

**South Carolina Perpetual Cemetery Board Instructions to licensed Certified  
Public Accountants and Public Accountants performing Agreed Upon Procedures  
for Cemeteries**

As of the effective date of these requirements, March 3, 2016 arrangements should be made with either a licensed public accountant or a licensed certified public accountant permitted under the Accountancy law to issue reports on financial information, to perform and report thereon, an agreed-upon procedures engagement on the Perpetual Care Trust Fund and the Merchandise Account, if pre-need merchandise sales are conducted. The following procedures will be performed on the Annual Report for each of the years ended December 2013, 2014, and 2015. These reports are due June 30, 2016.

1. Using the Annual Reports filed with the Perpetual Care Cemetery Board (the "LLR report") as the starting point, perform the following:

a. Trace the beginning balance on the LLR report to the ending balance of the prior years LLR report and report the results as a finding. If there is a discrepancy, obtain an explanation from management and report the difference and the explanation as findings. Trace the beginning balance on the LLR report to the balance at the corresponding date in the Bank Trust/account statement. If there is a discrepancy, obtain an explanation from management and report the difference and the explanation as findings. The beginning balance of the LLR report should equal or be reconcilable to the Bank Trust/account statement balance.

b. Trace increases in the LLR report to the Bank Trust/account by reference to sales reported in the contract book. Total and report as a finding all sales which do not result in a deposit to the LLR report and /or the Bank Trust/account. Trace sales activity in the contract book expected to result in a deposit in the Bank Trust/account statement to Bank Trust/account. If there is a discrepancy, obtain an explanation from management and report the difference and the explanation as findings. All sale activity per the contract book should be reported in or should be reconcilable to the activity in the Bank Trust/account statement.

c. Trace other increases for interest/investment income reported on the LLR report to the Bank Trust/account statement.

c.-1 For investment income in the merchandise account, inquire if IRS form 1099 INT was sent to the persons contracting for pre-need merchandise and making a deposit with the cemetery. Report as a finding whether the cemetery is or is not reporting investment income on Form 1099 INT.

d. Trace decreases per the LLR report to decreases in the Bank Trust/account and vice versa. Report any decreases in the Bank Trust/account statement not reflected on the LLR report and vice versa.

d.-1. Decreases to the Trust account should be related to administration fees charged by the Trustee and care and maintenance expenses for the benefit of the cemetery. Obtain an explanation from management for decreases to the Trust account that are not a Trustee administration fee or a care and maintenance expense of the cemetery and report as a finding.

d.-2. Decreases to the Merchandise account should be related to the delivery of goods. Obtain an explanation from management for decreases in the merchandise account that do not represent the delivery of goods.

e. Trace any other decreases reported in the LLR report to the Bank Trust/account and vice versa. Report as a finding any discrepancies between the LLR report and the Bank Trust/account.

f. Trace the ending balance per the LLR report to the balance of the Bank trust/account at the corresponding date. If the two are different, report as a finding.

g. Summarize the differences found in the above steps.