



The Episcopal Diocese of Massachusetts

January 17, 2013

Dear Colleagues:

By now you will have closed your books, scheduled your annual meeting, and prepared a slate of officers and vestry members for 2013. The one remaining bit of business outstanding is likely to be the scheduling of your 2012 audit. The completion of an audit is a basic requirement to ensure the fiscal health of a parish and the accountability of the Vestry/Executive Committee, and it is canonically required. A copy of your audit for FY 2012, addressed to the Treasurer's Office, is due on or before September 1, 2013.

On page 2 of this letter is an outline of the church audit policies as approved by our Diocesan Council. In summary, there are several different procedures for completing the audit requirement - 1) A full audit by a CPA, 2) An Agreed-upon Procedure by a CPA, 3) an internal audit according to *The Manual of Business Methods in Church Affairs*, and 4) an Alternative Audit Procedure for small churches.

In consultation with your Treasurer and Finance Committee, the Vestry/Executive Committee should decide which approach is the most appropriate for your congregation. Once you have made that determination, please contact me to obtain a copy of the specific guidelines for the type of audit you will perform. You can reach me via email at spierce@diomass.org or by telephone at 617.482.4826, x501.

We also want to remind you about the upcoming Congregational Business Practices workshops for 2013, which are an excellent opportunity for treasurers, wardens, bookkeepers, and interested vestry members to refresh your business practices. They are scheduled on the following Saturdays, from 9:00 a.m. to 1 p.m.:

Saturday, February 23, St. Mary's Church, Barnstable
Saturday, March 2, St. Paul's Church, Lynnfield
Saturday, March 9, Cathedral Church of St. Paul, Boston
Saturday, March 23, St. Peter's, Weston

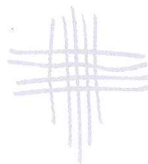
Additional information, including registration, on these workshops can be found at the following site:
<http://www.diomass.org/event/congregational-business-practices-workshops-2013>.

In the 1st Letter of Paul to the Corinthians, we are reminded that we are baptized into one body, and we become one with that body: "Now you are the body of Christ and individually members of it." (12:27) We are individually and corporately enfleshing that Body throughout our daily lives, including in how we live as a Church, a community of faith, in our local communities. As a leader in your community, you are called to exercise particular responsibilities in the caring and managing of the financial and business affairs of your local body, and conducting an independent audit of your financial records is one way in which you live out that responsibility.

Thank you for your attention to this particular aspect of managing and caring for your community. As always, please let me know if you have any questions and/or concerns.

Faithfully yours,

Stephen Pierce, CCA
Coordinator for Congregational Support
The Episcopal Diocese of Massachusetts



Inviting, Forming, Sending, Serving

Church Audit Policies for
Congregations in the
Episcopal Diocese of Massachusetts

Your Vestry should determine which category you fall into, except small congregations.

Very large congregation	Medium to large congregation	Small congregation
Audit by CPA	Audit by CPA	Internal audit following the <i>Business Manual</i> by an Accountant
OR	OR	OR
		Internal audit following the <i>Business Manual</i> by an Audit Committee
		OR
Agreed upon procedure by a CPA	Agreed upon procedure by CPA	Alternative audit process (operating expenses under \$200,000)
	OR	
	Internal audit following the <i>Business Manual</i> by an Accountant	
	or	
	Internal audit following the <i>Business Manual</i> by an Audit Committee	