



Audit Preparation

Rachel Linares



Seventh-day Adventist[®] Church
NEW JERSEY CONFERENCE



Sharing Hope

Today's Topics:

1. Audit overview
 1. What is an audit?
 2. How to prepare
 3. After the audit
2. Internal Controls
 1. Filing Systems
 2. Policies and useful Forms
 3. Board Reports (Financial Summary and Bank Rec)
3. Your Questions!





Introduction to the Audit

What is an audit?

An audit is a periodic review of the church's financial records

The New Jersey conference will audit your church every two years

You will be notified by email, mail, and phone when it is time for an audit



Why are audits important?

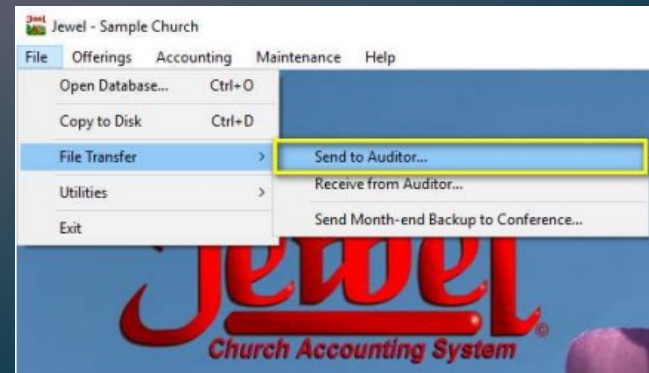
1. The audit provides an opportunity for treasurers to receive support for fixing errors and learning new skills to help make their jobs easier
2. Assists the treasurer in locating and correcting unknown errors in a timely manner
3. Fulfills the responsibilities of Christian stewardship by ensuring that all donated funds are being used as intended
4. Provides a third party for accountability so the church board and members can be assured of the accuracy of the church finances

What documents do I need to send for the Audit?



1. Jewel Backup or your general ledger if using a paper system

1. Send through Jewel by clicking FILE > FILE TRANSFER > SEND TO AUDITOR
2. It is very important to send month end backups for the auditor and so that your records can be recovered if something happens to your computer



2. Statements for the audit period:

- a. Bank statements
- b. CURF loan or savings statements
- c. Debit or Credit Card statements
- d. Investment account statements
- c. Statements for any other accounts your church has...

What documents do I need to send for the Audit?



3. Check stubs in numerical order (with expense backups and reimbursement forms attached)

4. Expense backups for disbursements in the audit period:

- a. Reimbursement or check request form
- b. Invoices, bills, or receipts
- c. Board approvals

5. Board minutes for the audit period

6. Tithe envelopes in batches by week for the audit period

- a. Keep each week's tithe envelopes, counting forms, and deposit receipts together in a folder or envelope

7. Adventist giving reports for the audit period



How should I send my audit documents?

Paper documents can be brought to the NJ Conference office at:

NEW JERSEY CONFERENCE
OF SEVENTH-DAY ADVENTISTS CHURCH
2303 Brunswick Ave
Lawrenceville, NJ 08648

Documents can also be shared electronically by emailing to: rlinares@njcsda.org

Or via Google Docs: racheldanitz@gmail.com

If you choose to send electronically, please be sure that your files are organized into folders just as they would be if they were in your file boxes.



Your Audit Letter

Understanding and Action

When your audit is finished, your auditor will do a phone call with you to review the findings and recommendations from the audit. From there you have 1 week to submit additional documents.

After it is final, your letter will be mailed and email to you and your pastor. **The letter should be read and approved at the next board meeting** so that the board can be aware of the audit results.

Your audit letter will generally have two types of recommendations:

1. Suggestions for changing process in the future
2. Past items that need to be corrected in Jewel/your accounting system



What happens after the Audit?

Pay attention to the recommendations...

If a recommendation says to contact Jewel support, make sure you do it within the next few weeks to get started fixing any issues

If your recommendations are for process changes in the future, forms and instructions will be included with your audit letter. Most of these forms and resources are also available on the New Jersey Conference Website:

Njcsda.org > Departments > Ministries and Services > Treasury > scroll down to "resources"



Internal Controls

Internal controls are a set of policies and procedures, adopted by each local church, to protect the assets of the church and the ones handling those assets.



Internal Controls are called “Internal” because they are checks and balances that the local church sets in place and maintains, in order to prevent fraud and errors.



How should you store your documents?

Keep all documents in a secure location safe from water, fire, or other types of damages

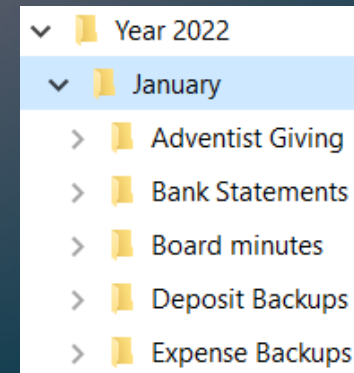
- Use a locking closet or a locked file cabinet to ensure security
- Organize all documents into file folders or binders
- If documents are kept in boxes, make sure to use plastic or metal file containers to protect documents from water damage



Start Early

The easiest way to be prepared is to start now

- Use a filing system (electronic or in your office)
- Choose a way to organize your documents, and be consistent
 - By month, with separate folders for income and expenses
 - By vendor/topic
 - Think about what works best for your church



If you use your filing system all year, when it's time for the audit all you will have to do is take out your folders and put them in a box. Easy!



How long do you have to keep the documents?

Board minutes – Permanent

Clerk's records - Permanent

Legal documents (insurance, property records, etc.)– Permanent

Audit reports – Permanent

General Ledger – Permanent

Bank statements and reconciliations –6 years

Expense backups and check stubs –6 years

Deposit Slips –6 years

Tithe receipts – 6 years

Tithe envelopes – Shred after audit (usually every 2 years)



Policies and Forms

Offering Schedule:

It is the NJC policy to recommend that all churches follow the offering schedule for loose offerings



Seventh-day Adventist Church
NEW JERSEY CONFERENCE

2023 SUNSET

Calendar

	SABBATH	STARTS	ENDS	OFFERING
JAN	06-07	4:48	4:49	Local Church Budget
	13-14	4:55	4:56	Religious Liberty (NAD)
	20-21	5:03	5:04	Local Church Budget
	27-28	5:11	5:12	NJC Advance
FEB	03-04	5:19	5:21	Local Church Budget
	10-11	5:28	5:29	TV Min (NAD)
	17-18	5:36	5:37	Local Church Budget
	24-25	5:44	5:45	NJC Advance
MAR	03-04	5:53	5:54	Local Church Budget
	10-11	6:00	6:01	Adventist Radio (GC)
	17-18	7:07	7:08	Local Church Budget
	24-25	7:14	7:16	NJC Advance
APR	31-01	7:22	7:23	Local Church Budget
	07-08	7:29	7:30	Hope Channel Item.
	14-15	7:36	7:37	Local Church Budget
	21-22	7:43	7:44	NJC Advance
MAY	28-29	7:50	7:51	Local Church Budget
	05-06	7:57	7:58	Local Church Budget
	12-13	8:04	8:05	Disaster & Famine Relief
	19-20	8:11	8:12	Local Church Budget
JUN	26-27	8:17	8:18	NJC Advance
	02-03	8:23	8:23	Local Church Budget
	09-10	8:27	8:27	Women's Ministries (NAD)
	16-17	8:30	8:30	Local Church Budget
23-24	8:32	8:32	NJC Advance	

Sunset, Lawrenceville, NJ. Please adjust for your area.

Monday to Thursday 9am-5pm
2303 Brunswick Ave, Lawrenceville NJ 08648
Phone: 609-802-0840 www.njcsda.org



Making Disciples

2023 SUNSET

Calendar

	SABBATH	STARTS	ENDS	OFFERING
JUL	30-01	8:32	8:32	Local Church Budget
	07-08	8:31	8:30	World Budget (GC)
	14-15	8:28	8:27	Local Church Budget
	21-22	8:23	8:22	NJC Advance
AUG	29-30	8:17	8:16	Local Church Budget
	04-05	8:10	8:08	Local Church Budget
	11-12	8:01	8:00	Christian Record (NAD)
	18-19	7:52	7:50	Local Church Budget
SEPT	25-26	7:41	7:40	NJC Advance
	01-02	7:30	7:29	Local Church Budget
	08-09	7:19	7:17	World Budget (GC)
	15-16	7:08	7:06	Local Church Budget
OCT	22-23	6:56	6:54	NJC Advance
	29-30	6:44	6:43	Local Church Budget
	06-07	6:33	6:31	Local Church Budget
	13-14	6:22	6:20	Columbia Union
NOV	20-21	6:12	6:10	Local Church Budget
	27-28	6:02	6:01	NJC Advance
	03-04	5:54	5:52	Local Church Budget
	10-11	4:46	4:45	Global Missions (GC)
DEC	17-18	4:40	4:40	Local Church Budget
	24-25	4:36	4:35	NJC Advance
	01-02	4:33	4:33	Local Church Budget
	08-09	4:32	4:32	ACS
	15-16	4:33	4:34	Local Church Budget
	22-23	4:36	4:36	NJC Advance
	29-30	4:41	4:41	Columbia Union

Sunset, Lawrenceville, NJ. Please adjust for your area.



Every 3rd Sunday
Monday to Thursday
Friday & Saturday
11am-9pm
11am-6pm
Closed



2160 Brunswick Ave, Lawrenceville NJ 08648
Tel.: 609-218-5651 | secondactsabc@njcsda.org



NOTE:
This is not an exhaustive list of church policies. For a more complete list, read the church manual and the church treasury manual

Policies and Forms

Check Request Form:
Before making a reimbursement, use a check request form!



New Jersey Conference of Seventh-Day Adventists

(Church Name: _____)

Reimbursement Check Request Form

Make Check Payable To:

Name: _____ Daytime phone: _____
Address: _____ City: _____ State _____ Zip _____

Expenses:

Purchase Date	Description	Department	Amount

All Receipts must be within 60 days of the date of purchase in order to receive reimbursement.

Total Amount to be Reimbursement	\$
---	-----------

I certify that the above is a true statement that the expenses claimed were incurred by me on official church business, and original receipts for each expense is stapled to this form.

Signature: _____ Date: _____

Authorized by: _____ Date: _____
(Department head)

PLEASE KEEP A COPY OF THIS FORM AND ALL RECEIPTS FOR YOUR RECORDS

"Return completed form to the church treasurer"

This Section is to be filled out by the treasurer only:

Approved by: _____ Board or _____ Department head (Name: _____) Date _____

Reimbursement date: _____ Check# _____

Treasurer Signature and date: _____




NOTE:
This is not an exhaustive list of church policies. For a more complete list, read the church manual and the church treasury manual

Policies and Forms

Counting Forms:

Offerings should be counted by two non-family members who are approved by the board to assist with verifying the weekly offerings. Both individuals should sign the counting forms.

 **New Jersey Conference of Seventh-Day Adventists**
(Church Name: _____)
Loose Offering Verification Form

Date: _____

Offering totals:

Sabbath School Missions: _____

Sabbath School Expense: _____

13th Sabbath Offering: _____

Children's Offering: _____

Other: _____

Total: _____

Write in money denominations and total:

Number of \$100 _____ X 100 = _____

Number of \$50 _____ X 50 = _____

Number of \$20 _____ X 20 = _____

Number of \$10 _____ X 10 = _____

Number of \$5 _____ X 5 = _____

Number of \$1 _____ X 1 = _____

Number of \$0.50 _____ X 0.50 = _____

Number of \$0.25 _____ X 0.25 = _____

Number of \$0.10 _____ X 0.10 = _____

Number of \$0.05 _____ X 0.05 = _____

Number of \$0.01 _____ X 0.01 = _____

TOTAL: \$ _____

Signatures: (1) _____

(2) _____



NOTE:
This is not an exhaustive list of church policies. For a more complete list, read the church manual and the church treasury manual

Policies and Forms

Deposits: The conferences recommended policy is that all funds be deposited by the 2nd business day after they are collected

Board Reports: The treasurer is to prepare a monthly financial report for the board and/or finance committee. These reports should be read and approved by the board at each board meeting.



NOTE:
This is not an exhaustive list of church policies. For a more complete list, read the church manual and the church treasury manual

Board reports: Financial Summary



Financial Summary

Dates: This month-to-date (October) 10/01/22 To 10/31/22

Summary
 Detail

Account	Begin. Bal.	Deposits	Checks	Transfers	Ending Bal.
Checking	1,240.00	786.25	745.00	-100.00	1,181.25
CURF Savings				<u>100.00</u>	<u>100.00</u>
***** Total Bank Accounts	1,240.00	786.25	745.00	0.00	1,281.25
Church Budget	1,300.00	220.25	25.00	0.00	1,495.25
Local Evangelism		10.00	100.00		-90.00
CHURCH EXPENSE					
Flowers	-10.00				-10.00
Church Utilities			75.00		-75.00
Church Bldg/Grounds Maintance	-100.00	1.00			-99.00
Brazil Mission Trip 2021	50.00				50.00
Adventist Youth		15.00			15.00
Local Comunity Service		<u>5.00</u>	<u>10.00</u>		<u>-5.00</u>
**** Total Local Funds	1,240.00	251.25	210.00	0.00	1,281.25
Tithe - English		340.00	340.00		0.00
World Budget Offering		5.00	5.00		0.00
Sabbath School: Missions		20.00	20.00		0.00
Sabbath School: 13th Sabbath		20.00	20.00		0.00
Birthday-Thank		10.00	10.00		0.00
ADRA -- Disaster Relief		5.00	5.00		0.00
Conference Advance		<u>135.00</u>	<u>135.00</u>		<u>0.00</u>
**** Total Conference Funds	<u>0.00</u>	<u>535.00</u>	<u>535.00</u>	<u>0.00</u>	<u>0.00</u>
***** Total Funds	1,240.00	786.25	745.00	0.00	1,281.25

HINT:
This is the easiest option for your monthly board report.

If you want to change the format of the Financial Summary for the Board Report, try copy and pasting to EXCEL!

How to Keep Your Financial Summary Accurate

Do this once a month, or at least once a year!

1. Transfer funds to replenish negative accounts
2. For inactive funds, find a similar use for the money, or hold a board vote to approve transferring the funds somewhere they will be useful (NOTE: Business meetings may be necessary to approve a change in use of funds)
3. Create a special fund to store the money in the savings account, so that it doesn't get "spent" by writing a check from another local fund
4. Review your Financial Summary to ensure that no accounts have been duplicated and that all accounts are relevant



Additional Monthly Reports

Summary
 Detail
 By Donor

10/31/22

Contribution Report

Copy to Clipboard
Print

Account Name	(T=Tax-deductible, N=No)	Amount	Weekly Total	Period Total
Tithe - English		340.00		
World Budget Offering		5.00		
Sabbath School: Missions		20.00		
Sabbath School: 13th Sabbath		20.00		
Birthday-Thank		10.00		
ADRA -- Disaster Relief		5.00		
Conference Advance		135.00		
Conference Funds		535.00		
Church Budget		220.00		
Local Evangelism		10.00		
Adventist Youth		15.00		
Local Community Service		5.00		
Local Funds		250.00		
Total Contributions		785.00		

Income Statement

Account	Amount
Income	
Church Budget	220.50
Local Evangelism	10.00
CHURCH EXPENSE	
Church Bldg/Grounds Maintenance	1.00
Adventist Youth	15.00
Local Community Service	5.00
Total Income	251.50
Expenses	
Church Budget	25.00
Local Evangelism	100.00
CHURCH EXPENSE	
Church Utilities	75.00
Local Community Service	10.00
Total Expenses	210.00
Change in Local Funds	41.50
Local funds - beginning	1,190.00
Local funds - ending	1,231.50



- Financial Summary
- Monthly Budget
- Contribution
- Deposit
- Check
- Transfer/Allocation
- Contribution Statistics
- Income/Expense
- Balance Sheet
- Account Journal
- Receipts
- Names
- Accounts
- Monthly Expense
- Annual
- Graphs
- Form 1099 Payments

Check Report

Chk. #	Date	Payee	Memo	Account	Amount	Total
4	10/15/22	Heart, Merry	food pantry supply	Local Community Service	10.00	10.00
-2	10/31/22	New Jersey Conference of SDA	10/2022 Conf. Remittance	Tithe - English	340.00	
				World Budget Offering	5.00	
				Sabbath School: Missions	20.00	
				Sabbath School: 13th Sabbath	20.00	
				Birthday-Thank	10.00	
				ADRA -- Disaster Relief	5.00	
				Conference Advance	135.00	535.00
3	10/31/22	Auditor, Rachel	Supplies for Potluck	Church Budget	25.00	25.00
5	10/31/22	Pastor, Church	Literature for community day	Local Evangelism	100.00	100.00
6	10/31/22	Electric Company	electric payment October	Church Utilities	75.00	75.00
Total Checks					745.00	



Board Reports: Bank Recs

Reconciling is the process of proving that your accounting records correspond with your bank account.

This does not always mean your balance will be the same!

You will have written some checks in Jewel that did not get cashed in the bank yet

You may have entered an offering that has not cleared the bank yet

This is how we find out if the bank and Jewel match:

1. Start with your Bank balance
2. Add the deposits from Jewel that did not clear the bank yet
3. Subtract the expenses from Jewel that have not cleared the bank
4. This number should = your Jewel balance on that date (if you did it right ☺)

Bank Rec Comparison Steps

1. Bank reconciliations are being done every month (check the date to see if it is the most recent statement)?
2. Make sure any adjustments on Jewel's Bank Reconciliation report are also found on the bank statement.
3. The "Cleared Ending Balance" on Jewel's Bank Reconciliation report should match the "Ending Balance" found on the bank statement.
4. The "Adjusted Bank Balance" on Jewel's Bank Reconciliation report should match the bank account "Ending Balance" on that month's Jewel *Financial Summary*.
5. The auditor should be called for assistance if the treasurer or any board member notes one of the following on any Jewel Bank Reconciliation report:
 - e. An outstanding check older than 3 months
 - f. An uncleared deposit more than 30 days old
 - g. Any odd item that is uncleared, such as an old adjustment
 - h. Any unexplained difference.
6. After you have verified the above items, sign your name and the date at the top of the bank reconciliation report. Call the auditor if you have questions.





P.O. Box 15284
Wilmington, DE 19850

BANK OF AMERICA
Preferred Rewards
For Business

Customer service information

1.888.BUSINESS (1.888.287.4637)

bankofamerica.com

Jewel SDA Church

1 Adventist Blvd

Zion, HV 00001

Your Business Checking Account

Statement for period October 1, 2022 – October 31, 2022

Account Summary

<u>Beginning Balance on October 1, 2022</u>	<u>\$1200.25</u>
<u>Deposits and Credits</u>	<u>\$526.25</u>
10/3/22 deposit	\$1
10/12/22 deposit	\$150
10/17/22 deposit	\$185
10/24/22 deposit	\$200
10/31/22 Interest deposit	\$0.25
<u>Withdrawals and Debits</u>	<u>\$100</u>
10/31/22 TRNSFR CURF	\$100
<u>Checks</u>	<u>\$210</u>
10/17/22 Ck #4	\$10
10/22/22 Ck #3	\$25
10/27/22 Ck #5	\$100
10/29/22 Ck #6	\$75
<u>Ending Balance</u>	<u>\$1426.50</u>

Bank Rec Comparison



JEWEL CHURCH

Printed 1/26/2023

Bank Reconciliation

Checking - as of 10/31/2022

Date	Num	Memo/Payee	Amount
Cleared Deposits and Interest Earned			
10/01/22		09/10/22 offering deposit	1.00
10/10/22		10/08/22 offering deposit	150.00
10/15/22		10/15/22 offering deposit	185.00
10/22/22		10/22/22 offering deposit	200.00
10/31/22		CURF Opening deposit	-100.00
10/31/22		interest october	0.25
		Total	<u>436.25</u>
Cleared Checks and Bank Fees			
10/31/22	#3	Auditor, Rachel	25.00
10/15/22	#4	Heart, Merry	10.00
10/31/22	#5	Pastor, Church	100.00
10/31/22	#6	Electric Company	75.00
		Total	<u>210.00</u>
Uncleared Deposits and Interest Earned			
10/29/22		10/29/22 offering deposit	250.00
		Total	<u>250.00</u>
Uncleared Checks and Bank Fees			
10/31/22	#-2	New Jersey Conference of SDA	535.00
05/31/22	#7	Logian, Theo	10.00
		Total	<u>545.00</u>
		Beginning Balance	1,200.25
		Cleared Deposits and Interest Earne	436.25
		Cleared Checks and Bank Fees	-210.00
		Cleared Ending Balance 10/31/22	<u>1,426.50</u>
		Uncleared Deposits and Interest Ear	250.00
		Uncleared Checks and Bank Fees	-545.00
		Adjusted Bank Balance 10/31/22	<u>1,131.50</u>



Board Reports: Bank Recs

Adjusted Bank Balance = Jewel Ledger Balance

<https://vimeo.com/493885007>

Board Reports: Bank Recs



HINT:
Don't want to print your bank rec report on paper? Turn on "print set up" in the Jewel Properties menu. Now you can print to PDF!

Financial Summary

Dates: This month-to-date (October) 10/01/22 To 10/31/22

Summary Detail

Account	Begin. Bal.	Deposits	Checks	Transfers	Ending Bal.
Checking	1,190.00	786.50	745.00	-100.00	1,131.50
CURF Savings				100.00	100.00
**** Total Bank Accounts	1,190.00	786.50	745.00	0.00	1,231.50

Beginning Balance	1,200.25
Cleared Deposits and Interest Earne	436.25
Cleared Checks and Bank Fees	-210.00
Cleared Ending Balance 10/31/22	1,426.50
Uncleared Deposits and Interest Ear	250.00
Uncleared Checks and Bank Fees	-545.00
Adjusted Bank Balance 10/31/22	1,131.50

Online Resources

NJCSDA.ORG Treasury Resource Page



Seventh-day Adventist Church
NEW JERSEY CONFERENCE

FIND A CHURCH

ADVENTIST GIVING

LIVE CHURCH

HOME

ABOUT US

ENTITIES

DEPARTMENTS

RESOURCES

RESOURCES

Donor Brochure/Folleto de Donantes

English

Español

Getting Started/Guía de inicio

English

Español

Instructions for Church Treasurers/
Instrucciones para los Tesoreros

English

Español

Counting Form

Church Audit Internal Control Questionnaire

Church Manual 2015 (Updated)

Local Church Audit Items Check List

Records Retention Schedule

Reimbursement Check Request

NEWSLETTER SERIES

Coming Soon!

Online Resources

JEWELSDA.ORG/SUPPORT



Training Videos are for Jewel 5.0

We are very grateful to the
Northern New England Conference
for the following training videos.
They can also be viewed at:

nec.org/jewel-help-videos

English 1 - Getting Started, & Accounts

English 2 - Entering Offerings

English 3 - Write Checks

English 4 - NSF Check Reversal

English 5 - Remittance

English 6 - Budget Allocations

English 7 - Monthly Closing

English 8 - Backup Database

English 9 - Restore Backup

English 10 - Bank Reconciliation

English 11 - Reports

English 12 - Import Adventist Giving, version 7





Afternoon Session

Jewel Basics and Q&A

1:30 – 3:00 PM

Contact for Jewel Training and Support:

Rachel Linares

Email: rlinares@njcsda.org

Phone: 609-802-0864

Address:

2303 Brunswick Ave

Lawrenceville, NJ 08648

NEXT SESSION: ADVENTIST RISK MANAGEMENT

