

CONFERENCE INTERNAL FINANCIAL REVIEW

The purpose of the Conference Internal Financial Review is to provide the donors, the IRS, and federal and state authorities with assurance that donated funds are being used as prescribed by our mission and The Rule. Good governance involves keeping the Conferences strong and healthy, and ensuring proper financial controls are followed. The purpose of this document is to provide Conference and District Council leadership with information on how to organize a Conference Internal Financial Review, accomplish the task, and properly report the results.

WHY DO A CONFERENCE INTERNAL FINANCIAL REVIEW?

Based on Part III of The Rule, Statute 27, Diocesan and District Councils should make it a formal policy to coordinate the practice and review of annual audits from the Conferences within their area of jurisdiction.

- In Part III of The Rule, Statute 27 states: *“When deemed appropriate Council Presidents should require audits or audit reviews of the Conferences (at minimum, an internal review), or of Councils, and Special Works under the auspices of their Council.”*
- In the Manual, on page 30 is the following: *“Officers or leaders of voluntary organizations must conform to all procedural requirements of state corporate law, as well as their own charters and bylaws. Strict adherence to all regulations governing recordkeeping and corporate procedures (including regular audits) helps protect the public, the Society, and Vincentian members against deceit and misuse of funds.”*
- In the Nationally Approved Bylaws for Conferences, Article 12 states: *“Their [Conference] Governance responsibilities include but are not limited to: electing the Conference President; approving the annual budget; approving Presidential appointments; compiling a timely annual report; reviewing and evaluating the Conference annual audit; from time to time responding to requests or directives from higher Councils; and reviewing and evaluating the leadership, mission, and planning of the Conference.”*
- Article 16 in the Nationally Approved Bylaws for Conferences 16 states: *“Each Conference will undertake annually, an internal audit and report the results to the District Council or next higher Council and shall submit in a timely manner an annual report to the District Council or in the case of an Isolated Conference to the next higher Council.”*
- Nationally Approved Resolution 71 established Minimum Requirements for Existing Traditional Conferences (which includes financial related items 11 and 17. See Appendix 1 for the Minimum Requirements for Existing Traditional Conferences.

WHAT DOES A CONFERENCE INTERNAL FINANCIAL REVIEW INCLUDE?

A Conference Internal Financial Review should take into account and use:

1. The prior year’s Conference Internal Financial Review Worksheets, if applicable.
2. The conference’s check register recording receipts and disbursements for all bank and brokerage accounts, along with the conference’s Treasurer’s Financial Reports.
3. A copy of the bank signature card or a list of authorized signers.
4. Bank and brokerage statements.
5. A copy of the conference’s most recent Annual Report filing with the National Office.

See Attachment 1 for The Conference Internal Financial Review procedures.

WHO DOES THE CONFERENCE INTERNAL FINANCIAL REVIEW?

It is essential for the Conference Internal Financial Review to be performed by conference Vincentians who do not have signing authority on the Conference’s bank account(s). If deemed necessary, the Conference President may ask Vincentians from nearby conferences or other individuals. The Conference Internal Financial Review is to be conducted by a minimum of two people and each year the reviewers must be different people than those who conducted the previous year’s review.

WHEN IS THE CONFERENCE INTERNAL FINANCIAL REVIEW DONE?

Each conference is to conduct a Conference Internal Financial Review annually. The review is to be completed within 6 months of the end of the fiscal year. This allows for the completion of the Annual Report.

WHAT IS DONE AFTER THE CONFERENCE INTERNAL FINANCIAL REVIEW IS COMPLETED?

The Conference President will share the Verification of Review Form and the Conference Internal Financial Review Worksheets at a conference meeting, with the minutes reflecting such review and corrective actions to be taken, if applicable. A copy of the Forms, Worksheets and minutes are sent to the District Council President for his/her review. The Conference will retain the documents for a minimum of 3 years.

CONFERENCE INTERNAL FINANCIAL REVIEW

WHAT ARE THE DISTRICT COUNCIL PRESIDENT'S RESPONSIBILITIES?

The District Council President is responsible for:

1. Reviewing the Verification of Conference Internal Financial Review and worksheets to ensure agreement with the findings of the reviewers.
2. If the District Council President agrees, then (s)he will sign the Verification of Conference Internal Financial Review and return the signed form to the Conference President.

If there is a concern regarding the findings, the District Council President will address the concerns with the individuals who performed the review. Consistent with the principle of subsidiarity, the District Council President and the reviewers will discuss and resolve the concern(s). If there is not a resolution, the District Council President should seek advice and consult with others within the Society. If the issue is still unresolved after 60 days, the District Council President will consult with the Archdiocesan Council President.

CONFERENCE INTERNAL FINANCIAL REVIEW ATTACHMENT 1

CONFERENCE INTERNAL FINANCIAL REVIEW PROCEDURES

The following procedures are to be used in performing the Conference Internal Financial Review. Reviewers must be two unrelated persons who are not involved in the counting/depositing of funds and/or signing/issuing checks/payments. The other participants are the President, Secretary and Treasurer, as appropriate. Each Officer is involved at a different point in the process. The Conference President appoints the review team and together they determine the date for the Conference Internal Financial Review. The following steps are performed by the review team.

1. Review these procedures and the Conference Internal Financial Review Worksheets (Attachment 2) to ensure understanding of the process to be followed. Any questions should be directed one of the following for clarification:
 - The District Council President
 - The Chair of the Archdiocesan Council Board Governance Committee (313) 477-3704
 - The Chief Financial Officer (CFO) of the Archdiocesan Council of Detroit (313) 393-2943
2. Review the previous year's Verification of Conference Internal Financial Review and worksheets to determine if the issues outlined have been addressed and corrected.
3. Verify signers on the account(s) with the signature card(s). Ensure the conference complies with The Rule, Part III, Statute 24.
4. Confirm and review the conference guidelines for receipt and disbursement of funds with the Conference President and Treasurer for understanding.
5. Complete the Conference Internal Financial Review Worksheet in the presence of the Treasurer. The Treasurer is present to answer questions and provide the appropriate items for review.
6. Select one month from each quarter of the fiscal year being reviewed for each bank and brokerage account. Complete the Conference Internal Financial Review Worksheet for each of the selected months.
7. After completion of the Conference Internal Financial Review Worksheet, complete the Verification of Conference Internal Financial Review Form and submit the Form and Conference Internal Financial Review Worksheets to the Conference President. Ensure that any no answers are documented in the comments field of the Worksheet.

CONFERENCE INTERNAL FINANCIAL REVIEW ATTACHMENT 2 CONFERENCE INTERNAL FINANCIAL REVIEW WORKSHEET

Conference Name _____ Conference Number _____

Is the ending balance on the Annual Report submitted the same as the reconciled ending balance (s) on the bank and brokerage account(s)? Yes ___ No ___ Comments _____

Choose one month from each group: Month Chosen

1st Quarter: October – November – December: _____

2nd Quarter: January – February – March: _____

3rd Quarter: April – May – June: _____

4th Quarter: July – August – September: _____

For each selected month, have available:

- Conference Treasurer’s Financial Report and check register
- Bank Statement
- Bank Reconciliation
- List of items deposited and deposit slips for the month
- Case worksheets for the month.

(circle one)

- | | | |
|--|-----|----|
| 1. Are the issues outlined in the prior year’s Verification of Conference Internal Financial Review and worksheets been addressed and corrected? | Yes | No |
| 2. Are Conference Treasurer and Reviewers familiar with the Conference Treasurers’ Manual? It can be found at www.svdpusa.org/members/Documents/Council-Conference under Secretary/Treasurer Information | Yes | No |
| 3. Are funds accepted and deposited according to conference guidelines? | Yes | No |
| 4. Are funds disbursed according to conference guidelines?..... | Yes | No |
| 5. Are letters/e-mails sent to donors for each donation of \$250 or more in accordance with IRS regulations? (Appendix 2) | Yes | No |
| 6. Are all Conferences funds maintained in bank and brokerage accounts controlled by the conference? | Yes | No |

No responses are documented in the comments section below.

Comments: _____

CONFERENCE INTERNAL FINANCIAL REVIEW

First quarter (Oct-Nov-Dec)

Month/Year selected: _____

DEPOSITS:

Conference Name _____ Conference Number _____

	Yes	No	Comment
Do all deposits on the bank statement match the deposits on the Treasurer's Financial Report?			
Does the bank statement's reconciled amount match the Financial Report balance?			
Select one deposit: \$ _____ Date _____ Do the amounts on the list of items deposited, deposit slip and bank statement all match?			

EXPENDITURES: For the month, select at least three disbursement records.

Expenditure #1:

	Yes	No	Comment
Payee: Amount \$ _____ Check No. _____ Date _____			
Does the check amount on the record match the check amount on the bank statement?			
Is the payee on the cancelled check the same as on the check register?			
Is the signer on the cancelled check an authorized check signer ?			
Is the expense category classification correct?			
Did the check clear the bank in the same month or the following month?			
Is there proper supporting documentation? (case record form, receipt, check request form, and/or invoice)			

Expenditure #2:

	Yes	No	Comment
Payee: Amount \$ _____ Check No. _____ Date _____			
Does the check amount on the record match the check amount on the bank statement?			
Is the payee on the cancelled check the same as on the check register?			
Is the signer on the cancelled check an authorized check signer?			
Is the expense category classification correct?			
Did the check clear the bank in the same month or the following month?			
Is there proper supporting documentation? (case record form, receipt, check request form, and/or invoice)			

Expenditure #3

	Yes	No	Comment
Payee: Amount \$ _____ Check No. _____ Date _____			
Does the check amount on the record match the check amount on the bank statement?			
Is the payee on the cancelled check the same as on the check register?			
Is the signer on the cancelled check an authorized check signer?			
Is the expense category classification correct?			
Did the check clear the bank in the same month or the following month?			
Is there proper supporting documentation? (case record form, receipt, check request form, and/or invoice)			

CONFERENCE INTERNAL FINANCIAL REVIEW

Second Quarter (Jan-Feb-Mar)

Month/Year selected: _____

DEPOSITS:

Conference Name _____ Conference Number _____

	Yes	No	Comment
Do all deposits on the bank statement match the deposits on the Treasurer's Financial Report?			
Does the bank statement's reconciled amount match the Treasurer's Financial Report balance?			
Select one deposit: \$ _____ Date _____ Do the amounts on the list of items deposited, deposit slip and bank statement all match?			

EXPENDITURES: For the month, select at least three disbursement records.

Expenditure #1:

Payee: Amount \$ _____ Check No. _____ Date _____	Yes	No	Comment
Does the check amount on the record match the check amount on the bank statement?			
Is the payee on the cancelled check the same as on the check register?			
Is the signer on the cancelled check an authorized check signer?			
Is the expense category classification correct?			
Did the check clear the bank in the same month or the following month?			
Is there proper supporting documentation? (case record form, receipt, check request form, and/or invoice)			

Expenditure #2:

Payee: Amount \$ _____ Check No. _____ Date _____	Yes	No	Comment
Does the check amount on the record match the check amount on the bank statement?			
Is the payee on the cancelled check the same as on the check register?			
Is the signer on the cancelled check an authorized check signer?			
Is the expense category classification correct?			
Did the check clear the bank in the same month or the following month?			
Is there proper supporting documentation? (case record form, receipt, check request form, and/or invoice)			

Expenditure #3

Payee: Amount \$ _____ Check No. _____ Date _____	Yes	No	Comment
Does the check amount on the record match the check amount on the bank statement?			
Is the payee on the cancelled check the same as on the check register?			
Is the signer on the cancelled check an authorized check signer?			
Is the expense category classification correct?			
Did the check clear the bank in the same month or the following month?			
Is there proper supporting documentation? (case record form, receipt, check request form, and/or invoice)			

CONFERENCE INTERNAL FINANCIAL REVIEW

Third Quarter (Apr-May-Jun)

Month/Year selected: _____

DEPOSITS: Conference Name _____ Conference Number _____

	Yes	No	Comment
Do all deposits on the bank statement match the deposits on the Financial Report?			
Does the bank statement's reconciled amount match the Treasurer's Financial Report balance?			
Select one deposit: \$ _____ Date _____ Do the amounts on the list of items deposited, deposit slip and bank statement all match?			

EXPENDITURES: For the month, select at least three disbursement records.

Expenditure #1:

Payee: Amount \$ _____ Check No. _____ Date _____	Yes	No	Comment
Does the check amount on the record match the check amount on the bank statement?			
Is the payee on the cancelled check the same as on the check register?			
Is the signer on the cancelled check an authorized check signer?			
Is the expense category classification correct?			
Did the check clear the bank in the same month or the following month?			
Is there proper supporting documentation? (case record form, receipt, check request form, and/or invoice)			

Expenditure #2:

Payee: Amount \$ _____ Check No. _____ Date _____	Yes	No	Comment
Does the check amount on the record match the check amount on the bank statement?			
Is the payee on the cancelled check the same as on the check register?			
Is the signer on the cancelled check an authorized check signer?			
Is the expense category classification correct?			
Did the check clear the bank in the same month or the following month?			
Is there proper supporting documentation? (case record form, receipt, check request form, and/or invoice)			

Expenditure #3

Payee: Amount \$ _____ Check No. _____ Date _____	Yes	No	Comment
Does the check amount on the record match the check amount on the bank statement?			
Is the payee on the cancelled check the same as on the check register?			
Is the signer on the cancelled check an authorized check signer?			
Is the expense category classification correct?			
Did the check clear the bank in the same month or the following month?			
Is there proper supporting documentation? (case record form, receipt, check request form, and/or invoice)			

CONFERENCE INTERNAL FINANCIAL REVIEW

Fourth Quarter (Jul-Aug-Sep)

Month/Year selected: _____

DEPOSITS: Conference Name _____ Conference Number _____

	Yes	No	Comment
Do all deposits on the bank statement match the deposits on the Treasurer's Financial Report?			
Does the bank statement's reconciled amount match the Treasurer's Financial Report balance?			
Select one deposit: \$ _____ Date _____ Do the amounts on the list of items deposited, deposit slip and bank statement all match?			

EXPENDITURES: For the month, select at least three disbursement records.

Expenditure #1:

Payee: Amount \$ _____ Check No. _____ Date _____	Yes	No	Comment
Does the check amount on the record match the check amount on the bank statement?			
Is the payee on the cancelled check the same as on the check register?			
Is the signer on the cancelled check an authorized check signer?			
Is the expense category classification correct?			
Did the check clear the bank in the same month or the following month?			
Is there proper supporting documentation? (case record form, receipt, check request form, and/or invoice)			

Expenditure #2:

Payee: Amount \$ _____ Check No. _____ Date _____	Yes	No	Comment
Does the check amount on the record match the check amount on the bank statement?			
Is the payee on the cancelled check the same as on the check register?			
Is the signer on the cancelled check an authorized check signer?			
Is the expense category classification correct?			
Did the check clear the bank in the same month or the following month?			
Is there proper supporting documentation? (case record form, receipt, check request form, and/or invoice)			

Expenditure #3

Payee: Amount \$ _____ Check No. _____ Date _____	Yes	No	Comment
Does the check amount on the record match the check amount on the bank statement?			
Is the payee on the cancelled check the same as on the check register?			
Is the signer on the cancelled check an authorized check signer?			
Is the expense category classification correct?			
Did the check clear the bank in the same month or the following month?			
Is there proper supporting documentation? (case record form, receipt, check request form, and/or invoice)			

**CONFERENCE INTERNAL FINANCIAL REVIEW
VERIFICATION OF
CONFERENCE INTERNAL FINANCIAL REVIEW**

Conference Name _____ Conference Number _____

Fiscal Year being Reviewed _____ Date review completed _____

Names of people performing review (please print) _____

_____ We, the above named people, have completed a Conference Internal Financial Review of this Conference, using the SVdP Internal Review Worksheets (attached).

_____ We find that the Conference is in compliance with the standards set by the Society of St. Vincent de Paul and further that no actions are necessary. All answers are yes on the Conference Internal Financial Review Worksheets.

_____ We find that the Conference is in compliance with the standards set by the Society of St. Vincent de Paul and that there were only a few issues that were noted for correction. We believe that these issues can be addressed at the Conference level and intervention by an upper level of the Society is not necessary at this time. A list of the issues uncovered during the review is attached on the Conference Internal Financial Review Worksheets.

_____ We find that the Conference is not in compliance with the standards set by the Society of St. Vincent de Paul that need to be corrected. We believe that immediate intervention is needed by an upper level of the Society. A list of the problems uncovered is attached on the Conference Internal Financial Review Worksheets.

Signature, date and phone number of reviewer(s):

_____ Date _____ Phone _____

_____ Date _____ Phone _____

Signature of Conference President:

_____ Date _____

Signature of District Council President:

_____ Date _____



APPENDIX 1

The Society of St. Vincent de Paul National Council of the United States Minimum Requirements for Existing Traditional Conferences

Existing Traditional Conferences must:

- Adopt Bylaws within one year, (National Council Approved Bylaws are attached).
- Review the following "Minimum Requirements for Existing Traditional Conferences" and develop a plan to correct areas in which the conference is not meeting the requirements of the Rule.
 - I. The Conference excludes no one from membership based on age, sex, race or ethnic background. Rule. Part I. 3.2
 2. The Conference meets regularly and frequently, and not less often than twice a month. Weekly meetings are desirable but not mandatory. Rule. Part I. 3.3.1. Part III. Statute 5
 3. The Conference has four or more active members and a full slate of officers: President, Vice President, Secretary and Treasurer. Rule. Part III. Statute 12
 4. Prayer, spiritual readings and reflection are a part of each meeting. Rule. Part III. Statute 7
 5. The Conference has an active, trained Spiritual Advisor who attends full meeting regularly and accepts responsibility to promote the spiritual life of the Conference. Rule. Part I. 3.13. Part III. Statute 15. U.S. Manual Pages 48-49
 6. The Conference is aggregated or has filed an application if has been in existence for one year or more. Rule. Part I. 3.8. Part III. Statute 6
 7. The Conference serves all those in need regardless of age, sex, race, ethnic background or life style. Rule. Part I. 1.4 Part III. Statute 8
 8. All home visits and other interviews are made by two Vincentians. Rule. Part II. Statute 8
 9. The Conference has person-to-person contacts with the needy, whenever possible. Rule. Part I. 1.2. Mission Statement
 10. Home visits are the primary focus of work for traditional conferences. U.S. Manual Page 23
 11. The Conference maintains a bank account separate from the parish, under the control of the conference Treasurer. Rule. Part III. Statutes 12 and 24. U.S. :Manual. Pages 26 and 30
 12. The Conference attends District meetings and takes part in programs and events sponsored by their District/Diocesan Councils. Rule. Part I 3.6. Manual Page 36
 13. The Conference sends its members to formation and training sessions offered by the Society, particularly the Ozanam Orientation. Rule. Part I. 3.6. 3.12. Part III Statute 10

14. The Conference submits Annual Reports to the District/Diocesan Council.
Rule. Part III. Statutes 22 and 23
15. The Conference presents at least an Annual Report of its activities to the Pastor and people of its parish, preferably through the parish bulletin.
Rule. Part III. Statutes 22 and 23, U.S. Manual Page 30
16. The Conference maintains a positive relationship with the clergy. Rule. Part I.5.1
17. All donations go to the works of the **Society to maintain Society structure, both nationally and internationally**. No donations are used to fund other charities no matter how worthy.
Rule Part I. 3.14, Part III Statute 26
18. The Conference provides required support for Councils/Region. Rule Part III. Statute 25
19. The Conference knows and follows the Rule of the Society. U.S. Manual Page 14

Appendix2

IRS Publication 526 (Section on Contributions of \$250 or More)

Contributions of \$250 or More

You can claim a deduction for a contribution of \$250 or more only if you have an acknowledgment of your contribution from the qualified organization or certain payroll deduction records.

If you made more than one contribution of \$250 or more, you must have either a separate acknowledgment for each or one acknowledgment that lists each contribution and the date of each contribution and shows your total contributions.

Amount of contribution.

In figuring whether your contribution is \$250 or more, don't combine separate contributions. For example, if you gave your church \$25 each week, your weekly payments don't have to be combined. Each payment is a separate contribution.

If contributions are made by payroll deduction, the deduction from each paycheck is treated as a separate contribution.

If you made a payment that is partly for goods and services, as described earlier under Contributions From Which You Benefit, your contribution is the amount of the payment that is more than the value of the goods and services.

Acknowledgment.

The acknowledgment must meet these tests.

1. It must be written.
2. It must include:
 - a. The amount of cash you contributed,
 - b. Whether the qualified organization gave you any goods or services as a result of your contribution (other than certain token items and membership benefits),
 - c. A description and good faith estimate of the value of any goods or services described in (b) (other than intangible religious benefits), and
 - d. A statement that the only benefit you received was an intangible religious benefit, if that was the case. The acknowledgment doesn't need to describe or estimate the value of an intangible religious benefit. An intangible religious benefit is a benefit that generally isn't sold in commercial transactions outside a donative (gift) context. An example is admission to a religious ceremony
3. You must get it on or before the earlier of:
 - a. The date you file your return for the year you make the contribution, or
 - b. The due date, including extensions, for filing the return.

If the acknowledgment doesn't show the date of the contribution, you must also have a bank record or receipt, as described earlier, that does show the date of the contribution. If the acknowledgment shows the date of the contribution and meets the other tests just described, you don't need any other records.