

PRESBYTERY OF LOS RANCHOS  
POLICY ON A FULL FINANCIAL REVIEW

The Presbytery of Los Ranchos adopted a policy in March, 1987 as a plan of action toward enforcement of the Book of Order G-3.0113 requirement for each church to conduct, or have conducted, an annual financial review of all financial records.

Book of Order G-3.0113 reads as follows:

“A full financial review of all financial books and records shall be conducted every year by a public accountant or committee of members versed in accounting procedures. Reviewers should not be related to the treasurer(s). Terminology in this section is meant to provide general guidance and is not intended to require or not require specific audit procedures or practices as understood within the professional accounting community.”

With the understanding that the goal of presbytery is to focus on relationship, training and education of the member churches, the following steps are to be taken.

**FIRST YEAR DEFICIENCY (identified at the annual Review of Records)**

- **Automatic “Exception” report to presbytery.**
- **Letter to session stressing the deficiency is a mandated task, and outlining subsequent actions which can be anticipated if minutes do not report the accomplishment of a full financial review when next the church records are reviewed.**
- **A member of Review of Records Administrative Commission will be assigned to contact the Pastor and/or Church Treasurer to give additional emphasis to the importance of the full financial review. A report of this contact will be given to the Stated Clerk.**

**SECOND YEAR DEFICIENCY (identified at the annual Review of Records)**

- **Automatic “Second Year Exception” report to presbytery.**
- **A member of Presbytery Council or Trustees will be assigned to meet with session of the church requesting that a full financial review be started immediately, and the report of the review be submitted to the Presbytery Stated Clerk by October 15<sup>th</sup> of the current year. This meeting shall communicate the actions that presbytery will take if the same deficiency occurs for a third year (see below).**

**THIRD YEAR DEFICIENCY (identified at the annual Review of Records)**

- **Review of Records Administrative Commission report to presbytery will recommend that due to a third year deficiency, that presbytery authorize the Stated Clerk to contract with an public accounting firm to accomplish the full financial review for this church, with charges for the same to be reported to presbytery and billed to the church for payment.**