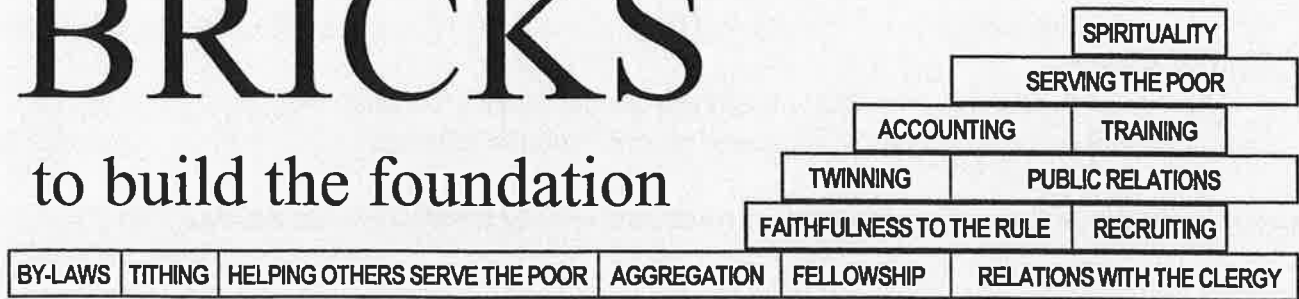


# BRICKS

to build the foundation



*Dear Conference President, please read this new BRICK, review it with your Conference, use the information, and file this BRICK in your BRICK book.*

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## *Society of St. Vincent de Paul Procedure for Conference Annual Audit*

*Compiled and Submitted by Larry Cordier  
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Why do we need to do an audit?

Conferences are an integral part of the Diocesan Council of Phoenix and its District Councils.

Each conference is:

1. Accountable for their resources, record keeping, reporting and record retention; and
2. Registered as a qualifying charitable organization under section 501(C) (3) of the IRS code.

The RULE of the Society of St. Vincent de Paul requires an annual audit of all conferences:

**The Treasurer keeps the accounts which should be audited at least once a year by 2 members delegated by the Conference or by a qualified person or organization (Part II of the RULE, Article 9).**

October starts the beginning of a new fiscal year. This would be an appropriate time for an audit. Many Conferences also have a change in Presidents and slate of officers at that time.

Auditing includes a review of Conference procedures:

- Is the Bank Statement Reconciled monthly and also submitted to the President?
- Is an accurate report given at each Conference meeting?
- Are Receipts kept as a back-up for all checks written?
- Do quarterly and annual reports reflect the true status of Conference?

- Are the reports completed in a timely manner?
- Is the Conference tithing to the District Council?
- Are required receipts provided to benefactors (and copies kept) who make individual donations of \$250.00 or more?
- Are all records transferred to the incoming Treasurer in a timely manner?
- Does the Conference adhere to the suggested record retention schedule?

**Upon completion of the audit, results must be shared among Conference members.**

## ***Suggested Record Retention***

The IRS requires certain Conference records be kept at least seven years. Most likely there will be more than one Secretary and Treasurer during that seven year cycle; at the appropriate time, all records are to be transferred to the new officers.

Here are some things to keep in mind regarding the retention of certain records:

### **Permanent Retention**

- Annual Conference Report (this includes anything historically important as well as statistics and membership lists)
- Articles of Aggregation

### **Three (3) Years Retention**

- Bank Deposits (checking and savings)
- Bank Reconciliations
- General Correspondence
- Case Records/Cards

### **Seven (7) Years Retention**

- Bank Statements
- Cancelled checks (if cancelled checks are not received from bank, check stubs must be retained)
- Invoices & Receipts Received
- Treasurer Statements (month and year)
- Minutes (Regular meetings)
- Minute Books

**Please note: Computer records must follow the same Retention Schedule**

# *Annual Audit Work Sheet*

## Bank Statement Reconciliation:

1. Verify Bank Statement Reconciliation for the most recent month, completed fiscal quarter and fiscal year end.
2. Verify that Bank reconciliations are retained for three (3) years and Bank Statements are retained for at least seven (7) years.
3. Are cancelled checks returned by the Bank to the Treasurer?
4. Are cancelled checks filed in an orderly manner? If cancelled checks are not returned by the bank, are check registers filed in an orderly manner?
5. Verify that cancelled checks or check registers are retained for at least seven (7) years
6. Are all expenditures made by Bank Check? Detail any exceptions noted.
7. How are blank Bank Checks controlled?
8. List all current authorized signatories on the Conference's checking acct.  

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9. Does the Conference have a bank saving or investment account? If so, detail such accounts on an attachment and verify reconciliation of monthly (quarterly) statements and retention of documents.
10. Select several bank deposits from the Bank Statements which have been verified above. Locate source documents for these deposits. Are Bank deposits retained for at least three (3) years?
11. Invoices/Receipts for Conference expenditures: Treasurer should strive to obtain receipts for all expenditures. However, prevailing circumstances in some cases may make this difficult.
  - A. At random, select several expenditures from the Treasurer's Journal for the most recently completed fiscal quarter and fiscal year. Locate invoices/receipts for these expenditures. List the number tested, type of expense, and any exceptions where invoices/receipts could not be located on an attachment.
  - B. Specifically select some expenditures where checks were written to reimburse Conference members. Locate receipts for these expenditures. Do these appear to be legitimate Conference expenses? List the number tested, type of expense and any exceptions where receipts could not be located on an attachment.
12. Are invoices/receipts filed in an orderly manner and retained for at least seven (7) years?
13. Does the Treasurer provide the Conference members a report of income and expenses at each Conference meeting?

14. Using the previously selected income, expenditures and supporting detail determine that income and expenses are properly categorized on the Treasurer's Journal, Quarterly Reports and Annual Reports. List any exceptions on an attachment.

15. Are Quarterly and Annual Conference Reports completed and submitted to the District and Diocesan Councils in a timely manner?

16. Retention Schedule:

A. Verify Annual Conference Reports and Conference letter of Aggregation are retained indefinitely.

B. Verify case records/cards and any computerized records are retained for three (3) years. Verify backup diskettes/CD's are retained for the same period.

C. Verify Meeting Minutes or the Minutes Book are retained for seven (7) years.

17. Benefactors:

A. Are properly worded written receipts provided to all benefactors who have made individual donations of \$250.00 or more?