

To: Fr. John Parsells and the Stewards Christ the Savior Orthodox Church  
From: Audit Committee  
Date: January 28, 2021

In accordance with Article IX of the Parish By-Laws, an audit committee was established to review the parishes financial records for calendar year 2020. Rachel Howard and George Kaloroumakis volunteered for this assignment and were approved by Fr. John on behalf of the council.

The audit took place on January 26, 2021 at Christ the Savior. The scope of the audit included weekly donations (stewardship and special collections) and the associated record keeping, the church's bank accounts, bill payment, the reimbursement process and the approved budget. The church's accounts are maintained in QuickBooks and can be accessed on-line by Fr. John and the treasurer.

### **Weekly Donations**

Donation records were tested on random days in January, February, March, May, August, and November 2020. Cash and check donations for stewardship and special fundraising requests were tested along with the recording log used to track each stewards donation. Bank statements were also reviewed for each date tested to determine when the monies were deposited and the accuracy of the deposit slips.

Donations are recorded weekly, typically Sunday, by two Parish Council members. In some cases, past council members have assisted when only one current member was available. Both are required to sign verify the accuracy of the donation log. The donations tested were accounted for and properly credited to the donor. For each date tested, both general donations and special donations were reviewed. During the periods the church was open, the counters did an excellent job recording the donations and made timely deposits that were accurate. The information recorded on these logs are then entered into QuickBooks by the treasurer. The Audit Team was given access to view QuickBooks and verified that the donations were entered accurately.

Due to the church closure in the spring, for several weeks council members were not available to receive, record, and deposit the church's income. During this period Cecilia Wyant, the Warden, and Matushka Emily completed the weekly donation sheets and made the deposits. All of the records reviewed during this period were found to be up to date and accurate. We recognize their efforts to maintain the church's operation in the important area.

Findings/Recommendations – All of the records on the dates tested were found to be accurate and complete. Counters and the treasurer do an excellent job documenting donations accurately and depositing them in a timely fashion. Having two signatures on the record is important and was done consistently. Deposits were generally timely and the electronic records match the paper records.

### **Bank Accounts**

The church as the following accounts, included are the 12/31/20 Balances.

1- BB&T Checking – This account is dedicated to the Building Fund Program and is used to pay the planning and construction costs for a future sanctuary. Balance \$3861.04

2- BB&T Money Market – account receives donation to the Building Fund Program. Balance \$1000.05.

3- Farmers Bank of Willards – This is a CD account. Balance \$12,458.36.

4- PayPal – Donations through PayPal are transferred directly to the church’s checking account with PNC, noted below. Balance \$0.

5- PNC Checking- this account is the church’s operating account that where all general donations are deposited and expenses paid. There is also a credit card associated with this account. Balance \$36,345.69.

6- PNC Savings – A savings account – Balance \$4.30.

7- Tithe.ly- An application that accepts general donations on the church website like PayPal. These funds are electronically transferred to the church’s PNC Checking account. Donation data is reported in a format that enables the treasurer to acknowledge these donations in the annual donation statement letter that parishioners receive.

The records for the bank accounts are maintained in “hard-copy” form and electronically. Several BB& T statements from the last quarter were not available at the time of the audit however the information was available electronically.

Findings/Recommendations – The information for each account was well organized and complete with the exception of some year end BB&T statements. No discrepancies were found and transaction are generally supported by appropriate documentation.

### **Expense Payments and Reimbursements**

Routine monthly bills such as utility bills are paid via direct payment from the PNC Checking Account. Non routine or periodic expenses are paid for by check or credit card. A sample of non-routine bills were reviewed. Once paid, payment date and check number were noted on the invoices. Credit Card purchases were supported by receipts. The credit card balance is paid with “autopay” to avoid late fees.

Reimbursements were given considerable review. The majority of these transactions were due to the Entrance Project. The church credit card has a maximum limit of \$5,000, which was insufficient for a project of this nature. Large material purchases and other expenses that required prompt payment could not be paid by check since two signatures are required on the checks and the authorized signers are not on site each day. To meet this expenses promptly, Fr. John would write checks from his personal account to cover them. Consequently he received the majority of reimbursements. Reimbursements can be made once a request form is completed and supporting documentation, receipts, copies of checks, etc. are provided. Fr. John provided all of the required documentation for reimbursement. The process was very transparent.

It is noted that the church closure during the second quarter of the year added another obstacle in the process, since council members were not able to attend weekly services and address church business matters on a regular basis.

Findings/Recommendations – All of the expenses and reimbursements were found to be appropriate with the required documentation. Reimbursements to any of the authorized check signers (there are three) requires a third signature which was not identifiable on the carbonless copies due to the security strip on the paper. Consideration should be given to raising the credit card limit, or have one dedicated for projects. Considering the on going state of emergency, the council should consider ways to address the financial necessities of the church when closure is required. Codify in a simple procedure for credit card purchases and bill paying procedures for the benefit of future auditors and treasurers.

**Annual Budget**

The 2020 Annual Budget was given a cursory review by the audit team. Considering the end of year financial numbers were in line with the budget, the expenses were supported in the accounts, projected income was met, and that it would be part of the discussion during the Annual Parrish Assembly we opted to spend our time in the areas mentioned above.

Findings/Recommendations- None

**Words of Appreciation**

Our review was greatly facilitated by the hard work of the treasurer, Iona Davidson. The records were in order and easy to access. The “parish books” are in excellent shape. We also thank the “counters” who handle the funds each week and insure each donor is properly credited for their contributions.

Respectfully Submitted,

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George Kaloroumakis                      1/28/21  
Date

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Rachael Howard                              1/28/21  
Date