

Conducting Year-End Audit of Chapter Finances and Activities

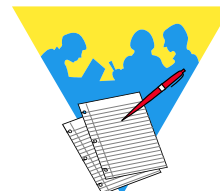
Step-by-step guide for those auditing chapter records

Getting Started

A two-part audit will need to be conducted - a **financial audit** and a **performance audit**.

Note: Chapters involved in fund-raising activities for Thrivent Builds have an additional Thrivent Builds checking account.

Ask the chapter leadership board for the following documents:



- Chapter meeting notes.
- Monthly bank statements*.
- Checkbook ledger(s) and duplicate check register(s)*.
- Copies of, or access to, the list of Care Abounds in Communities® and Thrivent Builds activities reported online.
- Detailed report of operating funds expenses.
- Receipts for operating funds expenditures.
- Report for Funding Activity Results (20885G) and receipts for each 2011 Care Abounds in Communities® activity.
- Chapter Expense Reimbursement Requests (24509) and receipts for all disbursements for chapter leaders.
- Thrivent Builds Homes Fund-raising Activities Results form (24128) and receipts for each 2011 Thrivent Builds activity (if applicable).
- Year-end Chapter Summary Report (CSR).
- Explanation of Chapter Summary Report* quick reference guide (go to www.thrivent.com > Thrivent Community > Chapters > Volunteer Leader Resources > For Chapter Leaders > Financial Resources tab under Resources for All Chapter Leaders).

*From chapter checking account and Thrivent Builds checking account (if applicable).

Tip: *Because all activity reporting is done online, it's a good idea to have a few chapter leaders available during the audit to answer questions and provide access to online records, if needed.*

Conducting the Financial Audit

Step 1 - Income

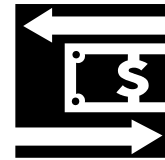
- Verify that the deposits the chapter received from Thrivent Financial appear on the checking account bank statement.

Step 1 – Income (*continued*)

- Conduct a random check of some of the deposits made by the chapter into their chapter checking account. *Note: Time may not permit this for every chapter activity. Review enough deposits until you feel comfortable with the chapter's reporting.*
 - Verify that the deposit made for an activity matches the amount the chapter reported online (e.g., the chapter reported that \$500 was raised for an activity, therefore there should be a \$500 deposit into the chapter checking account for that activity).
 - If the amount reported differs from the deposit amount, verify that there is a "Letter of Acknowledgement" from the co-hosting organization that verifies the amount reported was raised and explains where the raised funds were deposited.
- If applicable, verify that the deposits made into the chapter Thrivent Builds account for activities matches the amount reported online.

Step 2 - Disbursements

- Review the duplicate checks in the checkbook(s) and verify that all are intact and legible, with no duplicates missing.
- Trace each disbursement or withdrawal to a bill, receipt or reference in the chapter meeting minutes of the chapter leadership board that authorizes the disbursement. Each operating funds disbursement should be included on the detail report of operating funds expenses. *Note: All checks written to reimburse expenses should have an accompanying receipt. Reimbursements for mileage should include:*
 - *Dates of travel.*
 - *Purpose of travel, including beginning and ending destinations.*
 - *Beginning and ending mileage.*
- Verify that a check has been written for each Care Abounds in Communities® activity.
- If the chapter was involved in Thrivent Builds, verify that all funds deposited into the chapter Thrivent Builds checking account have been issued to the local Habitat affiliate. If a balance exists in this account, verify with the chapter leaders if additional funds should be paid to the affiliate or if the balance is being held for a 2012 Thrivent Builds Homes project.
- Verify that a logical relationship exists between the payee and the service used or contribution made. *Examples: Joe Jones, chapter president, is being reimbursed \$10 for postage charges he incurred for a small mailing to other leadership board members (logical); a check is issued to a local restaurant for dinner for a leadership board meeting on a date for which meeting minutes exist (logical); a check is issued to a local store for 'supplies' for \$100 with no corresponding receipt and no mention in meeting minutes that this expense was approved (will require clarification from the leadership board).*



Step 3 - Ending Balances

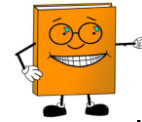
- Verify that the checkbook(s) ending balance matches the balance on the December 31 bank statement for the account. *Note: Allow for any discrepancy that is a result of a check that was written, but had not cleared by year-end.*



Step 4 - Chapter Summary Report (CSR)

This report is not meant to balance. A summary of the activities reported online that contribute to each line total on the report is attached to the Chapter Summary Report (CSR). *Note: Use the "Explanation of Chapter Summary Report" quick reference guide (see page 1 of this guide) for additional help.*

- Compare the CSR with what was reported online for a randomly selected group of activities. Have all meetings been reported online? Have all activities had their final results recorded online so they are appearing on the CSR? Have all operating funds expenditures been reported online? *Note: It may be easier to review this report with a few of the chapter leaders to determine if there are any concerns or discrepancies.*
- After the audit has been completed, the Audit Committee chairperson/auditor must sign the CSR and Chapter Summary Report, Group 990 Tax Return and Group Exemption Authorization Confirmation (on the CSR).
- Give the signed Authorization page to a chapter leader for his/her signature and submission. *Note: The chapter leader is responsible for signing and sending the Verification page to the Operations Center in Appleton, WI, by February 28.*



For more information on the chapter year-end audit, see CHIP at www.thrivent.com > **Thrivent Community** > **Chapters** and search on 'chapter audit'.



Important: If, during the course of the audit, you have questions about anything you are reviewing, contact the chapter leadership to discuss. If you need further direction after speaking with chapter leaders, contact the Member Connections Center at **800-847-4836**, and say **'fraternal'**.

Conducting the Performance Audit

- Verify that all chapter activities, including member socials and educationals supported with operating funds, as well as chapter meetings were reported online.
- Verify that meetings were documented and that each chapter meeting includes a report from the financial director.
- Review chapter meeting minutes to ensure that there is documentation of the chapter leadership board voting-on and approving the Care Abounds in Communities® activities reported online. The meeting minutes should clearly reflect which activities were approved and denied.
- Review chapter meeting minutes to ensure there is documentation that new members were admitted to the chapter.

Congratulations!

You have successfully completed the chapter year-end audit.

The Member Connections Center staff is available to answer your chapter-related questions.

- To speak with a staff person, **call 1-800-847-4836**, say **'fraternal'**, between the hours of 7 a.m. and 6 p.m. Monday through Friday. Or, leave a message any time of day.
- Send an e-mail to fraternal@thrivent.com.