



EPISCOPAL DIOCESE *of the RIO GRANDE*

March 17, 2025

To: Vestries using an Independent Certified Public Accountant (CPA) to conduct an annual audit

Enclosed is information about the audit process to facilitate your Annual Congregational Audit for the year 2024. As you know, the audit is a requirement of the National Canons as well as a good and reasonable business practice. The primary purpose of an audit is to assure that financial statements are fairly stated. Any person handling the monies or investments of the church needs an audit to protect him or her against suspicion of mishandling those assets, as well as to protect the church assets themselves. Similarly, Rectors/Vicars, Vestries/Bishop's Committees, Treasurers and other persons in positions of responsibility may be liable for any losses, which would have been discovered by an ordinary audit, but were not discovered because they failed to have an audit conducted.

Those congregations with revenues, gains, and other support of \$750,000 or more annually are required to have their audit performed by an Independent Certified Public Accountant (CPA). The selection of an independent CPA shall be approved by the Vestry, Bishop's Committee, or management board. Should the services of an independent accountant that is not a licensed CPA be engaged, that accountant must follow the procedures outlined in these materials.

Complete financial statements of the congregation or organization are required. Reference to guidelines and further instructions are found in the Manual of Business Methods in Church Affairs that is prepared and distributed by the National Episcopal Church at:

<https://www.episcopalchurch.org/finance-office/manual-of-business-methods/>

Additional documents that must be submitted with the audited financial statements and Independent CPA's report are listed on the following page.

The date for submission of the completed audit is June 30, 2025. If you have questions, please contact me by email, jparrossa@dioceserg.org or by phone in the Diocesan Office at 505-881-0636.

I welcome your comments as to any changes in procedures that you would suggest.

Sincerely,

JP+

The Rev. Canon JP Arrossa
Canon for Liturgy, Finance, & Administration

318 SILVER AVE. SW • ALBUQUERQUE, NM • 87102 • 505.881.0636

**CHECK LIST OF REQUIRED DOCUMENTS FOR SUBMISSION
BY VESTRIES USING AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT (CPA)
TO CONDUCT AN ANNUAL AUDIT**

- ☐ Complete Independent CPA's Report, including Auditor's Management Representation Letter with Audited Financial Statements
- ☐ Approved Budget and Supporting Vestry Minutes, that include approval date.
- ☐ Approved Clergy Housing Allowance Resolution and Supporting Vestry Minutes. Both signed and dated. (if applicable)
- ☐ Revised Bylaws (if changed from prior year)
- ☐ December Pension and Medical Insurance Statement(s) (if applicable)
- ☐ Facility-Use Agreement(s) and Insurance Certificate(s) (if applicable)
- ☐ Accounts Receivable and Accounts Payable Procedures
- ☐ Payroll/Benefits Procedures

Mail a copy of all of the above by June 30, 2025, to:

**Episcopal Diocese of the Rio Grande
318 Silver Ave. SW
Albuquerque, NM 87102
ATTN: Rev. Canon JP Arrossa**