

Third Party Reviews of 2019 Financial Records
Saturday, February 8, 2020 – 9:00 am to...when done
Grace United Church, 8 Chemin Mill, Chelsea, QC J9B 1K8

The new Regional Council for Eastern Ontario and Outaouais is not yet able to arrange the joint financial reviews previously organized by Ottawa Presbytery. However, a number of Treasurers feel it is important to provide this opportunity to smaller communities of faith / pastoral charges. Therefore, we have come together to offer an opportunity for communities of faith / pastoral charges to have reviews of their 2019 financial records completed at no cost by gathering together for a one day “bartering” exercise. Grace United Church in Chelsea have kindly offered to host the event. It is a location central to both Ottawa and Outaouais churches.

Please arrive as close to 9:00 as possible so that we can begin by 9:30 am. Most reviews will be completed by lunchtime, but we are hoping lunch will be a potluck when attendees can exchange ideas and get to know one another better. We are asking attendees to each bring one dish only, a salad, a casserole or crock pot dish or a dessert. Please do not to bring more than you can eat yourselves, or we will all be hauling it home again. Grace will make sure that we have silverware, plates, coffee etc.

The goal is that each community of faith/pastoral charge will leave with

- i) a reviewed financial statement of revenues and expenditures (income statement)
- ii) a reviewed statement of assets and liabilities (balance sheet), and
- iii) a “notice to reader” letter that can be submitted to Canada Revenue Agency as well as to Congregational Meetings, Church Councils, Official Boards, and Trustees.

Each review will be conducted by at least two unrelated persons.

There is no cost, except for the time and expertise (and potluck lunch) volunteered by each of the participants. Each participating Community of Faith / Pastoral Charge is asked to provide at least two persons who are prepared to review records of another pastoral charge. It is helpful if the Treasurer of the Community of Faith / Pastoral Charge is one of these persons because they will be available to answer any questions from the panel reviewing their books.

Although few of us are certified accountants, we have many years of Treasurer experience between us. We will provide an overview of the process and ongoing

support throughout the day to ensure that the reviews are conducted in accordance with regulations as well as knowledgeable expertise.

Included in this document is

- i) Documentation that Communities of Faith / Pastoral Charges are requested to provide. If you do not have this documentation, it will be difficult to complete the review. We can help as much as we can.
- ii) Processes undertaken during the review

Please bring laptops or computerized books if you can. For more information contact Alan Herbert (Trinity UC Kazabazua) at alanherbert171@gmail.com or Sharon Rounds (Grace UC Chelsea) at sharon.rounds77@sympatico.ca

Required Documentation (*not all items will apply to all pastoral charges*)

1. Statement of Revenue and Expenditures for 2019 that is balanced to your books.
2. Twelve Months of Bank Statements (or bank passbooks) with the December 31st Statement reconciled. There needs to be “third party” evidence of the final bank statement such as a bank confirmation letter.
3. Statement of Assets and Liabilities (Balance Sheet) for 2019. *If you do not presently have a balance sheet, we will help you to produce one; therefore it is still possible to participate without a balance sheet.*
4. A December 31st statement regarding any and all investments, with documentation from “third party sources” (i.e. banks, financial institutions, GIC statements, mutual funds, savings accounts, United Church Foundation)
5. Cheque book and/or internal mechanisms for tracking expenditures complete with attached bills, receipts, etc. Please include copies of “void” cheques. We will be spot-checking expenditures to make sure they are all valid.
6. Deposit Book and/or internal mechanisms for documenting revenue.
7. Copy of procedures for receiving and counting offerings, for submitting of expenses, etc.
8. Copy of the General Ledger (if computerized it is okay to provide this on a laptop, or to provide a printed copy if you prefer).

9. Copy of Annual Financial Statements submitted to the congregation for 2017 and 2018
10. Where relevant, a summary of payroll and the ADP statement for December or any self-created records to track personnel costs.
11. A copy of the 2018 “T3010” submitted to Revenue Canada.

The Review Process

1. A quick review of previous years to acquaint panelists with the overall financial picture of the pastoral charge noting various funds and overall financial management of the pastoral charge.
2. Review of expenditures by reviewing cheques, spot checking large expenditures and especially noting cheques made out to individuals ensuring that there is sufficient documentation to support the expenditure.
3. Check Bank Statements, ensuring that amounts on the statements are reconciled with the amounts in the books and on provided statements. If not balanced, look for an explanation for the “imbalance”.
4. Review of deposits, spot checking where possible, and review documentation on internal procedures for handling offerings and cash receipts.
5. Review all investment documentation as well as term deposits. Compare amounts on third party statements to those recorded in pastoral charge statements. Review all transfers, sales, and purchases.
6. Review statement of revenues and expenditure for accuracy.
7. Review of statement of assets and liabilities (balance sheet) for accuracy.
8. Converse among the panel on any recommendations to the Treasurer/Finance Committee on pastoral charge procedures.
9. Prepare and sign the “Notice to Reader”.