To: Community United Methodist Church Finance Committee

From: Carol Craig

CC: CUMC Treasurer

Date: September 20, 2023

Re: Agreed Upon Procedures for the year ending December 31, 2022

Using the attached Agreed Upon Procedures / Local Church Audit Guide Recommended Procedures previously used, steps outlined were completed for the year ended December 31, 2022. Based on records reviewed and information obtained, I concluded the following:

- The CUMC Books and records are in good order.
- Supporting documentation for revenue and expenses was adequate for items selected for testing.
- Accounting procedures in place reflect good internal controls.

Follow up to Jill Donaldson's recommendations for improvement to be considered:

- Jill recommended that a consistent policy for addressing old outstanding checks be adopted. There is now a procedure in place to take care of those items.
- Jill recommended a review of bonding insurance requirements. Specifically addressing the following procedure. Below is copied from Jill's report.

  - **Review bonding insurance requirements. One of the agreed upon procedures steps was as follows:**

    "In accordance with Book of Discipline ¶258.4.b, review to ensure bonding is in place for the church treasurer. Further, review the bond amount with church leadership to ensure the bonding is appropriate for the assets held by the church. Review the current policy and payment information to ensure the bonding policy is current."

    During review and inquiry with CUMC trustees, Hunter provided me with information from the conference office related to this item (see attached). The document provided there indicated that in general, theft of any kind was covered under current insurance policy. However, the document also stated that bonding of church personnel is "not required" which is in contrast to the steps outlined in the procedure.

    I recommend that the requirements per Book of Discipline are reviewed and discussed with the conference office and a review of policy coverage is conducted to ensure compliance and coverage are adequate.

  I was unable to find any documentation that this item was addressed. I recommended that someone be assigned to follow up with the conference office regarding this issue.

  I have no further recommendations at this time.