

**U.S. Coast Guard Auxiliary
Fifth Coast Guard District (NR)**

FINANCIAL POLICY GUIDANCE

The Auxiliary Manual at Section N. Finances in its introduction states:

"The Commandant considers financial management to be necessary to establish certain guidelines to avoid the chance of embarrassment to either the Auxiliary or the Coast Guard. The Coast Guard has a responsibility to ensure proper financial procedures and accountability are observed at each level for all monies received. This accounting includes monies received from such sources as dues, public education courses, and gifts. Expenditure of such funds shall only be in support of authorized Auxiliary activities."

It should be noted that all information contained in this Guidance is available in the various publications, etc. with which the Commander and Finance Officer should become familiar.

The random audit of unit funds disclosed a general lack of organization in the maintenance of unit financial records. The following guidance is provided to assist all Unit Commanders and Finance Officers to properly account for and safeguard unit funds.

1. In order to preserve the integrity of objective oversight and accountability for unit finances and avoid potential perceptions or accusations of impropriety, units shall avoid situations where family members will audit, oversee, or co-sign financial activities within the unit.
2. A checking account shall be established in the name of the unit at a federally insured bank or credit union using the Federal Identification Number (FIN) of 51-1500576. It is recommended that the account require 2 signatures from among the following officers: the Commander, the Vice Commander, and the Finance Officer.
3. Savings accounts or Certificates of Deposit should be established as applicable based on the total funds held by the unit. The same FIN identified above is to be used.
4. Bank statements and Certificate of Deposit notices and statements should be mailed by the bank to the unit Commander who will review them and forward them to the Finance Officer for reconciliation to the books of account.
5. The unit Commander will appoint a budget committee as early as practical. This committee shall prepare a budget to be submitted to the unit membership for approval at their February meeting.
6. The Finance Officer will maintain a written record of all unit financial transactions on a cumulative basis. This record may be computerized or manually kept. A form for such a record is available on the District Finance Officer's web page on the District web site.

7. A separate accounting should be maintained for Public Education Funds received by the unit. This is simply a record of funds received and disbursed and need not be a separate bank account. This is to assure that public education funds are properly used as required by the AUXMAN.

8. The bank and savings statements must be reconciled by the finance Officer when received from the unit commander. These reconciliations must agree with the balance shown on the cumulative financial record maintained. A copy of the reconciled bank statement will be attached to the monthly financial report presented at the unit meeting. The Flotilla Staff Officer - Finance will submit a copy of the monthly report to the Division Staff Officer - Finance.

9. The cumulative accounting report shall be presented at every monthly meeting of the members and shall be attached to the minutes of the unit meeting. At least quarterly, the cumulative receipts and disbursements should be compared to the unit budget and presented to the unit.

10. All receipts shall be deposited in the bank account on a timely basis (usually within 3 days of receipt).

11. All disbursements shall be made by check based on a check request form approved by the Unit Commander or in his absence, the Vice Commander. Use of debit cards is prohibited. Standing Rules for both the Division (Article 8.10) and Flotilla (Article 8.11) require that all disbursements be made by check.

12. The "*Financial Report of an Auxiliary Unit*" (form ANSC 7025) shall be prepared by the unit finance officer as quickly as possible after December 31 of each year after having reconciled the bank account to the record of financial transactions of the unit.

13. An audit committee shall be appointed in December of each year by the unit commander. This committee must consist of at least two (2) members of the unit who have no connection with the finances of the unit. The audit committee shall use the audit program included in the "*Audit Committee Guide*. When the committee has completed their review of the records and the financial report, the chairperson will sign the report and forward it to the unit commander who will review the report and sign it and forward it pursuant to established guidelines and timetable (Flotilla Commander to Division Commander by January 31; Division Commander to District Finance Officer - Finance by February 20).

14. The audit committee will prepare a written report consistent with the sample reports contained in the "*Audit Committee Guide*" on their findings and report to the membership at the next unit meeting following the completion of the review.

15. The following separate files shall be maintained by the unit finance officer:

- a. Bank Statements
- b. Receipts (*explanation with deposit ticket*)
- c. Disbursements (*check request forms with invoice*)
- d. Record of unit financial transactions
- e. Form ANSC-7025

The maintenance of these files, while consuming little space, assures that the records are maintained in a consistent and orderly manner.