



FUND BALANCE REPORT INSTRUCTIONS

Due to District Office by March 1

Per the Great Plains Plan of Organization (approved August 2013):

Every local church, at a minimum, shall conduct an audit as defined and described in the Local Church Audit Guide published by the General Council on Finance and Administration and available at

<https://www.gcfa.org/resource/local-church-audit-guide>.

For churches with total annual revenue greater than \$500,000, it is highly recommended that an independent audit by a certified public accountant (CPA) be performed annually. At a minimum, such an audit shall be performed at least every three years; in the intervening years, a review performed by a CPA is sufficient.

For churches with total annual revenue greater than \$1,000,000, an independent audit by a certified public accountant (CPA), shall be performed annually.

1. Every local church shall complete the Fund Balance Report after the end of the fiscal year. Churches contracting with a CPA shall also submit a copy of the audit/review when it is complete.
2. The fund balance report is to be completed by an independent (not subject to control or influence by anyone who has responsibility for the financial accounts and records of the church) and qualified (having some experience with accounting principles) source. The person(s) may or may not be CPA(s), depending on the requirements above. The person shall not be the financial secretary or treasurer. The report is then reviewed by a team of 2 or more individuals, which may include the person completing the report, and should not include treasurer or financial secretary.
3. All separate bank accounts (i.e., checking, savings, CDs, money markets, investments) maintained by a group using the same tax identification number as the church (such as youth, trustees, missions, UWF, UMMen) shall be included in the fund balance report.
4. In completing the form, note that:
 - > beginning balances for this report should be the same as ending balances from previous report.
 - > transfers in column (d) are amounts moved from one fund into another fund, so the total at bottom should be \$0.
 - > negative amounts in columns (c) and (d) require a negative sign [-] immediately in front of the number, e.g., -12.
 - > figures in column (e) should tie to ending balances in general ledger.
 - > if using the Excel spreadsheet, balances on right and totals at bottom will calculate automatically as long as you do not delete the formulas!
 - > exceptions and recommendations are to be noted on page 2/back.
 - > the form is to be signed and dated on page 2/back by the auditor or auditing committee.
 - > for the necessary steps in the process, refer to the Local Church Audit Guide available at <https://www.greatplainsumc.org/localchurchaudit>.
5. The report shall be filed in the church and submitted to the district office by the deadline.

2. The Review Committee has examined the accounts listed on the front side; reviewed procedures of counting and accounting under the current *Book of Discipline*; has reconciled receipts and disbursements with bank deposits, withdrawals and balances; and has found the balances displayed to be correct, procedures proper, and records properly kept, except as noted below (*attach more pages as needed*):

3. The Review Committee recommend/s the following changes in financial policies and practices (*attach more pages as needed*):

4. Signatures of Review Committee

Date Signed
