

**Board of General Ministries  
American Baptist Churches in the USA  
Valley Forge, Pennsylvania**

In planning and performing our audit of the financial statements of American Baptist Churches in the USA (“ABCUSA”) as of and for the year ended December 31, 2017 in accordance with auditing standards generally accepted in the United States of America, we considered ABCUSA’s control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of ABCUSA’s internal control. Accordingly, we do not express an opinion on the effectiveness of the ABCUSA’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. Given these limitation, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified. We did identify the following deficiencies in internal control.

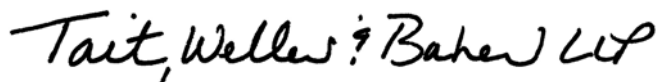
**Payroll Reconciliation**

During the audit, our reconciliation of the payroll expense to ADPs payroll summary reports disclosed that payroll which is subsequently being billed to the travel and transition departments is being recorded twice. First, it is recorded from the ADP payroll summary reports and also when the travel and transition departments are being billed for their share of payroll with an offset to income. We recommend that the amount billed to the internal departments be credited either directly to the payroll expense account or a payroll expense contra account so that total payroll expense agree with the underlying payroll records. In addition, we recommend payroll related accounts be reconciled to underlying ADP payroll documents on a regular basis. Effective in 2018, ABCUSA is only recording payroll expenses when the payroll is paid.

**Check Register Control Log**

Checks are entered into the accounts payable system, by the Accounting Specialist and are approved and posted by either the Accounting Manager or Senior Accountant before they can be processed. Checks have pre-printed signatures of the CFO and Senior Accountant. Since the Senior Accountant can also post transactions, we recommend that the use of a check register control log be implemented, which will allow an authorized signor, the CFO, who does not post transactions, to verify the check sequence and account for all checks issued. The use of a check log will further strengthen internal control over cash disbursements.

This communication is intended solely for the information and use of management, the Audit Committee, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.



**TAIT, WELLER & BAKER LLP**