



# Application Document Checklist for Ministries

- Completed and signed ECFA application form
- Articles of incorporation (signed and dated by the appropriate corporate officer, such as the corporate secretary), if available.
- Bylaws (signed and dated by the appropriate corporate officer, such as the corporate secretary)
- Mission or purpose statement
- Statement of Faith
- Financial statements for the most recent 12-month fiscal period (*See Table Below*)
- Management or comment letter from the independent CPA relating to the most recent accounting period, if a letter was received.
- Most recent IRS Form 990 or Form 990-PF, including all schedules and attachments, except Schedule B
- Most recent annual report (if such a report was prepared) and brochures/pamphlets prepared by the church and distributed to constituents.
- Three most recent stewardship appeals sent to donors
- Sample donor agreements and sample materials provided to prospective DAF donors (if your organization hosts a donor-advised fund)
- Conflict of Interest policy (if your organization has adopted one)

TOTAL ANNUAL REVENUE	CPA ENGAGEMENT
<b>\$3M or more</b>	External audit of financial statements (GAAP/GAAS)
<b>\$2M to \$3M</b>	External review of financial statements prepared on either the accrual or modified-cash basis of accounting
<b>\$2M or less</b>	Compiled financial statements prepared on either the accrual or modified-cash basis of accounting

## Definitions

An **audit** is a formal examination of financial statements intended to assess the accuracy and thoroughness of financial records. An independent CPA performs this procedure on a set of financial statements in order to render an opinion based on the accounting records provided. An audit is more expensive than a review or compilation because an opinion on the accuracy of financial statements requires significantly more work than that involved in either a review or a compilation.

In a **review**, limited procedures are performed as a basis for expressing limited assurance on financial statements. Although not as comprehensive as an audit, a review provides more assurance than a compilation. A review report states that: 1) the accountants do not express an opinion on the financial statements and, 2) based on their review, they are not aware of any material modifications that should be made to the financial statements. A review is less expensive than an audit but more expensive than a compilation.

A **compilation** is the gathering of financial information and the creation of financial statements for an organization. A compilation involves no assurance on the financial statements, as the accountant simply assembles the financial statements for the organization. A compilation is less expensive than a review (or an audit).