

Unit Finances –

Elected Officers' Training 2010

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The Role of FN is to support Elected Officers, Boards & the FN chain.

FN Responsibilities:

- ⇒ Prepare Financial Report of Auxiliary Unit/Inventory Report (Form 7025) by 31 January. Due to Stephen Chan, ADSO-FN/F. Delinquent 1 March.
- ⇒ Prepare a budget
- ⇒ File new signature cards with the bank with each change of unit leader (FC, DCDR, etc) and/or FN officers
- ⇒ Keep complete and accurate records of all transactions
- ⇒ Keep complete records of all unit assets
- ⇒ Pay approved bills....must have ORIGINAL receipts
- ⇒ Collect and pay dues
- ⇒ Report monthly/quarterly financial status according to District/Division/Flotilla policy
- ⇒ Manage the cash flow
- ⇒ Optimize income opportunities

Why do a Budget?

- Auxiliary unit funds may only be spent or committed by vote of the voting members – unless otherwise stated in the Standing Rules.
- The Annual Budget, once approved by vote of membership, allows compliance with the Auxiliary Manual.
- Without an approved budget, each expenditure requires a vote.
- District officers have approved budgets, but expenditures must fall within guidelines.

Preparing a Budget

- Ask members to submit their budgets
- Project next years income and expenses based on past experience
- Review the budget with Budget Committee or general membership - item by item
- Discuss and adjust
- Vote
- Sample Flotilla Budget -----

Typical Budget

United States Coast Guard Auxiliary

Flotilla

approved
1/10/01

	1998	1999	2000	2001
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
INCOME/EXPENSE				
INCOME				
Course Matl Fee				
ACN	621	630	420	360 6@\$60
BSC	45	130	300	0 0@\$30
BS&S	1,285	800	760	1,200 30@\$40
Total Course Fees	<u>1,951</u>	<u>1,560</u>	<u>1,480</u>	<u>1,560</u>
Dues Income:				
Annual Dues Income	735	700	765	1,035 23@\$45 (current+3)
New Member Dues Income	26	26	26	26
Total Dues Income	<u>761</u>	<u>726</u>	<u>791</u>	<u>1,061</u>
Interest Income	44	35	77	35 based on '99
Miscellaneous	0	0	5	0
TOTAL INCOME	<u>2,756</u>	<u>2,321</u>	<u>2,353</u>	<u>2,656</u>
EXPENSES				
AIM Donation	100	100	100	100
Awards & Gifts	126	112	128	130
Class Supplies				
Materials	1,386	849	833	1,178 100+10@27.10+0@6.60+40@12.50+x
PE Brochures	43	45	31	85
Refreshments	185	175	243	275
Kids & Water	0	0	0	25
Total Class Expense	<u>1,614</u>	<u>1,069</u>	<u>1,107</u>	<u>1,563</u>
COW	150	122	115	150
Dues Expense	498	457	452	436 20 @ \$21+\$16
FC Expense	115	81	100	100
FSO Expense				
VFC	19	0	0	25
MA	0	0	0	0
PE	0	0	0	50
PB	39	80	16	100
Social	176	215	101	300 includes Div social
(Over)Short	0	0	0	0
Miscellaneous	39	50	0	50
TOTAL EXPENSES	<u>2,876</u>	<u>2,286</u>	<u>2,119</u>	<u>3,004</u>
TOTAL INCOME/EXPENSE	<u>(120)</u>	<u>35</u>	<u>234</u>	<u>(348)</u>

date, title



On what can we
spend our
funds?

See Arix Manual Chapter 5 N 3

Collection of Dues (FSO-FN/FC)

- ⌘ Issue a letter requesting payment of dues . (This should be done in July.) Keep a copy for your files.
- ⌘ After 30 days issue a second request on Form ANSC 7035 (10-04) to those members who have not paid. (Hint – This form can be signed and dated in advance for members who have not paid in event that a second notice need be sent.) Keep copies.
- ⌘ Attempt to reach those members who have not responded. Keep notes!
- ⌘ After 60 days, begin disenrollment process for non-payment of dues. Form ANSC 7035 (10-04), with copies of all dues correspondence (including handwritten notes) attached, must be completed and submitted to the DSO-PS by 1 October.
- ⌘ If disenrollment forms are not submitted (by the DSO-PS) to DIRAUX by 1 November, dues will be payable by the Flotilla ~~even~~ if not collected.

Form 7035

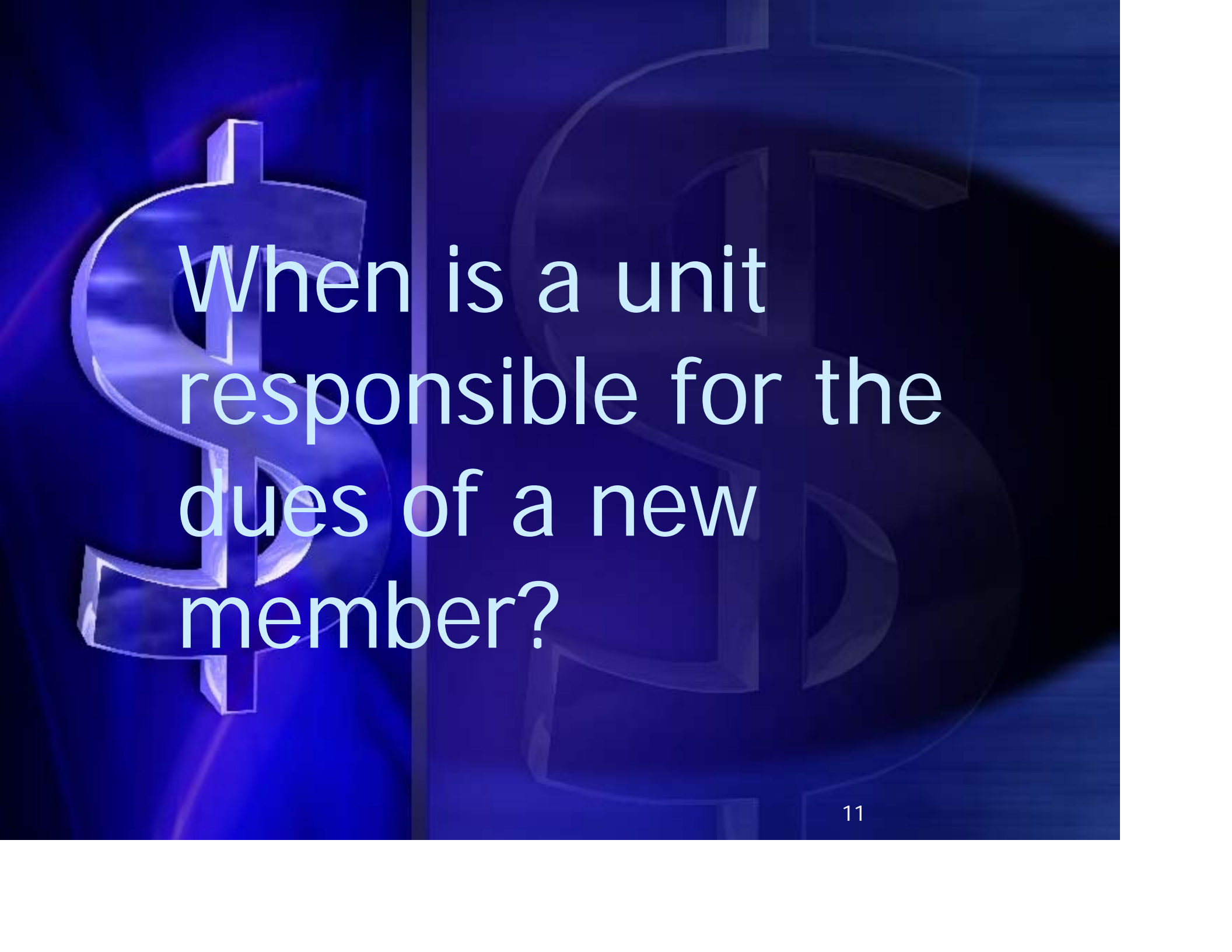


DEPARTMENT OF HOMELAND SECURITY U.S. COAST GUARD ANSC 7035 (10-04)	U. S. COAST GUARD AUXILIARY CHANGE OF MEMBERSHIP STATUS
SECTION I - To be completed by Flotilla Commander	
To: LAST NAME _____ FIRST NAME AND MIDDLE INITIAL _____ MEMBER NUMBER _____	
As provided in the Auxiliary Manual, COMDTINST 16790.1 (Series), you will be recommended for disenrollment from the Auxiliary for non-payment of Financial Obligations for or since the year _____ amounting to \$ _____, unless the full amount is received by your Flotilla Commander within thirty (30) days from the date of this notice. You will not be eligible to remain a member of this flotilla, transfer to another flotilla or seek Retired Member status, until your financial obligations are met.	
_____	_____
Flotilla Commander	Date of Notice
SECTION II - To be completed by Member	
To: FLOTILLA _____ Date: _____	
<input type="checkbox"/> An amount to pay my Financial Obligation is enclosed. I want to remain in Flotilla _____.	
<input type="checkbox"/> I desire Retired Member status. My date of enrollment is _____.	
<input type="checkbox"/> I desire to transfer to Flotilla _____ in this district. (Complete MEMBER TRANSFER REQUEST, ANSC 7056, and attach to this form.)	
<input type="checkbox"/> I desire to disenroll. * My reason is: _____	
<input type="checkbox"/> * My membership card is enclosed. Member signature _____	
SECTION III - To be completed by Flotilla Commander	
To: DSO-PS _____	
<input type="checkbox"/> Recommend disenrollment effective _____	
<input type="checkbox"/> for Non-payment of Financial Obligations. <input type="checkbox"/> at Member's Request.	
<input type="checkbox"/> Member desires and is eligible for Retired Member status: <input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Death of member. _____	
Name and address of next of kin: _____	

_____	_____
Flotilla Commander (Required)	Division Captain (Optional)
Date	Date
SECTION IV - To be completed by DSO-PS	
To: DIRECTOR OF AUXILIARY _____	
<input type="checkbox"/> Recommend Disenrollment.	
<input type="checkbox"/> Member requests transfer to Flotilla _____.	
<input type="checkbox"/> Member desires and is eligible for Retired Status.	
_____	_____
DSO-PS	Date
SECTION V - To be completed by Director of Auxiliary	
To: DCP, DIVISION _____ and FLOTILLA COMMANDER, FI. _____	
<input type="checkbox"/> Member was disenrolled. Effective date _____	
<input type="checkbox"/> Adm. <input type="checkbox"/> Failed to pay Financial Obligations <input type="checkbox"/> Death of Member <input type="checkbox"/> Member request	
<input type="checkbox"/> Member was transferred to Flotilla _____. Effective date _____	
<input type="checkbox"/> Member was transferred to Retired Member status. Effective date _____	
<input type="checkbox"/> Recommendation disapproved; see attached comments.	
_____	_____
Director of Auxiliary	Date

Dues

- Flotillas and Divisions set their own unit dues.
- The amount collected must be enough to cover the National, District, Division and Flotilla dues.
- Currently, National dues are \$12/member and District dues are \$15/member.
- National and District do not bill for Past Commodores.
- REMEMBER – we are collecting annual dues for the following year (i.e., 2011 dues in 2010)



When is a unit
responsible for the
dues of a new
member?

Quarterly Dues

- New Member dues are billed according to the quarter that the member becomes AP (approval pending)-- i.e., when paperwork submitted
 - 1st quarter – 75% of annual dues
 - 2nd quarter - 50% of annual dues
 - 3rd quarter - 25% of annual dues
 - 4th quarter – no dues required for the current year

Double Dues ???

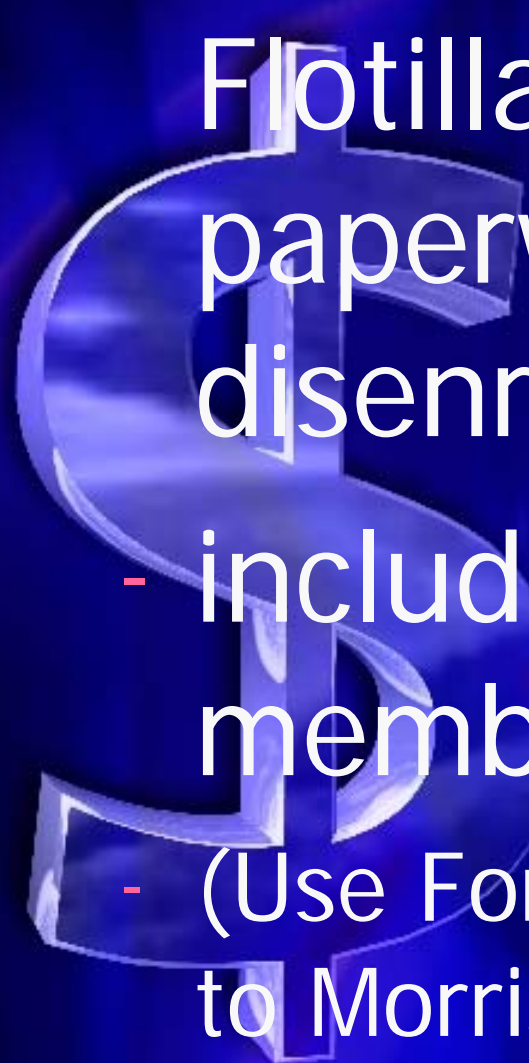
- If you disenrolled a member late and the paperwork is not processed on time, you will be responsible for their annual dues. If the member later decides to pay, you will be billed again when the member is reinstated.
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- National will no longer make corrections for those folks going out/in .

Dues - Delinquent

- Payable within 30 days.
- Divisions more than 60 days in arrears will not be entitled to vote as a member of the District Board.

Dues Discrepancies

- Pay the full amount billed by the DSO-FN
- Report the discrepancy to your IS officer and the DSO-FN

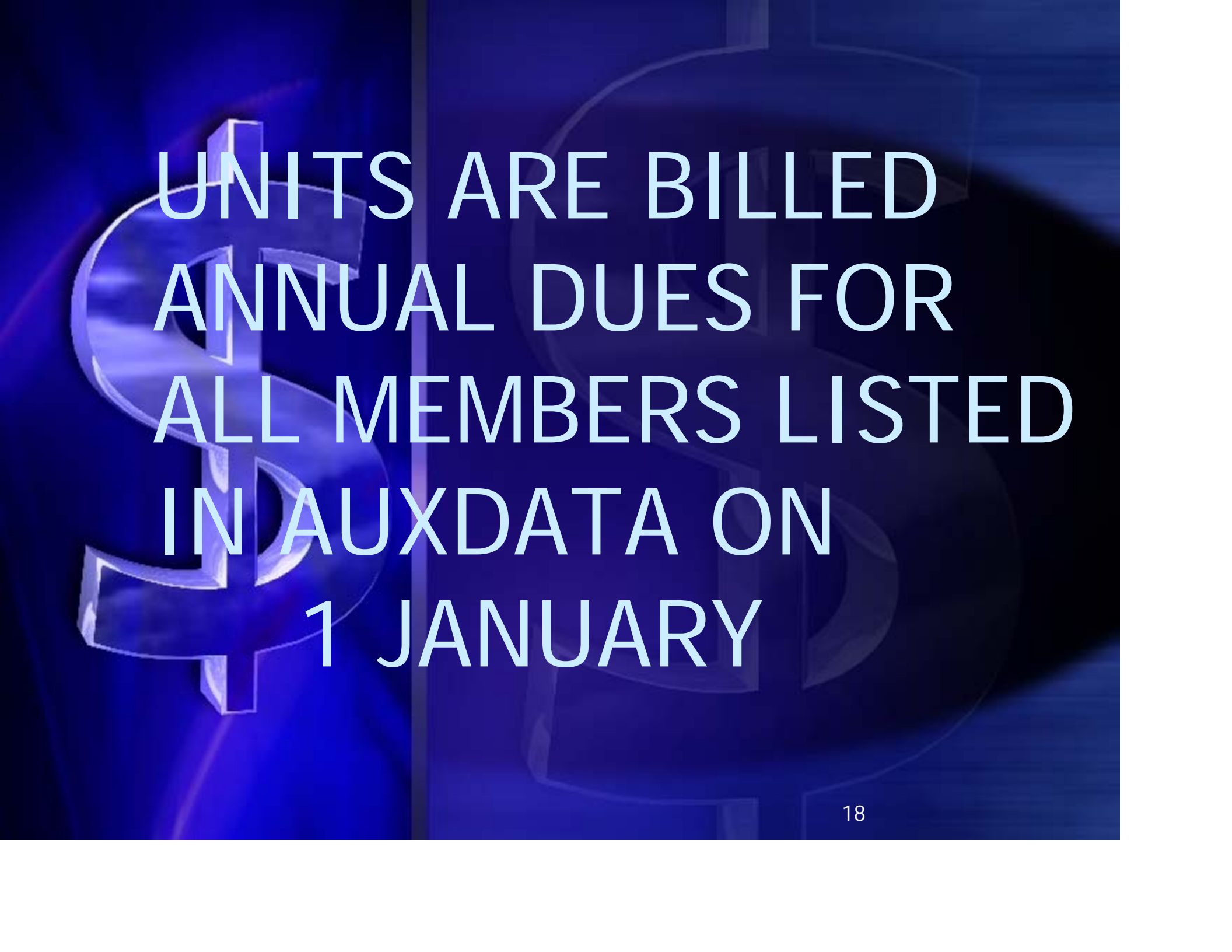


REMEMBER – it is the
Flotilla's duty to submit
paperwork for ALL
disenrollments.....

- including death of a flotilla member
- (Use Form 7035. Report the death to Morris Farmer ADSO-CS so the member can be removed from all mailing lists)



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- When a member pays his annual dues to a unit and transfers before 1 January, the dues should be forwarded to the new flotilla.



UNITS ARE BILLED
ANNUAL DUES FOR
ALL MEMBERS LISTED
IN AUXDATA ON
1 JANUARY

Sales Tax Exemption

The US Coast Guard Auxiliary is “a non-military organization administered by the Commandant of the Coast Guard under the direction of the Secretary of Homeland Security”

Accordingly, sales to the Auxiliary are not subject to sales tax.

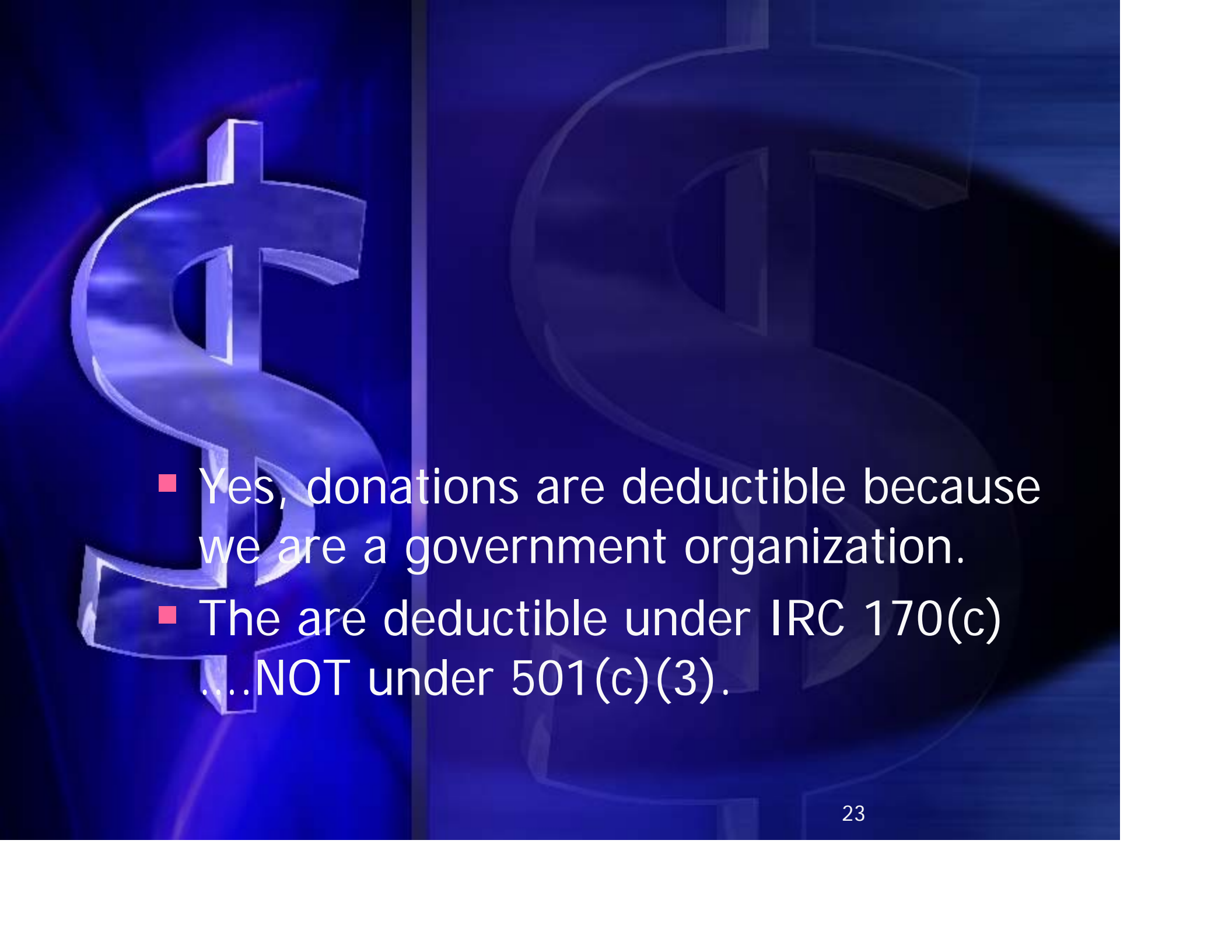
All members of the Auxiliary who make purchases on behalf of the Auxiliary may request an exemption from sales tax (request letter from DSO-FN). Remember, while sales to organized units of the Coast Guard Auxiliary are exempt from sales tax, **sales to individual members, even if billed through the Auxiliary, are not exempt from sales tax. This exemption may not be used for personal purchases.**

**personal use of sales tax
exemption = TAX EVASION**

Are Auxiliary Units 501(c)(3)s?

- Auxiliary units are not 501(c)(3) nonprofit organizations.
- The Coast Guard Auxiliary Association, Inc is a 501(c)(3) organization. Any donation that needs be made to a 501(c)(3) needs to go through the Coast Guard Auxiliary Association, Inc.

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- Yes, donations are deductible because we are a government organization.
 - They are deductible under IRC 170(c) ...NOT under 501(c)(3).

Form 7025

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- When should this form be completed?
 - At the end of each year.
 - What other times?

Form 7025

DEPARTMENT OF TRANSPORTATION U.S. COAST GUARD ANSC 7025 (11-97)	UNITED STATES COAST GUARD AUXILIARY FINANCIAL REPORT OF AN AUXILIARY UNIT
REPORTING UNIT (NAME & NUMBER)	TYPE OF REPORT - CHECK ONE <input type="checkbox"/> REGULAR <input type="checkbox"/> RELIEF <input type="checkbox"/> CORRECTED
	TYPE OF UNIT - CHECK ONE <input type="checkbox"/> DISTRICT <input type="checkbox"/> DIV <input type="checkbox"/> FLOTILLA
Do not enter real estate, equipment, inventory, or other property on this page. See reverse side.	
1. BEGINNING BALANCE 1/1/ _____	
a. Checking account \$ _____ b. Savings, CDs \$ _____ c. Trust Funds \$ _____ d. Other cash items \$ _____	
2. Total Beginning Cash Items	\$ _____
3. CASH RECEIPTS	
a. Dues \$ _____ b. PE course fees \$ _____ c. Cash contributions \$ _____ d. Uniform, flags, insignia \$ _____ e. Conferences, mtgs \$ _____ f. Other cash items, specify _____ \$ _____	
4. Total Cash Receipts	\$ _____
5. Total Cash Items & Receipts	\$ _____
6. CASH DISBURSEMENTS	
a. Dues (Dist/Div) \$ _____ b. PE expenses \$ _____ c. Uniforms, flags, insignia \$ _____ d. Conferences, mtgs \$ _____ e. Material & equipment \$ _____ f. Building repair/maint \$ _____ g. Utilities \$ _____ h. Trophies, awards \$ _____ i. General disb. (specify) _____ \$ _____	
7. Total Cash Disbursements	\$ _____
8. ENDING BALANCE 12/31/ _____	
a. Checking account \$ _____ b. Savings, CDs \$ _____ c. Trust Funds \$ _____ d. Other cash items \$ _____	
9. Total Cash Items at Year End	\$ _____
I, the undersigned certify the above to be true and correct to the best of my knowledge and belief, and I accept responsibility for the same	
FN _____ PREPARER	FC/DCP/DCO APPROVAL
FN _____ RELIEVING OFFICER	DCO/DCP/FC RELIEVING OFFICER
_____ AUDIT COMM IF REQUIRED	_____ DIRECTOR

Previous editions are obsolete

Form
7025 pg 2

UNIT INVENTORY RECORD

A. List date and description of real estate, equipment, inventory, Stocks and bonds, and other property purchased by the unit.

Description:	Date
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____

Attach additional sheet if necessary.

B. List date and description of Real estate, equipment, inventory, Stocks and bonds, and other property donated or contributed to the unit.

Description:	Date
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____

Attach additional sheet if necessary.

C. List name of lender and description of equipment and other property on loan to you from the Coast Guard or other Government entities.

Description:	Date
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____

Attach additional sheets if necessary

I certify that the above listed property has been verified by me and is true and correct to the best of my knowledge. I, the relieving Officer accept responsibility for the Unit inventory as stated above.

FC/DCP/DCO _____ DATE _____ FC/DCP/DCO _____ DATE _____

MA _____ DATE _____ MA _____ DATE _____
RELIEVING OFFICER

Audit Comm _____ DATE _____ DIRAUX _____ DATE _____

IF REQUIRED

Due March 1, or according to District Policy. Distribution DIRAUX via DSO-FN

Form 7025 *Hints*

- Complete the unit name and number at the top of the form
- The current year's beginning balances should equal the previous year's ending balances
- The form should balance ---


- Beg balance + receipts – disbursements
= ending balance
(line 2 + line 4 – line 7 = line 9)

-
- If it does not equal, check your numbers and correct the form before submitting it

- Forms should be submitted to
- ADSO –FN/F

NOT DIRAUX...

NOT DSO-FN

- 
- Stephen Chan, ADSO –FN/F
 - 650.947.8826
 - schanhb@pacbell.net
 - 14295 Saddle Mountain
Los Altos Hills, CA 94022



Unit Audits

Audit committee:

.Robert Firehock

.Gail Ramsey

.Fran Fisher

ITEMS NEEDED FROM UNITS FOR AUDITS:

Approved budgets for the years 2007, 2008, and 2009

Monthly bank statements for all accounts 2007 – 2009

Bank reconciliations for all bank accounts at 12/31/06, 12/31/07, 12/31/08 and 12/31/09.

January 2010 bank statement.

Cancelled checks if available.

Receipts for all expenditures.

Check book or check record.

Copies of Forms 7025 with the signer's names printed

- Fran Fisher
275 Alviso Street
Santa Clara, CA 95050-5947
408-249-7163
(fax) 408-984-2752
(email) fran CPA@fran-fisher.com
- If the question relates to Quicken or QuickBooks, please let me know which version you are using- 2008, 2009, etc.