

Episcopal Diocese of Eastern Michigan

January 13, 2022

Financial Review Process for The Episcopal Diocese of Eastern Michigan

Financial Review Procedure:

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

- All congregations with annual revenue 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 after 5 years.

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 after 3 years.

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

- For all congregations with annual revenue over \$500,000, an Independent CPA must be used after 3 years 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 SARA PHILO.**

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.

Jan 2022