

U. S. COAST GUARD AUXILIARY  
Fifth Coast Guard District – Northern Region

**UNIT FINANCES**

FINANCE OFFICER'S GUIDE  
AND  
STANDARD OPERATING PROCEDURES

## UNIT FINANCES

**References:** Coast Guard Auxiliary Manual, COMDTINST M16790.1(series)  
Auxiliary Division Procedures Guide, COMDTPUB P16791.3  
Auxiliary Flotilla Procedures Guide, COMDTPUB P16791.5  
Fifth District Northern Region Auxiliary Policy Manual,  
D5NRINST M16790.1C

**Note:** It should be noted that this paper is intended to supplement and in some cases explain the unit finance policies and procedures found in the above references and is in no way intended to supercede any such information contained in the reference manuals or documents.

### Introduction and Discussion

It is incumbent that all staff officers familiarize themselves with the appropriate portions of the above references to assure compliance with the responsibilities of their office.

Unit finances applicable to the District, Division and the Flotillas range in complexity and needs from somewhat complex to relatively simple. By the same token, they all have similarities.

As expected, the District finances are the most complex, which in today's environment requires an adequate computer accounting package which provides an audit trail as well as the capability to generate financial records and financial statements for distribution to the District Board in a timely manner.

Certainly the accounting could be done manually as what was done prior to the introduction of reasonably priced accounting packages. It is, however, not feasible in terms of time and effort involved. This paper will concentrate primarily on unit finances for Divisions and Flotillas although most of the points presented are applicable to all auxiliary units.

In every case, the key is to **KEEP IT SIMPLE!**

A unit may choose to use a computer accounting package. That is perfectly acceptable. The only criterion is that it must leave a hard copy audit trail for the verification of all transactions.

Divisions and Flotillas usually do not have a large number or very complex transactions yet many finance officers tend to try to maintain far too complex methods of accounting. It is strongly recommended that the appointed Finance Officer have a computer although the forms designed to assist the units in their accounting can be completed manually.

The advantage to utilizing a computer is that all totals can be generated automatically and without errors eliminating the tedious task of re-adding columns to insure that the reports are balanced and accurate.

Whether a manual system, a computer accounting package or a computer spreadsheet program is used is irrelevant. The end result is the ability to easily and timely generate a complete yet simple and timely report for presentation to the unit Board and/or its members and prepare the annual Financial Report of an Auxiliary Unit.

## **BUDGETING**

Proper fiscal and financial responsibility suggests that a budget be prepared annually in advance of the new year and approved by the unit Board and/or members. Unit Standing Rules may require that a budget be prepared.

The budget provides the unit with the ability to plan the financing of its activities and programs for the year.

Information and a form relative to preparation of a unit budget are provided in the reference publications.

## **ACCOUNTING**

All units must maintain an accounting system that will provide a complete written record of all transactions made by the unit.

The form, Record of Receipts and Disbursements, Form 5NR FIN-1 contained in the Fifth District Northern Region Policy Manual has been developed to assist the units to comply with this requirement and can be utilized as a manual, hand-written form or as computer generated spreadsheet record of transactions. The format was adopted to permit the totals generated to be transferred directly to the Financial Report of an Auxiliary Unit (ANSC-7025).

The form can also be used as the monthly finance report to the unit.

To assure evidence of the requisite approval of all expenditures made by the unit, a Check Request Form (5NR FIN-2A) for Division and Flotilla expenditures and Check Request Form (5NR FIN-2B) for requesting reimbursement from the District have been provided. These forms are also found in the Fifth District Northern Region Policy Manual.

## **FINANCIAL REPORTING**

All units are required to annually prepare and submit a Financial Report of an Auxiliary Unit (ANSC-7025). Information for the submission of this report is found in the Auxiliary Manual and is presented here as a convenience to the Finance Officers.

Auxiliary Manual, Chapter 5, Section N.1:

“DCPs (DCDRs) and FCs of every unit receiving and disbursing funds in the unit’s name must submit to the Director an annual financial report on the form entitled Financial Report of an Auxiliary Unit (ANSC 7025 / CG-4750-1). No other form is authorized for this purpose. Funds are defined as monies received or disbursed as dues, course registrations fees, sale of publications, etc. FCs are responsible for forwarding copies of the report to the DCP (DCDR) on or before 31 January. The DCP (DCDR) will review the reports and forward them, together with the Division report to the DCO on or before 20 February. The DCO, or their designates (such as DSO-FN) will review the reports and forward them to the Director on or before 1 March. Any irregularities revealed by the financial report shall be reported to the DCO and Director. If an Auxiliary unit fails to comply with these procedures, the DCO may authorize an audit. The DCO, after an audit review, may recommend other action deemed appropriate. In addition, corporate entities must follow all other State or Federal financial reporting requirements.”

It should be noted that in the Fifth Northern District, the District Commodore has designated the District Staff Officer – Finance (DSO-FN) to receive the reports for review, comment and submission to the Director.

***The annual financial report should be submitted with appropriate explanations for any unusual items or for multiple separate items reported as one total on the report.***

### **AUDITING OF FINANCIAL REPORTS**

Unit standing rules may require that the funds of the unit be audited by an audit committee appointed by the unit commander (DCO, DCDRs and FCs). It is good practice to have the records audited annually whether or not required by the Standing Rules.

Again, while the complexity of the records will dictate, an audit should be done in an organized manner.

An Audit Committee Guide (5NR FIN-3), found in the Fifth Northern Policy Manual, has been created to assist the audit committee.

Remember that this is a guide and must be adapted to the particular situation.

***All finance officers must be cognizant of the fact that the fixed financial reporting timetable identified above must take into consideration any audit requirements of the unit.***