**ENGAGEMENT LETTER**

**\*THIS IS FOR GUIDANCE ONLY**

Date

Sample Church

Main Street

Anytown, VA 23456

Dear Church Treasurer:

We are pleased to confirm our understanding of the nature and limitations of the services we are to provide for Sample Church (“Church”) located in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

We will apply the agreed-upon procedures which the Episcopal Diocese of Virginia (“Diocese”) has specified, listed in the attached Exhibit A, to the Church financial report (“report”) of the Church as of December 31, 2009. This engagement is solely to assist the Diocese in monitoring the financial condition of the Church in accordance with the Canonical requirements of the Episcopal Church. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Diocese. Consequently, we make no representation regarding the sufficiency of the procedures described in Exhibit A either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report or will not issue a report as a result of this engagement.

Because the agreed-upon procedures listed in Exhibit A do not constitute an audit as defined under Generally Accepted Accounting Principles, we will not express an opinion on the Church financial report or any elements, accounts, or items thereof. In addition, we have no obligation to perform any procedures beyond those listed in Exhibit A.

We will submit a report listing the procedures performed and our findings. This report is intended solely for the use of the Diocese and the Church, and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures under Generally Accepted Accounting Principles, other matters might have come to our attention that would have been reported to you.

You are responsible for the presentation of the Church financial report in accordance with the 20XX Church Financial Reporting Requirements; and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are also responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, and/or experience to oversee the services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

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| We plan to begin our procedures on approximately |  | |  | and, unless unforeseeable problems are |
| encountered, the engagement should be completed by | |  |  | . At the conclusion of our engagement, |

we will require a representation letter from the vestry (or vestry committee) that, among other things, will confirm the Church management’s responsibility for the presentation of the AUP Church Financial Report.