



## The Diocese of Central New York

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January 15, 2015

Re: Clarification to Diocesan Audit Policy

Dear Clergy, Wardens and Vestry:

In our desire to be responsive to the limited financial resources of the smaller attendance parishes in our Diocese, the Diocesan Board has made adjustments to the Audit Policy. The changes are twofold: a) requiring a smaller audit and, b) lengthening the time required between CPA audits.

Our Diocesan Audit Policy states that each parish, chapel and institution of the Diocese of Central New York is required to conduct an annual audit in accordance with the most current edition of the "*Manual of Business Methods in Church Affairs*." Audits are due in the Diocesan Office each year on September 1<sup>st</sup> for the previous calendar year.

At its December 16, 2014 meeting the Diocesan Board reviewed and clarified the Diocesan Audit Policy. The following clarifications were approved:

*Any parish that has not had an audit (CPA or committee) for any or all of the last three years (2011, 2012 and 2013) must have a CPA audit for calendar year 2015.*

*For parishes that have had a CPA audit, the 7 year requirement starts from the time of that CPA audit. \*\**

*For those who have had a committee audits, the 7 year requirement starts January 1, 2015. Thus requiring a CPA audit for the financial year of 2022. \*\**

*\*\* Note: In the year in which the Rector, Chaplain, or Priest-In-Charge leaves the ministry of that faith community an audit shall be conducted by a Certified Public Accountant (CPA). For Parish Types I, II, III, a limited CPA audit will meet this requirement. For Parish Type IV, a full CPA audit will fulfill this requirement. This is a change from the previous policy of a full CPA audit being required for all parishes in transition.*

### **Parish Types I, II, III\*\*\* – May have a Limited CPA Audit**

A **Limited CPA Audit** is an agreed upon arrangement with a CPA to perform a risk assessment of the internal controls of the parish utilizing the Chapter II checklist on Internal Controls from the *Business Methods in Church Affairs*.

(The manual can be found as a pdf at: <http://www.episcopalchurch.org/page/manual-business-methods>)

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The Episcopal Church

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The Diocesan Board has retained the services of Mr. Michael Kauffman, CPA to perform **Limited CPA Audits**. Mr. Kauffman can be reached at 315-382-8889 or [mkauffmancpa@gmail.com](mailto:mkauffmancpa@gmail.com). The cost is \$1,500.00 plus expenses, if any. Mr. Kauffman does NOT perform full CPA audits.

**Parish Types IV\*\*\*** – Must have a **Full CPA audit**

A mere/simple review or compilation by a CPA will not fulfill this requirement. It must be a full audit.

\*\*\* Designations of Parish Types can be found in the Diocesan Journal with the Parochial Report data or can be obtained by calling the Diocesan Office (315-474-6596).

**Scholarship Assistance:**

Scholarships of \$700 towards the cost of a Full or Limited CPA audit are available. Use the “Request for CPA Audit Scholarship” form (enclosed) to request scholarship assistance from the Diocese. Return the completed form to: The Diocese of CNY, Attn: Cathy Hobart, 1020 7th North St., Ste. 200, Liverpool, NY 13088 or email to [office@cnyepiscopal.org](mailto:office@cnyepiscopal.org) or fax to 315-478-1632.

If you have questions regarding the Diocesan Audit Policy, please direct them to my attention in care of the Diocesan Office.

Faithfully,

A handwritten signature in cursive script that reads "John R. Martinichio +".

The Rev. John R. Martinichio  
Vice Chair Diocesan Board