James L. Ulvog, CPA

Services available

Ulvog CPA focuses on serving the religious non-profit community. Services offered are described below. Many of the services you would see at a small CPA firm are not available, such as personal or corporate tax return preparation, bookkeeping services, or payroll processing.

When looking at financial statements, there are three different levels of services you could obtain from a certified public accountant. These are referred to as compilation, review, and audit. Each is described below briefly, with a longer explanation on the next page of this web site.

There is a common base for presenting financial statements, regardless of which level of service is used. This is a large body of rules that describe what information should be included in financial statements and the format for the information. This body of knowledge is called generally accepted accounting principles, or GAAP. Imperfect in implementation though it may be, the concept is that similar transactions will be recorded by all organizations in the same way. In addition, financial statements of similar organizations will actually look similar.

Audit

A financial audit is performed in accordance with generally accepted auditing standards. An audit provides financial statements and an auditor's report.

The goal of an audit is to provide reasonable, but not absolute, assurance that financial statements are fairly presented in accordance with GAAP. Banks and other lenders are usually looking for a set of audit financial statements as a condition of the loan.

Single Audit

A Single Audit is also called an A-133 audit (named for the OMB circular governing this service), or Yellow Book audit (which is the relevant GAO pronouncement covering such audits). This is a specialized audit obtained by an organization that has received federal funding.

If your organization just crossed the $500,000 threshold, you will need to get a single audit. If you have just received your first large grant, you need to learn about this area quickly. If you are in either of those situations, or it is time to get a bid for your next single audit, please contact my firm. I would like to talk with you.

Review

A review provides a set of financial statements and an accountant's report, which offers less assurance about the financial statements than an audit.

The goal of a review is to provide limited assurance that financial statements do not have any known errors or departures from the accounting rules found in GAAP.

Compilation

Financial statements are the deliverable in a compilation, but the accountant's report provides minimal assurance on any of the contents.

The goal of a compilation is to take information that is on the general ledger and accumulate it into financial statements in the same format that would come out of a review or audit. The format may look the same, but the accountant performs much less work in a compilation than in a review or audit.

A compilation involves the lowest amount of work. As a result, the cost will be far lower than for a review or audit.

Information tax returns

My firm offers preparation of federal and state information tax returns for nonprofit organizations.

Nonprofit organizations do not pay income tax. However, most organizations do have to file an information tax return (IRS Form 990) with the IRS. Most California-based NPOs also have to file an information return with the state (Form 199). Many nonprofits also have a filing requirement with the state Department of Justice (RRF-1). The federal forms are now readily available online. These filings need to be prepared carefully and accurately because donors can easily get to them with a few mouse clicks at a website called Guidestar.

Revised 990 forms have been in place for a while now. For more information see the "background on new 990" tab.

Diagnostic checkup

A Diagnostic Checkup provides an organization with extensive feedback for improvements to internal operations.

After a time of substantial growth in a nonprofit, the size and complexity of the organization surges past the systems and processes that were put in place over the years. There are usually opportunities to "step up" procedures. Establishing a sound foundation of internal controls and good processes also creates a better infrastructure to support future growth.

A Diagnostic Checkup consists of a series of interviews addressing several different functional areas. There are also observations of documents and files. The extent of this analysis is much deeper than provided by an audit. The deliverable report at the end of the project is a long list of recommendations and suggestions to improve operations.

A typical Diagnostic Checkup would address the following areas to assess the level of procedures in place inside the ministry:

- Internal controls--especially focusing on contribution processing, disbursements processes, and appropriate segregation of duties.
- Internal financial management and reporting to management and the board.
- Corporate governance.
- Tax compliance.

- Information technology--including issues such as backup procedures, appropriate IT polices, and appropriate use of firewalls, anti-virus software, Internet screening and disaster recovery.
- Human resources management.

Other consulting projects

These include other special projects that bring value to an organization's operations.

There are many different types of projects that an experienced financial professional could provide that would bring value to an organization. My many years of experience serving a wide variety of NPOs allow me to assist in many different projects.

Please feel free to contact me to discuss the needs of your organization.