

# **PRESBYTERY OF NORTHERN NEW YORK**

## **Procedures for Congregational Financial Review Committees**

Presented by the Financial Management Committee

### **WHAT IS A FINANCIAL REVIEW? WHY SHOULD WE HAVE ONE?**

The Book of Order says that conducting a financial review of all church financial records once each year is a minimum standard a church should observe. [G-10.0401d] People who know how to balance a check book, read a balance sheet or an operating statement, and can use a calculator will have the skills necessary to tell whether reports fairly represent the financial condition of a congregation.

It is important for a session to receive a brief statement from someone independent from those handling the church's financial records. The statement would indicate for the testing completed that all receipts have been properly deposited and recorded, that disbursements have been approved and expensed, and that the actions of those who are the stewards of the church's resources appear to be in order.

The check list and guideline that follows is written with an internal church financial review committee in mind.

### **HOW BIG AN AUDITING COMMITTEE?**

A team of two would suit the bill quite well for most churches. As an alternate procedure, a qualified person could review the books and give a brief statement if independent of those who receive, deposit and expend funds. This method would be better than to leave the books unaudited.

### **HOW DETAILED A REVIEW?**

The following two pages list basic financial review procedures, and more advanced procedures. It is a good idea to periodically be more thorough.

We keep on file at the presbytery office very detailed recommendations that will assist auditors elected by the congregation to perform an even more in depth financial review of the church books. We will make this more thorough check list available upon request.