Archdiocese of Saint Paul and Minneapolis Policy

I. Purpose

To define the requirements for Parishes as it relates to the Annual Representation Letter.

II. Definitions

“Agreed Upon Procedure (AUP)” means a review of administrative and financial operational controls as outlined by the Archdiocese of St. Paul and Minneapolis.

“Annual Representation Letter” means a written letter signed by the Pastor, Parish Finance Council members, and Trustees confirming that the Parish Finance Council has been informed and consulted regarding specific matters of finance throughout the most currently completed and current fiscal years.

“Archdiocese” means that certain corporate entity formed, maintained and existing under Minnesota Section 315.16 with Minnesota Business Name: “The Archdiocese of St. Paul and Minneapolis”.

“Audit” means an objective examination of an entity's accounting records, as well as the physical inspection of its assets. If performed by a certified public accountant (CPA), the CPA can express an opinion on the fairness of the entity's financial statements. This opinion is then issued along with the financial statements to the investment, banking or other financial community IF REQUIRED.

“Parish” means a parish within the Archdiocese Territory that is Archdiocese-recognized as Catholic.

“Parish Finance Council” means the canonical consultative body established in a Parish in accordance with canon 537 of the 1983 Code of Canon Law and the policy of the Archdiocese, which provides consultation to the pastor from a cross-section of parishioners to share their thoughts and insights in service to the mission of a specific Parish.

“Pastor” means a Parish pastor or a parochial administrator, as the case may be.

“Review” means a financial statement review and is a service under which the accountant obtains limited assurance that there are no material modifications that need to be made to an entity’s financial statements for them to be in conformity with the applicable financial reporting framework (such as GAAP). A review does not require the accountant to obtain an understanding of internal control, or to assess fraud risk, or other types of audit procedures. Consequently, a review does not provide the accountant with assurance.
that they have become aware of all the significant matters that would normally have been discovered and disclosed in an audit.

"Trustees" means the two lay members of the parish appointed to serve as members and officers of the Parish corporation by the Archbishop, the Vicar General and the pastor or a majority of them.

**III. Policy**

Each Parish is required to submit an Annual Representation Letter to the Archbishop within 120 days after the end of the fiscal year in the general format of the attached template.

A. The Annual Representation Letter must include:

1) A statement that the financial statements (statement of activities, statement of financial position, and cash flow statement) of the Parish for the most recently completed fiscal year were made available to parishioners, the specific date it was made available, and the manner in which it was made available.

2) A statement that the annual budget of the current fiscal year was made available to parishioners, the specific date it was made available, and the manner in which it was made available.

3) A statement that the Parish Finance Council regularly reviewed and discussed the budget and periodic financial statements.

4) A listing of the dates on which the Parish Finance Council has met during the preceding fiscal year and since the end of the fiscal year.

5) A statement that a 3-year cash flow projection was presented to the Parish Finance Council during the most recently completed fiscal year.

6) The names and professional titles of the members of the Parish Finance Council.

B. If during the most recently completed fiscal year the Parish had an AUP, Audit, or Review completed, the Annual Representation Letter must include a statement that the report was presented, reviewed, and discussed by the Parish Finance Council at one of its meetings. Attendance of the Pastor, Trustees, and Parish business administrator (or equivalent position) at such meeting is required and the date of such meeting must be disclosed in the Annual Representation Letter.