

(Church Name) Church of the Nazarene
Offering Handling Procedures/Annual Audit Check List

Offering Handling Procedures

_____ When collecting offering, make sure that two people are with the money at all times.

_____ Two people should always take the offering to the financial office and lock the door.

_____ Never allow anyone to make change out of the offering plate.

_____ Counters always have two people present with money at all times.

_____ It is a good practice to have a rotating schedule for collecting and counting the offering so that the same two people are not always together.

_____ Counters be sure that all checks are written to the church.

_____ Both Counters should sign-off on Contribution Report

_____ Person taking money to the bank should always sign the contribution report.

Audit

_____ Randomly Select 3 months representing 25% of the year to audit. Note on the audit report which months were audited.

Contribution Reports

_____ Verify that each weekly report was signed by two counters.

_____ Verify that each weekly report was signed by person taking money to the bank.

_____ Check to see if bank deposit slip was attached to each contribution report.

_____ Match amount shown on Contribution Report against bank deposit slips.

_____ Match amount shown on Contribution Report against deposits on bank statement.

_____ Look for any corrections made to the Contribution Report and check to see if they were initialed by the person who made the correction.

_____ Check to make sure that any additional funds that came in were properly noted on the Contribution Report with the deposit slip attached.

_____ Check to make sure that the additional deposits match the bank statement.

_____ Verify that the amounts written on any contribution envelopes for cash match the amounts written on the Contribution Report. (all contribution envelopes should be kept.)

Accounting System/Bank Statement Review

_____ Were each month's bank statements reconciled? Was each month's bank statements initialed by the person who reconciled the account?

_____ Review each check, EFT, and deposit written in Accounting System against each bank statement to make sure that there were no discrepancies. If there were, note them on the audit report.

_____ Verify that all check numbers in Accounting System matched the bank statements.

_____ Were there any checks written to cash? If there were, notify/question the Pastor.

_____ Has the bank been notified to never **cash** (only deposit) a check written to the church?

_____ Review voided checks in the file & make sure it is noted why the check was voided and verify that the check was initialed by the person voiding it. If no explanation was noted or if the voided check is missing from the file, notify/question the Pastor.

_____ Make sure that voided checks are handled properly in the Accounting System.

_____ Verify who each check is written to and that it matches legitimate church expenses (verify against invoices and receipts in filing cabinet if necessary.)

_____ Look at any out of the ordinary expenses and check to see if an adequate description was given. If not, notify/question the Pastor about the expense.

_____ Look at reimbursable expenses and make sure that there were receipts attached and that they were properly noted about what the expense was for. If it is not noted question the Pastor about the expense.

Audit Report

_____ Write and submit report to the Church Board with audit review and any recommendations for the upcoming year, including positive comments.

_____ Ask Church Board during the next board meeting to review and approve the signers on the bank account to make sure they are up-to-date and recorded in the minutes.