



Preparing for Audit

Minimizing the stress of organizing records

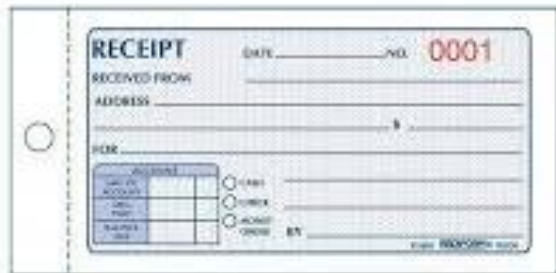


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Begin with maintaining proper records:

- Keep receipts for ALL disbursements.
- For disbursements where you don't have receipts, such as gifts, honorariums and donations, keep a copy of the board vote attached to the check.
- If you don't have a board vote, obtain a signed receipt from the recipient.



Acknowledgement Receipt

Date _____
Number _____

Company _____

Address _____

Customer _____

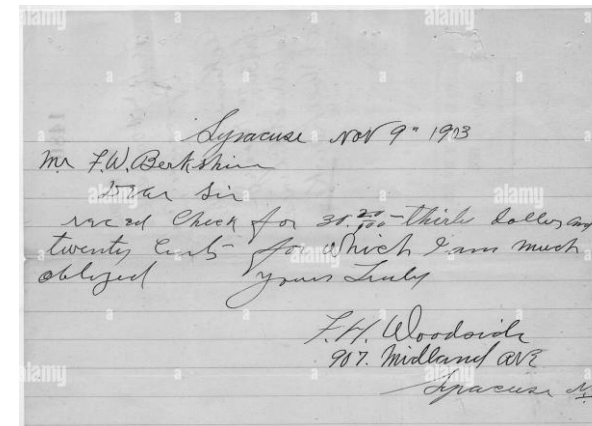
Address _____

For Item/Service _____

I, the customer, acknowledge that I have received the above item/service.

Customer Signature _____

www.PrintableCashReceipts.com



Begin with maintaining proper records:

- Obtain a copy of Board Minutes for every Board meeting and keep them in a folder labeled “Board Minutes.”
- Obtain W9 forms from every contractor for services before they complete services or payment is issued and keep them in a folder labeled “IRS forms.” Keep completed forms 1099/1096 in this folder also.
- Obtain a Certificate of Liability Insurance from every contractor BEFORE they begin ANY work and keep them in a folder labeled “Other Documents.”



Set up a filing system:

- Use a filing system with the records in the order we request them. You can use hanging file folders with manila folders labeled as follows:
 - Board Minutes (filed in date order)
 - IRS Forms (W9, 1099/1096)
 - Other Documents
 - Music licenses
 - Sales Tax Exemption Certificate
 - IRS Letter 147C
 - Insurance documents
 - Bank Statements and Reconciliations (in date order)
 - Month-End Reports (in date order)



Set up a filing system:

- 12 monthly hanging file folders.
 - Label a manila folder with the month/year - Expenses.
 - The Check Report from Jewel prints as one of the month-end reports. In this folder, file all check copies with receipts attached to each check following the order on the check report. If you're not printing copies of checks, be sure the receipts are pasted on a sheet of paper and labeled with the check number, date paid, the account affected, and the person paid to. EX: #2432 - 3/21/24 John Smith, Children Ministries
 - Label a manila folder with the month/year - Deposits.
 - The Deposit Report from Jewel prints as one of the month-end reports. Attach all donor envelopes bound together by week, and the two Adventist Giving reports for the month. Include any additional deposits.



At Notice of Audit Engagement:

Pull out the manila folders for the months requested and place them in a box in order.

Pull out the folders for Board Minutes, IRS Forms, Other Documents, Bank Statements/Reconciliations and put them in the box also.

All ready for pick up with minimal stress!



Other filling options if your church is small with very few transactions:



Keeping Electronic Records:

Acceptable electronic records:

- Bank Statements
- Invoices for services and utilities
- Electronic payment receipts
- Online purchase receipts
- Scanned store receipts
- Board Minutes (in pdf)
- Music Licenses
- Exemption Certificate
- Insurance Documents
- 1099/1096 forms
- Check copies
- Emails



Keeping Electronic Records:

They must be properly labeled and filed in an easily identifiable manner. For example:



\$98.21 Walmart – Children Ministries - 2024-03-21.jpg



\$192.43 Tampa Electric Church Expense - 2024-03-27.jpg



Keeping Electronic Records:

Multiple receipts for a single reimbursement must be scanned together on one page or saved as a single PDF:



\$319.38 Smith, John –
Evangelism 2024-03-13.JPG

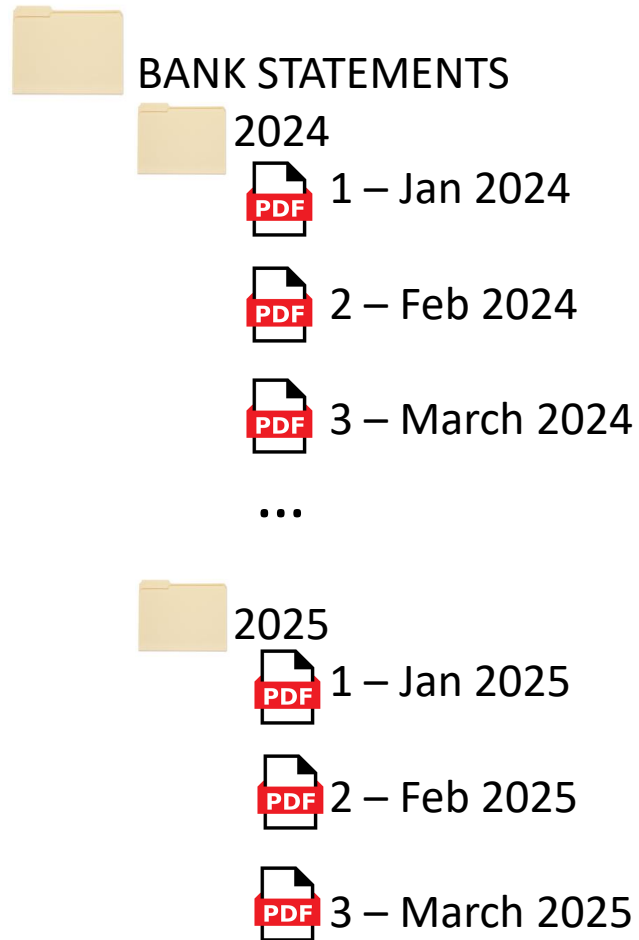


\$527.32 Smith, John –
Evangelism 2024-03-13.PDF



Keeping Electronic Records:

For example:



Original Donor envelopes **must** be retained.
Scanned copies are not acceptable.



Record Retention



Record Retention Policy

RETENTION OF RECORDS POLICY		
Document	Time	Suggested System
Receipts / Invoices	6 years	File folders or large envelop per month. Print the checks report for the month and use it as the cover sheet in the monthly folder. The receipts/invoices should be identified with the check number and date. Organize the receipts/invoices by the check number as detailed on the cover sheet.
Time Sheets (Locally Funded)	6 years	File with Receipts / Invoices
Bank Statements / Checks	6 years	Notebook or folder separate from monthly folder. Keep all the period bank statements together in one folder for the upcoming audit.
Tithe Envelopes	3 years or after audit, whichever comes later.	Box – Separate from monthly folder as you can dispose of them earlier.
Journals	Permanently	Notebook or File Folders. Jewel also keeps a record of the journal.
Board Meetings	Permanently	All board meetings in a separate folder for audit purposes.
Insurance Policies	<i>If independently insured, permanently. Otherwise, 6 years</i>	In a separate binder or folder.
I-9s	- For active employees – throughout employment - For inactive employees – 3 years from date of hire OR 1 year after termination, whichever is longer.	
Personnel Records	Permanently	All personnel records should be housed at the Conference Office HR Department.
Legal Documents	Permanently	



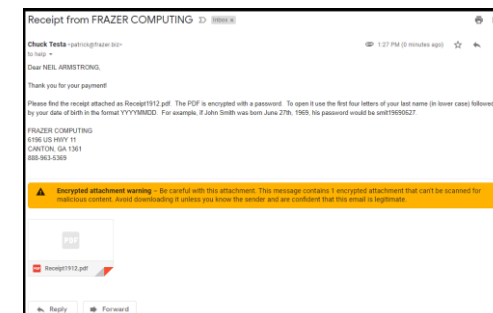
Record Retention Policy

It is recommended that Church Treasury records be stored securely at the church, not the treasurer's home.

Treasury records are the church's property and should be passed on to the new treasurer upon a change in leadership. This includes ALL physical AND electronic files, as well as emails pertaining to church business.



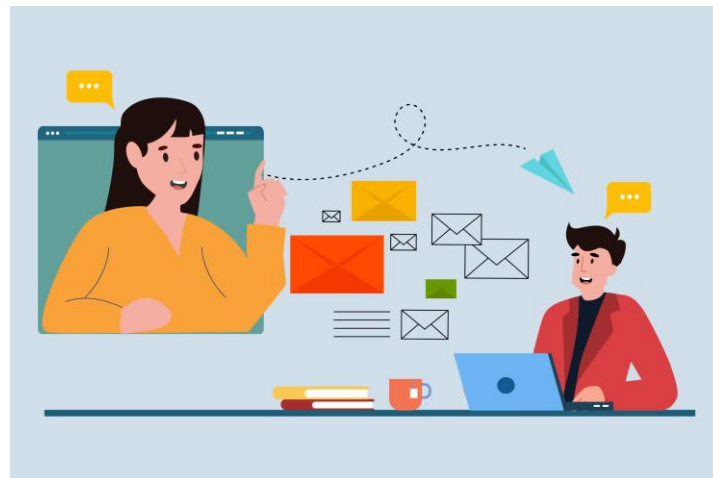
designed by freepik



SIDE NOTE:

You should be using an email address that belongs to the CHURCH, not your personal email. This is helpful because:

- Communications pertaining to church business will not be intermingled with personal correspondence.
- Easier to locate documentation pertaining to Church Treasury business.
- A new treasurer can take over the account and none of the history is lost.



If you have any questions or concerns about what records you should keep and how to file them, please contact your auditor. We're always available to help you sort things out!



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thank
you so
much

