services
2.4 Trace a sample of approved invoices to the ledger and to canceled checks showing payment. Are the amount, date, check number, and payee the same?	Yes. Traced the same invoices to GL.
2.5 Trace a sample of canceled checks to the ledger and to approved invoices. Again, are the amount, date, check number, and payee the same?	Yes. Reviewed check number 20437 5/13/16 in BBT and QB
2.6 Obtain a copy of the signature-authorization cards for all bank accounts and review the list. Are these people the proper people to be authorized to sign checks, etc.?	Will perform when we add me to the signers
2.7 Determine where blank checks are kept. Are they being kept in a secure place?	Yes. In safe. See recommendation for safe.
2.8 Regarding payments to any Board member, staff member, or key financial members, check to	Yes. Large expenses get a form of pre-approval where Andrea will be notified in

<p>ensure that such payments are adequately documented and seem to be reasonable. Does everything appear to be sufficiently substantiated and in order?</p>	<p>advance. E.g. when the changing of the commons occurred. Reviewed reimbursement 1/6/16 for office supplies to Gail McKinley.</p>
<p>2.9 Review a physical inventory list or a list of the congregation's physical assets. Is this list current and complete?</p>	<p>List not current or complete in QB. Talked to Brad about creating a list together.</p>
<p>2.10 Add figures in payroll worksheets across the lines/rows and down the columns to find any errors. Then compare the sums to canceled payroll checks. Next recompute salaries and taxes, and compare the results to the amounts on the payroll checks. Does everything appear to be in order?</p>	<p>Yes. Traced one employee on the 12/26/15-1/10/16 payroll from timesheet to report submission, to payroll report, to QB</p>
<p>3.1a Are bank reconciliations performed on a regular basis? Do the reconciliations appear to be complete and thorough?</p>	<p>Yes</p>
<p>3.1b Inspect bank reconciliations and identify outstanding checks. Investigate reconciling items. Does everything appear to be in order?</p>	<p>Yes</p>
<p>3.2 Recalculate a sample of bank reconciliations. Does everything appear to be in order?</p>	<p>8/31/16 and 9/30/16 inspected. 9/30/16 (most recent) matched. Noted that 8/31/16 did not match due to transactions that affected prior periods after August close. AW suggested closing periods in QB to prevent this going forward.</p>
<p>3.3 Review check-number sequences at year-end. Check dates to determine the month expenses were paid. If check numbers are out of sequence, inquire why. Does everything appear to be in order?</p>	<p>Yes. Voided checks are kept which is a good practice.</p>
<p>3.4 Inspect all legal documents on file, including employment contracts, Board minutes, mortgages, Treasurer reports, and tax information (e.g., W-2's, 1099's etc.). Does everything appear to be in order?</p>	<p>Sample inspected and was in order.</p>

3.5 Review documents in the safe deposit box and inspect signature cards. Does everything appear to be in order?	N/A
3.6 Inspect mortgage payments for reasonableness and for consistency with published reports. Does everything appear to be in order?	Yes
3.7 Review IRS forms 941 for proper submission of income and FICA withheld.	Yes
3.8a Review check register to see that taxes were paid in a timely manner.	Yes
3.8b Inspect the filing system for orderliness and completeness. Does everything appear to be in order?	Yes
3.9 Inspect the general ledger. Recalculate a sample of items. Investigate any checks made payable to "Cash". Does everything appear to be in order?	N/A
3.10 Compare totals to the Treasurer's report. If they are not the same, inquire why. Does everything appear to be in order?	Sample, Yes
3.11 Trace interest and dividend income from statements to the ledger. Does everything appear to be in order?	Yes, Sept 2016 inspected
3.12 Compare compensation per employees' contracts with actual payments. Does everything appear to be in order?	after first year raises are not reflected on paper so N/A
3.13 Compare wages authorized by the Board to actual payments to employees. Does everything appear to be in order?	N/A wages not board authorized per se. General budget approved.
4.1 Recalculate a sample of the Treasurer's reports. Does everything appear to be in order?	Yes
4.2 Determine the reason(s) for significant variances of actual spending over budgeted	Yes



amounts, both for individual line items and for program groups which are often subtotaled, such as Religious Education. In some instances, there is not a problem if an individual line item has spent more than what was budgeted, as long as the subtotal for that group has not overspent what was budgeted. . To determine significant variances, use 10 percent of the budget or \$1,000, whichever is greater. Does everything appear to be in order?	
4.3 Verify that the reported bank balances are the same as, or can be reconciled to, the bank balances on the statements received from the bank. Does everything appear to be in order?	Yes 8/31/16 inspected
4.4 Consider information that may be helpful that is not currently included in the reports and possibly should be included. Does everything appear to be in order?	Yes
4.5 Inquire about the budget process and how the budget is compiled. Are all appropriate people currently included in the budget formulation process?	Yes
4.6 Are important records on the church computer backed up on a regular basis? Are the backup files stored off-site at another location?	Yes
4.7 Are the church offices locked when not in use? Is the computer locked or password protected?	Yes. Computer locks after a few minutes.
5.1 Does your report include the following:	
- A review of the auditing / review process	Yes
- Information on the detailed findings and possible corrective actions for each finding	Yes, summarized
- Documentation to support the findings	Yes, documents inspected noted
5.2a Have you submitted a report to the proper organizational body and have you kept a copy on	Will be done

file for future reference?	
5.2b Have you provided a briefing / presentation and an executive summary to the appropriate parties?	Will be done