THE EPISCOPAL DIOCESE OF WEST VIRGINIA

Financial Review Forms

The Canons of The Episcopal Church set forth the general responsibility and accountability for the stewardship of the Church's money and property. Title I, Canon 7 specifically addresses the business methods prescribed for every diocese, parish, mission, and institution subject to the authority of the Episcopal Church. Since 1979, the Executive Council of the Episcopal Church has provided a guide for the standardized financial oversight of all parishes and church institutions. The version of this standardized system is the *Manual of Business Methods in Church Affairs*, which was most recently updated in 2023. A copy of this manual can be found online by a simple search. The Constitution and Canons of the Episcopal Diocese of West Virginia require all parishes and related institutions to conform to this standard system in their financial management.

As a part of this standardized system across the Episcopal Church for financial management, an audit (or perhaps better put, a financial review) is required of all parishes and institutions. The purpose of this auditing practice is to thoroughly engage churches and entities in adequately demonstrating the financial well-being of their accounting functions. In most respects, especially in insurance and asset management, this review program goes farther than what would be accomplished in an outside audit.

As referenced in the Diocesan Canons sited hereinbelow, those congregations or entities with annual revenues of less than $250,000 may conduct a financial review from the form prescribed by the Treasurer of the Diocese for such purpose. The questionnaire on the follow pages of this document represent this authorized financial review.

All audits or financial reviews are required to be submitted on or before July 1 of each year for the previous year. Please remember to write legibly.

Once completed, this financial review may be returned to the following address:

The Episcopal Diocese of West Virginia
Attn: Treasurer
PO Box 5400
Charleston, WV 25360

If you have any questions, please contact the Diocesan CFO, Mr. Eric Ridenour, at the Diocesan Office.

Thank you.

Title II, Canon 10 of the Episcopal Diocese of West Virginia
Business Methods in Church Affairs

Section 1. Requirement

In every Church, Mission, and Institution connected with the Diocese, business methods shall be observed as contained in General Convention Canon I.7 and as supplemented herein.

Section 2. Audits

The Vestry or governing body of every Parish, Mission, or Worshipping Community shall annually cause to be audited the accounts of its Treasurer and all other custodians of funds or securities. A copy of this audit is sent to the Treasurer of the Diocese by July 1 of each year for the preceding year. Those congregations with annual revenues of less than $250,000 may conduct a financial review in a form prescribed by the Treasurer of the Diocese for such purpose. The financial review may be done by individuals within the Deanery or neighboring Episcopal congregations.

Section 3. Insurance

The Vestry or other governing body of every Church or Mission shall provide for the following insurance with such insurers as may be determined by the Vestry or other governing body:

(a.) Fire and casualty insurance for buildings and tangible personal property of the Parish, Mission, or Worshipping Community in amounts not less than their replacement cost or depreciated value, as appropriate.

(b.) Adequate comprehensive liability insurance, naming the Diocese of West Virginia as an additional insured, with coverage of not less than $1,000,000.00 per occurrence, for property damage or personal injury occurring

- i. on the property of the Parish, Mission, or Worshipping Community,
- ii. as a result of the operation of motor vehicles owned or leased by the Parish, Mission, or Worshipping Community,
- iii. as a result of acts or omissions of the Clergy or other employees with respect to their duties as such, or
- iv. as a result of acts or omissions of members or volunteers performing activities on behalf of or at the direction of the Parish, Mission, or Worshipping Community.

(c.) Workers' compensation insurance for all employees.

Adopted at the 148th Annual Convention of the Diocese of West Virginia, November 2025

Financial Review

Church Name: ______________________________

Address: ______________________________

Clergy: ______________________________

Senior Warden: ______________________________

Junior Warden: ______________________________

Treasurer: ______________________________

Federal Tax ID: ______________________________

Date(s) Review Conducted: ______________________________

Audit Committee Members: ______________________________

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Date Received by the Vestry: ______________________________

Date Received by the Diocese: ______________________________

Audit Committee Certificate

To the Rector or Priest-in-Charge, Wardens, and Vestry:

The audit committee has inspected the financial position of the church in accordance with the audit and/or financial review guidelines of the Diocese of West Virginia. We have taken steps to see that the financial statements and report of the Treasurer's funds present fairly the assets and liabilities of the church; and that the receipts and expenditures and changes in all fund balances for the audit year are in accordance with the principles authorized by General Convention of the Episcopal Church, and of the Diocese of West Virginia.
Our inspection and certificate are not to be construed as an audit and opinion rendered by a Certified Public Accountant.

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(Signature of Chair) (Date)

Section I: Understanding the Bookkeeping System

For each question please circle Yes or No. Additional information from a question may be requested.

1.	Has the Treasurer read and made use of the current Manual of Business Methods in Church Affairs?	Yes	No
2.	Has the audit committee agreed that the audit shall cover **all** funds of the church?	Yes	No
3.	Are the Treasurers' permanent files retained in a secure location that supports his/her work? *A secure back-up of information can be critical to your record-keeping.*	Yes	No
	a. Does this include original cash receipts and disbursements records?	Yes	No
	b. Does this Does it include a file of published and accepted Financial Reports?	Yes	No
	c. Does it contain payroll and General Ledger books or comparable information?	Yes	No
4.	Do checks exceeding a certain level require two signatures?*	Yes	No
5.	Is a chart of accounts in use that includes **all** church funds?	Yes	No
6.	Is the primary bookkeeper a paid employee of the church? *All churches in the Diocese of West Virginia using Church Insurance Company for their Property and Liability coverage are insured with at least $25,000 of Fidelity Bond insurance.*	Yes	No
7.	Is the computer(s) used for financial management backed up on a secure site at least weekly?	Yes	No
8.	Was the Parochial Report submitted online by the March 1 deadline?**	Yes	No

* If Yes, at what monetary level do you require two signatures? $__________

* If No, explain why:

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<u>Section II: Understanding and Verifying the Financial Reports</u>

For each question please circle Yes or No. Additional information from a question may be requested.

1.	Working from the full-set of the Treasurer's final year-end report:		
	a. Do they include a year-end balance sheet in separate fund form?	Yes	No
	b. Do they include a Revenue and Expense statement for all funds of the church?	Yes	No
	c. Is the Revenue and Expense statement in comparative form? Meaning, does it reflect **prior year/budgeted amounts/variance** to budget/etc.?	Yes	No
2.	Are discrepancies over 10% in the comparative statement explained in footnotes?	Yes	No
3.	Are any bank accounts in excess of FDIC insurance limit of $250,000?*	Yes	No
4.	Have you verified the authorized signatory names and Federal Tax ID number on all bank accounts of the church? *The names should be current and the Federal Tax ID number should be that of the church for all accounts.*	Yes	No

* If Yes, please explain why additional accounts have not been set up for overage funds:

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Section III: Documents Reviewed and/or Confirmed by the Audit Committee

The following are documents that every parish should have in their records. For each question please circle Yes, No, or Not Applicable (N/A) if these records were located and examined during this financial review process.

1.	Vesty (or equivalent) meeting minutes exist for the full year.	Yes	No	N/A
2.	Minutes of all meetings of groups authorized to disburse church funds, when such request is made, are kept.	Yes	No	N/A
3.	Minutes of the last five annual meetings of the parish.	Yes	No	N/A
4.	Does the annual financial report to the parish outline and explain any significant budget variances?	Yes	No	N/A
	a. Was a verbal report on variances given at the annual meeting and recorded in the minutes?	Yes	No	N/A
5.	A list of persons authorized for check signing, fund withdrawal or transfer, and disbursing approval.	Yes	No	N/A
	a. Have you confirmed with your banking institutions that these individuals are properly listed and up to date?	Yes	No	N/A
6.	A list of all securities, trusts, endowments, or the like held in the name of the parish	Yes	No	N/A
7.	Chart of Accounts for **all** funds of the parish	Yes	No	N/A
8.	General Ledger	Yes	No	N/A
9.	Cash Receipts Journal	Yes	No	N/A
10.	Cash Disbursements Journal	Yes	No	N/A
11.	Savings Account statements	Yes	No	N/A
12.	Bank Statements for the audited/reviewed year, plus last statement for previous year and for first for current year *(used to completed attached proof of cash report for all accounts)*.	Yes	No	N/A
13.	Paid checks (if checks are returned) and deposit slips	Yes	No	N/A
14.	Payroll records with relevant Forms I-9, W-2, W-3, W-4, and state and federal withholding records	Yes	No	N/A
15.	Last year's parochial report	Yes	No	N/A
16.	Last year's audit/financial review and recommendations	Yes	No	N/A
	a. Were recommendations approved by the Vestry?	Yes	No	N/A
	b. Were approved recommendations complied with?	Yes	No	N/A

Section IV: Cash

For each question please circle Yes, No, or Not Applicable (N/A).
Additional information from a question may be requested.

1.	Is/are the checking account(s) reconciled monthly?	Yes	No	
2.	In a sample of 5% of paid checks, do paid checks have authorized signatures?	Yes	No	N/A
3.	In a sample of 5% of paid checks, do paid checks have endorsements (if returned)?	Yes	No	N/A
4.	In a sample of 5% of paid checks, do payees and amounts match the disbursements register?	Yes	No	N/A
5.	Have all voided checks been accounted for?	Yes	No	
6.	Are cash receipts counted by more than one person?*	Yes	No	N/A
	a. Are those counting funds the same as those able to authorize disbursements?	Yes	No	N/A
	b. Are any members of the same household and/or family signatory parties for checks or those who count cash funds for deposit?	Yes	No	N/A
7.	Are cash receipt records compared with bank deposits for the entire year?	Yes	No	N/A
8.	Are all transfers between accounts able to be traced?	Yes	No	N/A
9.	Do any bank accounts regularly exceed the FDIC insured limit of $250,000 per account?	Yes	No	
10.	Does documentation exist to support any checks written to "Cash"?	Yes	No	N/A
11.	Does a clergy controlled discretionary fund (sometimes called the RDF or Rectors Discretionary Fund) exist outside of the primary church accounts?	Yes	No	N/A
	a. Is this account regularly audited internally by the church, as required by the Canons of the church?	Yes	No	N/A

* If No, please explain why not:

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Section V: Pledges and Support

For each question please circle Yes, No, or Not Applicable (N/A).
Additional information from a question may be requested.

1.	Do you hold an annual stewardship/pledge campaign?*	Yes	No	
2.	Do you provide monthly or quarterly statements for those who give regularly and/or pledge to the parish?	Yes	No	N/A
3.	Is pledged support accounted for separately in the income of the parish?	Yes	No	N/A
4.	Do acknowledgements of contributions in excess of $250 include a statement that any goods or services provided consist solely or intangible religious benefits (as required by IRS regulations and law)?	Yes	No	N/A
5.	Are future bequest and gift files, such as proceeds from life insurance policies or sale of property willed to a parish, maintained on a current basis?	Yes	No	N/A
6.	Are files kept on life income, endowment, and annuity gifts, including information on the nature of the principal, investment of the principal, or use the principal income, as well as correspondence with donors or beneficiaries?	Yes	No	N/A
7.	Do you have an active planned giving program at your church?**	Yes	No	N/A

* If No, please explain why not:

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** If No, please explain why not:

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Section VI: Investments, Trusts, and Endowments

For each question please circle Yes, No, or Not Applicable (N/A).
Additional information from a question may be requested.

1.	Has the vestry ever adopted an investment policy?	Yes	No	
	a. Has the vestry reviewed or created an investment policy statement in the last three years?	Yes	No	N/A
2.	Does the parish use an outside money manager and/or broker?	Yes	No	N/A
	a. If yes, are fees and/or commissions reviewed regularly?	Yes	No	N/A
3.	Is the year end market value of securities held in the name of the parish or its related groups or entities established at the date of this financial review?	Yes	No	N/A
4.	Are brokers reports examined for accuracy, disbursements, or fees?	Yes	No	N/A
5.	Were any security purchases or sales authorized by appropriate vestry action and recorded in the minutes?	Yes	No	N/A
6.	Are the receipts or records of dividends and interest been compared with record of securities held?	Yes	No	N/A
7.	Is there a list of trust and endowment funds, including their terms and locations of the investments?	Yes	No	N/A
8.	Has there been an examination of the terms of each endowment to ensure that the money is being used in compliance with the governing documents?	Yes	No	N/A
9.	If any trust or endowment is managed by an outside entity, has a review of their fees or commissions been reviewed in the last three years?	Yes	No	N/A

Section VII: Real and Personal Property

For each question please circle Yes, No, or Not Applicable (N/A).
Additional information from a question may be requested.

1.	Are the names of your trustees on record with the Clerk of the County Commission in the county in which your church is located?	Yes	No	
	a. Are they on record in any additional counties in West Virginia or elsewhere that the parish may own real estate?	Yes	No	N/A
2.	Does your parish utilize any real estate that is held legally under the name of the Trustees of the Episcopal Diocese of West Virginia and not just the trustees of the parish?*	Yes	No	
3.	Do you maintain a record of fixed assets, showing the date of purchase or donation and their associated cost? *This list is helpful for insurance purposes*	Yes	No	
4.	Has an extensive documentation of the real and personal property of the parish been undertaken in the last three years?	Yes	No	
	a. Is this documentation stored safely offsite?**	Yes	No	N/A
5.	Are the land and buildings carried on the financial statement?	Yes	No	N/A
6.	Are there any liens outstanding on any property owned in the name of the trustees of the parish?***	Yes	No	
7.	Has all indebtedness been properly authorized by the Standing Committee as required in the Canons?	Yes	No	N/A
8.	Is insurance coverage reviewed yearly?	Yes	No	
9.	Is there a space use agreement or lease on file for all organizations regularly using the church space?	Yes	No	N/A

* If Yes, please explain what real property:

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** If Yes, please let us know where this documentation is kept:

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These records can also be sent to the Diocesan Office for safekeeping.
Video documentation, if written is not feasible, is encouraged by the Church Insurance Company.

*** If Yes, please include copies with this completed financial review.

Section VIII: Payroll and Taxes

For each question please circle Yes, No, or Not Applicable (N/A).
Additional information from a question may be requested.

1.	Have total wages been reconciled with quarterly Federal Form 941, Form W-2, and Form W-3?	Yes	No	N/A
2.	Have total withholding taxes been reconciled with Form 941?	Yes	No	N/A
3.	Has it been determined that all Federal and State withholding taxes were remitted on a timely basis, to avoid hidden penalties?	Yes	No	N/A
4.	Are pension payments up to date for all eligible employees?	Yes	No	N/A
5.	In a current, signed Form W-4 on hand for all employees?	Yes	No	N/A
6.	Does the parish carry Workers Compensation Insurance? *	Yes	No	
7.	Was a proper House Allowance resolution adopted for all employed clergy (Priests and/or Deacons) and was this resolution recorded in the minutes of the Vestry?	Yes	No	N/A
8.	Did all supply clergy or lay contract employees who were paid in excess of $600, not including reimbursements, for the calendar year receive a Form 1099?	Yes	No	N/A

* If Yes, please name who your insurer is:

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Section IX: Required Attachments

Please include the following documents when returning these Financial Review Forms:

1. Year End Treasurer's Report –Show total receipts and total disbursements for the year. Please comment on items you wish to draw to our attention.
2. Proof of Cash and Investment Forms – These should be completed for **all** bank accounts of the church. These should reflect the reconciliation of cash balances at the year end. The Audit Committee should follow up on unexplained variances.
3. Insurance Declaration Page –This is typically the first page of the policy as provided by the Church Insurance Company (our insurance provider for parishes in the Episcopal Diocese of West Virginia). **The entire policy is not required to be submitted.** Please make sure that the Episcopal Diocese of West Virginia is named in your policy as an additional insured.
4. Audit Committee Findings and Recommendations—Please include a copy of a letter, addressed to the Vestry of the parish whose accounts have been reviewed, informing them of any issues, findings, or concerns, as well as providing any recommendations on how they can continue to be faithful stewards of the resources they have been entrusted with.
5. Any other documents—Should you feel it necessary, practical, or important to forward any other paperwork, documentation, or communication to the Diocesan Office please include it with the packet when submitted.

Proof of Cash Form -Bank Accounts

Institution & Branch	Type of Account	Beginning Balance	Ending Balance

Proof of Cash Form -Securities (Single Issue Holdings)

Invested with	Type	Beginning Value	Ending Value	Interest, Dividends, or Income this Year

Investment and Endowment Funds Form

Name of Fund	Documentation of Restrictions or Use on File	Income This Year	Ending Value
	Yes No		
	Yes No		
	Yes No		
	Yes No		
	Yes No		
	Yes No		
	Yes No		
	Yes No		
	Yes No		
	Yes No		
	Yes No		
	Yes No		
	Yes No		