

Diocese of Dallas

Policy on Audits, Financial Reviews and Financial Reporting Requirements

Annual Audits Required

Each Diocesan entity that is not a parish or a parochial school is required to have an annual audit of its financial statements by one independent CPA firm (the same firm for each entity). Periodically, the Diocese will lead a process to solicit proposals from appropriate CPA firms. The Board or Finance Committee of each entity is required to meet with the auditors to review the audit process, audit results and auditor's recommendations. In addition each member of that Board or Finance Committee must sign an annual letter addressed to the Bishop of the Diocese confirming the dates of the Board's or Committee's meetings since the prior letter, confirming attendance at the meeting with the auditors and receipt of the report and recommendations from the auditors and specifying the contact information for each member.

Annual Financial Reviews Required

Each parish and parochial school is required to have an annual financial review of its financial statements by an independent CPA firm. The Diocese will publish a list of appropriate CPA firms from which the entity can choose. The Board or Finance Committee of each entity is required to meet with the CPA firm to review the financial review process, the results and the CPA firm's recommendations. In addition each member of that Board or Finance Committee must sign an annual letter addressed to the Bishop of the Diocese confirming the dates of the Board's or Committee's meetings since the prior letter, confirming attendance at the meeting with the CPA firm and receipt of the report and recommendations from the CPA firm and specifying the contact information for each member of the Board or Committee.

These financial reviews are not audits. Technically, they are referred to as "Agreed Upon Procedures" (AUP). The Diocese publishes the required procedures for the AUP each spring and distributes the revised procedures to each CPA firm who did such reviews in the prior year and to each parish and each parochial school.

Parishes and Schools are encouraged, but not required, to have audits done in lieu of an AUP.

Annual Financial Reporting Requirements

Certain formats and types of financial reports are required in an audit situation or are specified in the AUP for those purposes. Each parish and its parochial school must publish the standard Right Networks reports Number 5 and Number 8 to parishioners and to school student's families and donors. This reporting must occur within 30 days after the deadline date for filing of audit and AUP reports with the Diocese. Generally this will require publication in October of each year. The reports can be included in a bulletin insert for parishes and in a mailing to the family of each student in the school.

In connection with the standard charts of accounts, the required accounting software for parishes and schools and the web-hosting of that software and general ledger activities, the Diocese and its vendor (presently Right Networks) have developed a set of standardized financial reports.

The list is:

Summary Level Reports

- 1 STATEMENT OF ACTIVITIES VS PRIOR YEAR - NATURAL
- 2 STATEMENT OF ACTIVITIES VS PRIOR YEAR - FUNCTIONAL
- 3 STATEMENT OF ACTIVITIES VS BUDGET - NATURAL
- 4 STATEMENT OF FINANCIAL POSITION VS PRIOR YEAR

Mid-Level Reports

- 5 STATEMENT OF ACTIVITIES VS PRIOR YEAR - NATURAL
- 6 STATEMENT OF ACTIVITIES - FUNCTIONAL
- 7 STATEMENT OF ACTIVITIES VS BUDGET - NATURAL
- 8 STATEMENT OF FINANCIAL POSITION VS PRIOR YEAR

Detail Level Reports

- 9 STATEMENT OF ACTIVITIES VS PRIOR YEAR - NATURAL
- 10 STATEMENT OF ACTIVITIES - FUNCTIONAL
- 11 STATEMENT OF ACTIVITIES VS BUDGET - NATURAL

Exception Reports

Exception Report

Utility

Refresh Report Data from QuickBooks