

**Denver Presbytery**  
**Financial Review Guide 2020**

The purpose of the review is to insure good financial procedures and to help the congregation have confidence in the stewardship of their contributions. The committee should evaluate the presbytery's financial operations, reports policies and procedures. The committee should use interviews and first hand observations as well as hard documents to determine, to the best of its ability, the proper financial processes are in place.

The attached checklist is a way of identifying areas that are strong and those that need attention. An explanation of the items in the checklist is at the end of the review topics.

Denver Presbytery uses a PC (USA) approved computer system, Church Windows, for all financial processes except for Payroll. Payroll is entered in QuickBooks and processed through Intuit financial software. Payroll data is then entered into Church Windows with a journal entry.

The completed review package, results of the review and any suggestions for improvement are to be provided to the Co-Moderators, Finance and Property and the Stated Clerk of the Presbytery who will present them to the Council and other officers.

2020 Officers:

Treasurer: Susan Pilcher

Accountant: Chuck Sparks

Stated Clerk, Denver Presbytery: Olivia Hudson Smith

Co-Moderators, Finance and Property: Pat Queen, Bruce Spears

**Report of the Annual Financial Review**  
**Denver Presbytery**

For the period beginning January 1, 2020, and ending December 31, 2020.

Review Committee:

Printed Name: Georgia Olave

Signature



Printed Name: Joyce Matthews

Signature

Joyce Matthews  
Joyce Matthews (Jul 11, 2021 07:07 MDT)

Printed Name: Kathy Ziegenfus

Signature

Kathy Ziegenfus  
Kathy Ziegenfus (Jul 10, 2021 11:21 MDT)

Assisting: Sue Pilcher, Treasurer

Signature

Sue Pilcher  
Susan Pilcher (Jul 28, 2021 14:23 MDT)

Assisting: Chuck Sparks, Accountant

Signature

Chuck Sparks  
Chuck Sparks (Jul 29, 2021 07:19 MDT)

## Denver Presbytery Financial Review Checklist

**For the period beginning January 1, 2020, and ending December 31, 2020.**

**Months selected for review: JUNE 2020 AND DECEMBER 2020**

<b>Bank and Investment Accounts:</b>	<b>Yes or No</b>	<b>Date</b>	<b>Initials</b>
Bank Statement obtained	<u>Y</u>	6/16/2021	go/jm/kz
Are bank accounts balanced monthly	<u>Y*</u>	6/16/2021	go/jm/kz
Verification of beginning/ending balance	<u>Y</u>	6/16/2021	go/jm/kz
Account signatories verified	<u>Y</u>	6/16/2021	go/jm/kz
Transfers verified	<u>Y</u>	6/16/2021	go/jm/kz
Investment Account Statement Obtained	<u>Y**</u>	6/16/2021	go/jm/kz
Investment account gain/loss posted properly	<u>Y</u>	6/16/2021	go/jm/kz
Any unauthorized withdrawals	<u>N</u>	6/16/2021	go/jm/kz

### **NOTES:**

**\* The December 2020 bank reconciliation in the folder did not match the Balance Sheet. However, after talking with Chuck Sparks, an updated reconciliation will be printed that matched the Balance Sheet.**

**\*\* The audit team saw most but not all the investment account statements. Reconciliations of the investments occurred after June 30 and December 31. (See recommendations.)**

<b>INCOME:</b>	<b>Yes or No</b>	<b>Date</b>	<b>Initials</b>
Deposits counted by two unrelated persons	<u>  N/A  </u>	6/16/2021	go/jm/kz
Funds deposited in timely manner	<u>  Y  </u>	6/16/2021	go/jm/kz
Accountant's and Treasurer's records Compared against deposits	<u>  Y  </u>	6/16/2021	go/jm/kz
Transactions checked against GL postings	<u>  N/A*  </u>	6/16/2021	go/jm/kz
Other income processes verified	<u>  Y  </u>	6/16/2021	go/jm/kz
Designated funds posted to restricted accounts	<u>  Y  </u>	6/16/2021	go/jm/kz
Pledges recorded in donor records	<u>  N/A  </u>	6/16/2021	go/jm/kz
Confirmations sent to donors every 6 mos.	<u>  Y  </u>	6/16/2021	go/jm/kz
Differences researched and cleared	<u>  Y  </u>	6/16/2021	go/jm/kz

**NOTES:**

**\* The audit team did not check the General Ledger in Church Windows. The General Ledger is too large of a file to print out for review. However, all deposits were checked against the bank statements, deposit slips and backup information and were compared against the balance sheet. (See Recommendations.)**

**DISBURSEMENTS:**

	<b>Yes or No</b>	<b>Date</b>	<b>Initials</b>
Invoices approved by Staff member	<u>Y*</u>	6/16/2021	go/jm/kz
Canceled checks examined to verify that disbursements were actually paid to proper parties	<u>Y</u>	6/16/2021	go/jm/kz
Check number and date noted	<u>Y</u>	6/16/2021	go/jm/kz
All checks, blank and used accounted for	<u>N**</u>	6/16/2021	go/jm/kz
Purchase order system functioning properly	<u>Y</u>	6/16/2021	go/jm/kz
Accounts to charge noted on invoice	<u>Y</u>	6/16/2021	go/jm/kz
Any invoices to vendors over 30 days in arrears	<u>N</u>	6/16/2021	go/jm/kz
Per Capita and Mission apportionments paid per Council approval	<u>Y</u>	6/16/2021	go/jm/kz
Interest and service charges recorded	<u>Y</u>	6/16/2021	go/jm/kz
General Ledger balances equal transactions	<u>Y</u>	6/16/2021	go/jm/kz
A procedure in place to account for restricted gifts	<u>Y</u>	6/16/2021	go/jm/kz
Designated gifts paid out timely	<u>N/A</u>	6/16/2021	go/jm/kz
Canceled checks matched to invoice	<u>Y</u>	6/16/2021	go/jm/kz
Maximum figure for individual approval of payments established and followed except for utilities (\$5,000)	<u>Y***</u>	6/16/2021	go/jm/kz

**Notes:**

**\* Signed checks by the Presbytery Treasurer assumes that approval is given for the expenditure. (See recommendation.)**

**\*\* All voided checks or those damaged in printing were not all accounted for in the monthly expense file. (See recommendation.)**

**\*\*\* There is an unwritten understanding that checks over \$5,000 will be approved and signed by two individuals. There was one check (22244) for a Mission disbursement that was over \$5,000 that did not have two signatures. (See recommendation.)**

**REPORTS:****Yes or No    Date    Initials**

Complete financial picture provided by reports	<u>Y</u>	6/16/2021	go/jm/kz
Both a balance sheet and a statement of Income and Expense prepared	<u>Y</u>	6/16/2021	go/jm/kz
Reports provided to Council/Staff/Assembly members	<u>Y</u>	6/16/2021	go/jm/kz
Approved budget included in reports	<u>Y</u>	6/16/2021	go/jm/kz
Over-budget expenditures approved	<u>Y</u>	6/16/2021	go/jm/kz
Controls for over expenditures in place	<u>Y</u>	6/16/2021	go/jm/kz
Restricted funds used according to policy	<u>Y</u>	6/16/2021	go/jm/kz
Reports provided in timely fashion	<u>Y</u>	6/16/2021	go/jm/kz
Reports distributed to proper people	<u>Y</u>	6/16/2021	go/jm/kz

**NOTES:**

**GENERAL LEDGER:**

	<b>Yes or No</b>	<b>Date</b>	<b>Initials</b>
Restricted funds separated appropriately	<u>Y</u>	6/16/2021	go/jm/kz
Internal controls for receipts reviewed	<u>Y</u>	6/16/2021	go/jm/kz
Internal controls for disbursements reviewed	<u>Y</u>	6/16/2021	go/jm/kz
Other asset accounts reviewed	<u>N/A</u>	6/16/2021	go/jm/kz
Accounts payable reviewed	<u>Y</u>	6/16/2021	go/jm/kz
Accounts receivable reviewed	<u>Y</u>	6/16/2021	go/jm/kz
Any related party/employee loans	<u>N</u>	6/16/2021	go/jm/kz
Fund balance from prior year correct	<u>Y</u>	6/16/2021	go/jm/kz
Correct fund balance carried into next period	<u>Y</u>	6/16/2021	go/jm/kz

**NOTES:**

**There is no formal process of voucher approval for expenditures.  
(See recommendation.)**

<b>PAYROLL:</b>	<b>Yes or No</b>	<b>Date</b>	<b>Initials</b>
Personnel files kept on individual staff	<u>Y</u>	6/16/2021	go/jm/kz
Personnel files safeguarded and confidential	<u>Y</u>	6/16/2021	go/jm/kz
Salaries paid according to approved budget	<u>Y</u>	6/16/2021	go/jm/kz
Tax forms issued to staff and government	<u>Y</u>	6/16/2021	go/jm/kz
Payroll taxes submitted timely to government	<u>Y</u>	6/16/2021	go/jm/kz
Time sheets filed and approved	<u>Y</u>	6/16/2021	go/jm/kz
Staff benefits paid and current	<u>Y</u>	6/16/2021	go/jm/kz
Budget approval for salaries in file	<u>Y</u>	6/16/2021	go/jm/kz
Amount paid to contractors/honorarium			
verified	<u>N/A</u>	6/16/2021	go/jm/kz
Proper W9 and 1099s filing for persons paid over \$600 for contract/honorarium	<u>Y</u>	6/16/2021	go/jm/kz

## **NOTES:**

**There is only one staff member that uses a timesheet, and that timesheet is approved by the Treasurer. Treasurer approves payroll when checks are signed.**

**The Presbytery receives payroll services through Intuit. There has been a minor issue of being able to print off tax documents; however, that is being corrected in 2021.**



**Denver Presbytery**  
**Fiscal Year 2020**  
**Summary of Findings**

**Bank and Investment Accounts:**

**INCOME:**

*No discrepancies found.*

**DISBURSEMENTS:**

*No discrepancies found.*

**REPORTS:**

*No discrepancies found.*

**GENERAL LEDGER:**

*No discrepancies found.*

**ADMINISTRATIVE:**

*See recommendations.*

**PAYROLL:**

*No discrepancies found.*

## **Denver Presbytery**

### **Fiscal Year 2020**

#### **Recommendations**

The Review Committee has examined the accounts of the presbytery, reviewed procedures of counting and accounting under the current **Book of Order G-3.0113**, reconciled receipts and disbursements with bank deposits and bank balances, has found the balances displayed correctly, presented fairly, with proper procedures, and records properly kept except as noted below.

***Most importantly, we would like to commend Accountant Chuck Sparks for an impeccable job in safeguarding the monies entrusted to the Presbytery, particularly during the challenges of a pandemic year.***

The following recommendations are largely administrative or recordkeeping in nature:

1. We recommend that a written statement from the Treasurer and/or Council be prepared defining check signature requirements and authorized dollar levels for those signatures.
2. We recommend that the Treasurer and/or Council prepare a written statement of procedures for receipts submitted for reimbursement. A voucher process might be considered.
3. We recommend that all bank transfers should have accompanying documentation that notes approval by the Treasurer or other designated official.
4. All checks need to be accounted for in the expense folder. Duplicate copies of voided checks/check stubs can be made and filed in other folders as needed. However, the original stubs should be placed in the expenses folder.
5. Voided checks must be entered and reconciled each month in Church Windows so that they are accounted for. In addition, voided checks need to be cleared in Church Windows and not carried over from month to month.
6. All supporting documentation to an income or expense item should be stapled to the appropriate deposit slip or check stub. Duplicate copies could be made. This includes batch reports, ACH withdrawals, etc.

7. If there is no check stub or other documentation to append to a bank receipt, a copy of the check should be made and attached.
8. We recommend that the bank reconciliation be finalized each month as soon after the month is closed, and all journal entries or other transactions are completed. Reconciliation documentation should not have a "difference to reconcile." If journal entries occur after the end of the month but pertain to the previous month, those entries need to be reconciled within their current month and the reconciliation documentation needs to be updated to reflect all entries and outstanding checks or journal entries.
9. The Quarterly reconciliation of investments needs to be filed in the correct month (i.e., April to June quarter, the reconciliation would be posted in June and therefore filed in June.

Signed:   
Georgia Olave, Financial Review Committee Chair

Date: 7/10/2021

## **RESPONSE SENT FROM CHUCK SPARKS ON 7/8/2021**

### Response to Recommendations from the FY 2020 FY Review:

1. Council and Finance and Property have in their minutes the check signature requirements and authorization levels. Under \$5,000 – one signer; \$5,000 and over – 2 signers.
2. Procedures for receipts submitted for reimbursement. Sue has instructed me to insure the email authorization is stapled with the receipts and filed with a copy of the check.
3. Bank and Investment transfers. We concur that all transfers will have the authorization of the Treasurer or designated official.
4. All checks accounted for in the expense folder. We agree that all check stubs will be kept in the monthly folder. Copies can be made for other administrative requirements.
5. Voided checks will be reconciled each month and cleared from the bank reconciliations.
6. Supporting documentation will be stapled to the appropriate income or expense paperwork and kept in the appropriate file.
7. Same response as 6.
8. Bank recs are balanced each month and there is no pattern of a difference to reconcile. I am attaching the December 2020 Chase bank rec and will be happy to meet with the review team and see if there is an open issue.
9. Quarterly recs of investments are completed. We will be more diligent in keeping them in the appropriate notebook. I am attaching the GL page for New Covenant Investments which illustrates the quarterly adjustment.

**Presbytery of Denver - Denver CO**  
**Bank Reconciliation - Statement Ending December 31, 2020**

**Thursday, June 17, 2021**

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Statement Ending Date:	12/31/2020
Account:	Chase Operating Account (10001)
Statement Ending Balance:	\$135,039.54

**Deposits in Transit**

	12/31/2020	169,507.75
	12/31/2020	16,995.87
	12/31/2020	681.67
	12/31/2020	1,325.66
	12/31/2020	670.00
	12/31/2020	20,650.00
	12/31/2020	4,745.00
Total:		\$214,575.95

**Outstanding Checks and Withdrawals**

12/31/2019	22000	0.00	Voided Checks
12/31/2019	22001	0.00	Voided Checks
12/31/2019	22002	0.00	Voided Checks
12/31/2019		86.25	(Journal Entry)
01/13/2020	22014	0.00	Voided Checks
03/31/2020	22134	0.00	Voided Checks
09/30/2020		2,427.27	(Journal Entry)
12/01/2020	22502	60.00	Olivia Hudson Smith
12/03/2020	22504	50.00	AMCL
12/10/2020	22516	100.00	The Adams Group LLC
12/10/2020	22515	2,700.00	Columbia Theological Seminary
12/18/2020	22528	1,000.00	St. Paul Presbyterian Church
12/21/2020	22530	129.08	Fernando Rodriquez
12/21/2020	22531	2,000.00	Lemuel Velasco
12/21/2020	22532	2,000.00	Jemimah Ngatia
12/21/2020	22534	2,000.00	Tu Bui
12/21/2020	22533	2,000.00	Edwin Sunder
12/23/2020	22535	1,000.00	Westminster Presbyterian Church
12/31/2020	22536	500.00	True Light Community Church
12/31/2020	22537	9.95	Danielle Hillyer
12/31/2020	22548	1,770.51	Wesley Jones
Total:		\$17,833.06	

Adjusted Bank Balance:	\$331,782.43
Balance per Accounting:	\$331,782.43
Difference to Reconcile:	\$0.00

This bank reconciliation has not been finalized.

Presbytery of Denver - Denver CO  
General Ledger as of December 2020

Thursday, June 17, 2021

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Account #	Account Name					Balances:	
Date Occurred	Trans #	Type	Primary Bal. Acct.	Check #	Amount	Beg/Run/End	Comments
10208	New Covenant Investments 1011764					323,346.35	
04/30/2020	579	JRNL	Realized & Unrealized Income (Loss) on Investments		(32,386.46)	290,959.89	
06/30/2020	955	INCM	Realized & Unrealized Income (Loss) on Investments		41,168.70	332,128.59	Interest and other bank credits for Bank Statement ending 06/30/2020
09/30/2020	1455	JRNL	Realized & Unrealized Income (Loss) on Investments		18,547.64	350,676.23	
12/31/2020	1921	JRNL	Realized & Unrealized Income (Loss) on Investments		29,754.28	380,430.51	
					57,084.16	\$380,430.51	











# Presbytery Annual Financial Review Package 2020 FINAL

Final Audit Report

2021-07-29

Created:	2021-07-10
By:	Georgia Olave (olavebookkeeping@gmail.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA6EdeqGdYoxYBEcxWqtwyCUHVpJp2CgGM

## "Presbytery Annual Financial Review Package 2020 FINAL" History

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