

Episcopal Diocese of Eastern Michigan

January 4, 2019

Financial Review Process for The Episcopal Diocese of Eastern Michigan

One of the things we noticed in the last couple years is that some of our congregations that would have benefited from having their financial reviewer come out and do a pre-review (at the expense of the Diocese) didn't take advantage of this service. If you would like some extra assistance please ask your financial review to come out before the actual review. This will be the last year we will offer this additional assistance at no cost to you. We have offered this service to congregations to assist in making the move to the new review process as smooth as possible.

Financial Review Procedure:

The Diocese has recruited approved financial reviewers trained by Yeo and Yeo on how to complete a financial review for a non-profit organization.

- All congregations with annual revenue less than \$500,000 **and** financial assets less than \$500,000 will be required to select one of the Diocesan Approved and Accountant Trained Reviewers on the list to conduct their annual financial review or use an Independent CPA to conduct an annual audit.

For those congregations (if not using a CPA) with annual revenue of under \$50,000 the requirement will be to change Diocesan financial reviewers for at least one year every 5th year.

For those congregations (if not using a CPA) with annual revenue of over \$50,000 the requirement will be to change Diocesan financial reviewers for at least one year every 3rd year.

The congregation will be responsible for paying the financial reviewer a stipend of \$200 plus travel expenses to conduct their financial review.

- All congregations with annual revenue **or** financial assets over \$500,000 an Independent CPA must be used every 3rd year to conduct an audit (or financial review) and for the other years the congregation will have the choice to use a Diocesan-approved Financial Reviewer or an Independent CPA. The recommendation is that a congregation that falls in this category use an Independent CPA each year but the above alternative is available if necessary. In the years a Diocesan-approved Financial Reviewer is used the congregations that fall in this category will need to hire two financial reviewers due to the complexity of their finances. The cost will be \$400 plus travel expenses. Those churches are listed below:

St. Paul's, Flint
Trinity, Bay City
Grace, Port Huron
St. Christopher's, Grand Blanc
St. John's, Midland
St. John's, Saginaw

** IF THERE HAVE BEEN CHANGES IN REVENUE OR ASSETS THAT WOULD EITHER REMOVE A CONGREGATIONS FROM THE LIST ABOVE OR IF A CONGREGATION NEEDS TO BE ADDED PLEASE NOTIFY MOLLY GIRARD.

After the financial review the reviewer will forward a copy of the review to us and to you. You will have your vestry approve the financial review and forward a copy of that approval to the Diocesan Office.

When you schedule your financial review your treasurer and all items on the prep list must be on site.

Added Assistance:

Again I would like to mention that if a congregation finds that they would benefit from assistance in gathering the items needed for the financial review the Diocese will pay the financial reviewer you have selected to come to your church for a day and assist you in understanding what to prepare. This would take place before the financial review. You will need a balance sheet for your review so if you need help learning to prepare one please take advantage of having your financial reviewer come out ahead of time to conduct a pre-review. **If you have any questions regarding this procedure please contact Molly at 989-752-6020 or mollyg@eastmich.org.**

Jan 2019