



Unit Finances –

Elected Officers' Training 2013

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DSO-FN 11NR

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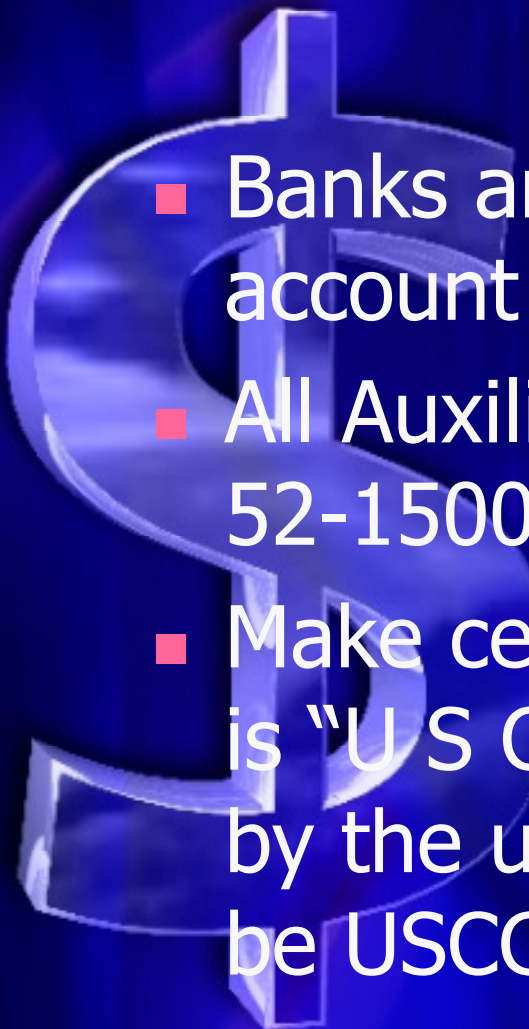




The Role of FN is to support Elected Officers, Boards & the FN chain.

FN Responsibilities:

- Prepare Financial Report of Auxiliary Unit/Inventory Report (Form 7025) by 31 January. Due to 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

- 
- Banks and credit unions are checking account names against the FEIN.
 - All Auxiliary units are to use the FEIN 52-1500576.
 - Make certain the name on the account is "U S Coast Guard Auxiliary" followed by the unit designation. (It should not be USCG Auxiliary....)

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.

For example --

- EXCOM and DSOs have District budgets to be used for supplies and travel needs.
- If equipment is needed, a request stating the need- by whom, why, the cost, where it will be located, expected life, etc. must be submitted to EXCOM for approval prior to purchase. The equipment must be tracked for inventory purposes.

Preparing a Budget

- Ask members to submit their budgets
- Project next years income and expenses based on past experience and the submitted budget requests
- 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 <u>Actual</u>	1999 <u>Actual</u>	2000 <u>Actual</u>	2001 <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

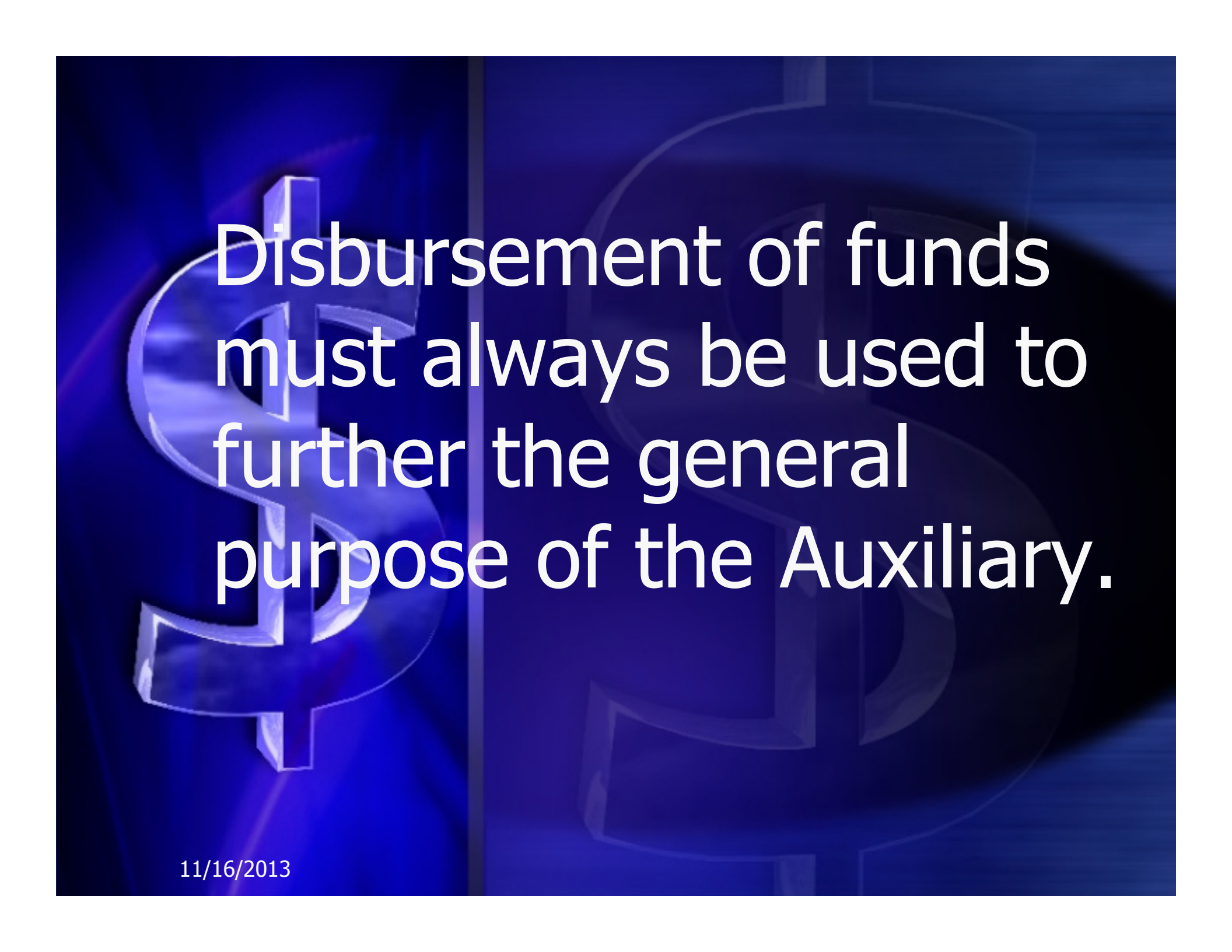
11/16/2013

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On what can we
spend our
funds?

See Aux Manual Chapter 5,N.3

11/16/2013



Disbursement of funds
must always be used to
further the general
purpose of the Auxiliary.

11/16/2013

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 (07-10) 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 (07-10), with copies of all dues correspondence (including handwritten notes) attached, must be completed and submitted to the DSO-HR by 1 October.
- ⌘ If disenrollment forms are not submitted (by the DSO-HR) to DIRAUX by 1 November, dues **will be payable** by the Flotilla **even** if not collected.

Form 7035



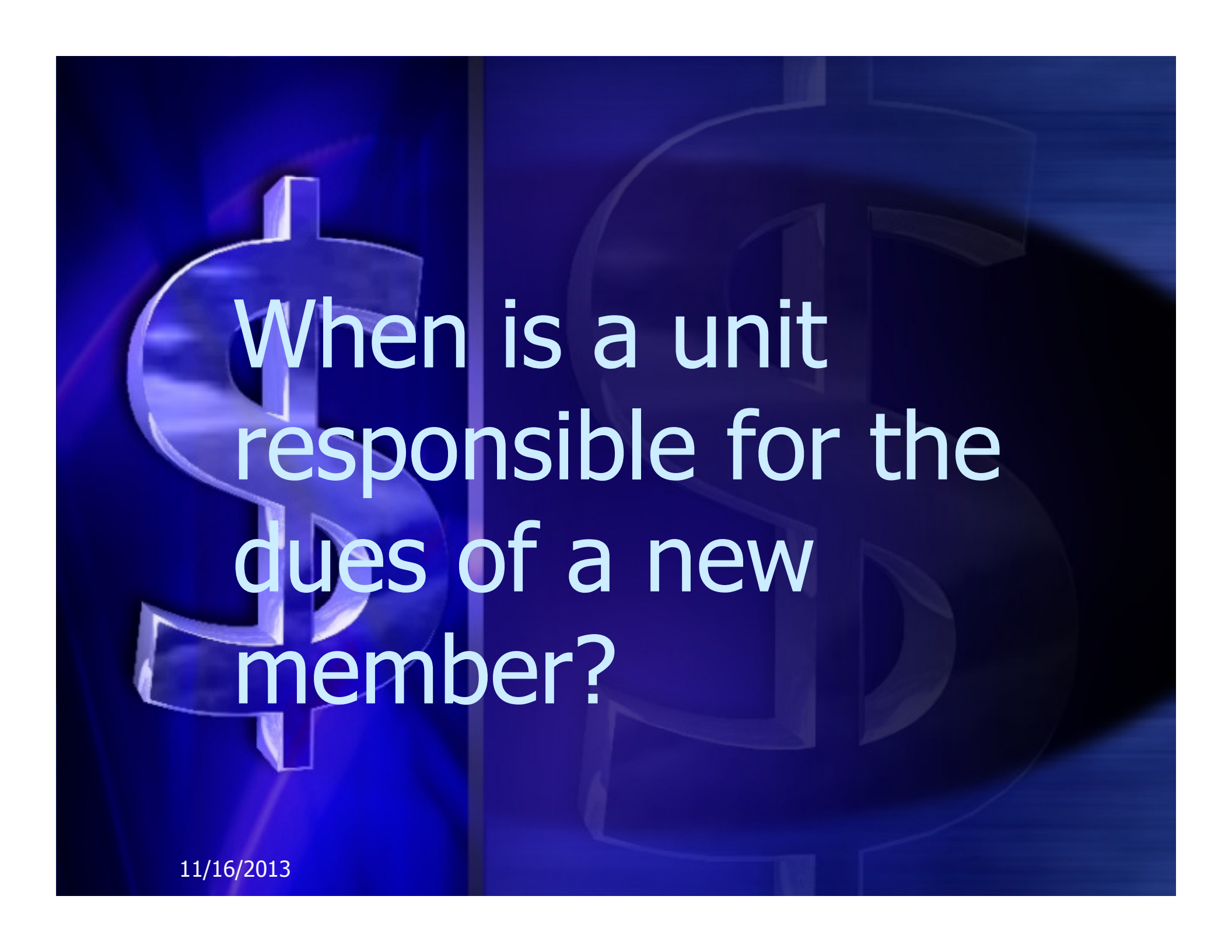
11/16/2013

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)	Date
_____	_____
Division Captain (Optional)	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, Fl. _____	
<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.
- National does not bill for dues of past appointed COMOs.
- **REMEMBER** – we are collecting annual dues for the following year (i.e., 2014 dues in 2013)



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

11/16/2013

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



■ Late fees

- -- for dues that are not paid on time?

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.
- National will no longer make corrections for those folks going out/in .

Dues - Delinquent Dates


- 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. Also, report the death to Morris Farmer ADSO-CS so the member can be removed from all mailing lists)



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



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

11/16/2013

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.

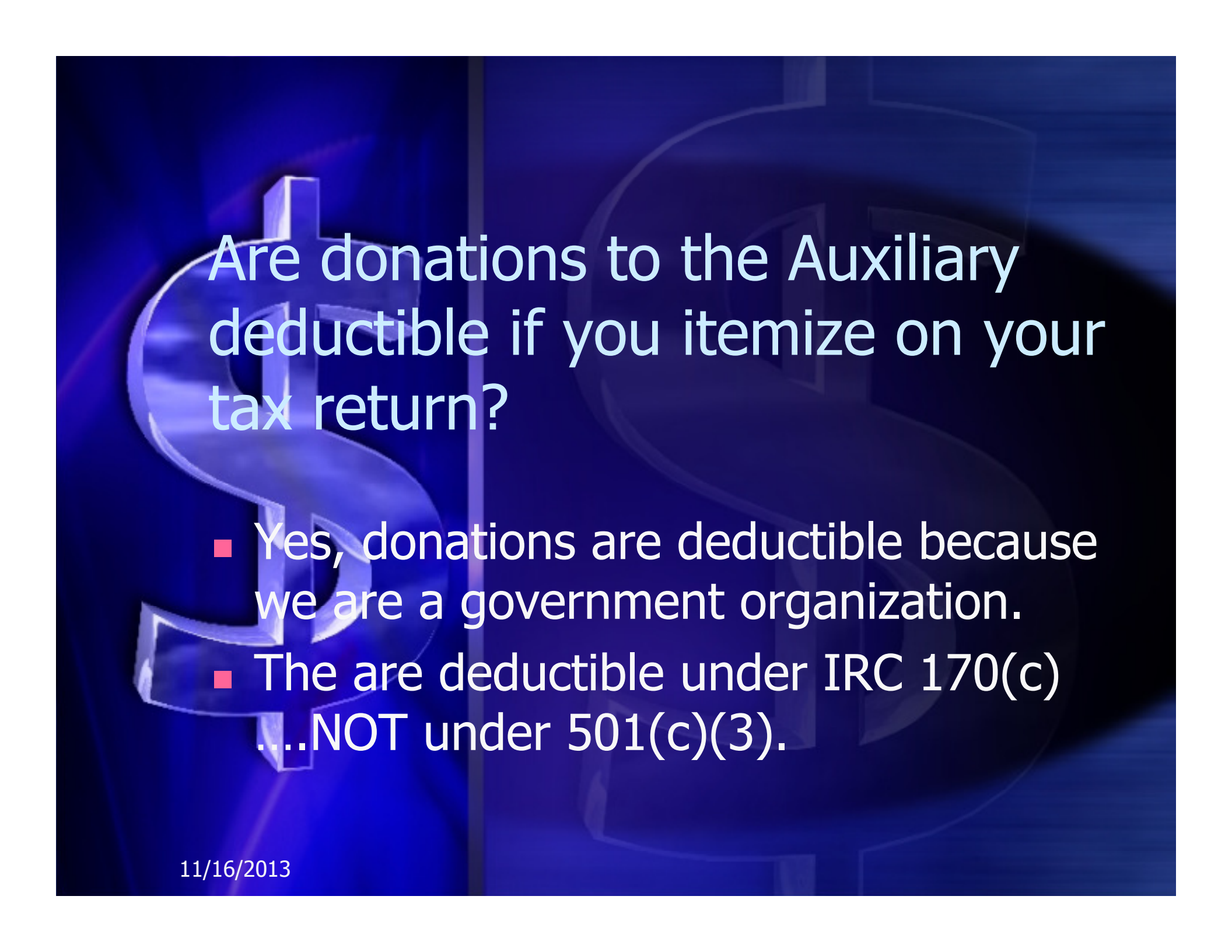
All members of the Auxiliary who make purchases on behalf of the Auxiliary may request an exemption from sales tax (request letter from DSO-FN). Remember, while sales to organized units of the Coast Guard Auxiliary are exempt from sales tax, **sales to individual members, even if billed through the Auxiliary,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

A close-up photograph of two hands, one on the left and one on the right, firmly grasping a thick, braided rope. The rope is a golden-brown color and is coiled around the hands. The background is a dark, textured surface, possibly a net or a mesh. The lighting is dramatic, highlighting the texture of the rope and the skin of the hands.

**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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Are donations to the Auxiliary deductible if you itemize on your tax return?

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

Form 7025

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

Form 7025 (03-10)

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 <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/DC/DCO APPROVAL _____
FN _____ RELIEVING OFFICER	DCO/DCPFC RELIEVING OFFICER _____
_____ <small>AUDIT COMM IF REQUIRED</small>	_____ <small>DIRECTOR</small>

Previous editions are obsolete

Form 7025 pg 2

Back of ANSC 7025 (11-97)

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 _____
		RELIEVING OFFICER	
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*

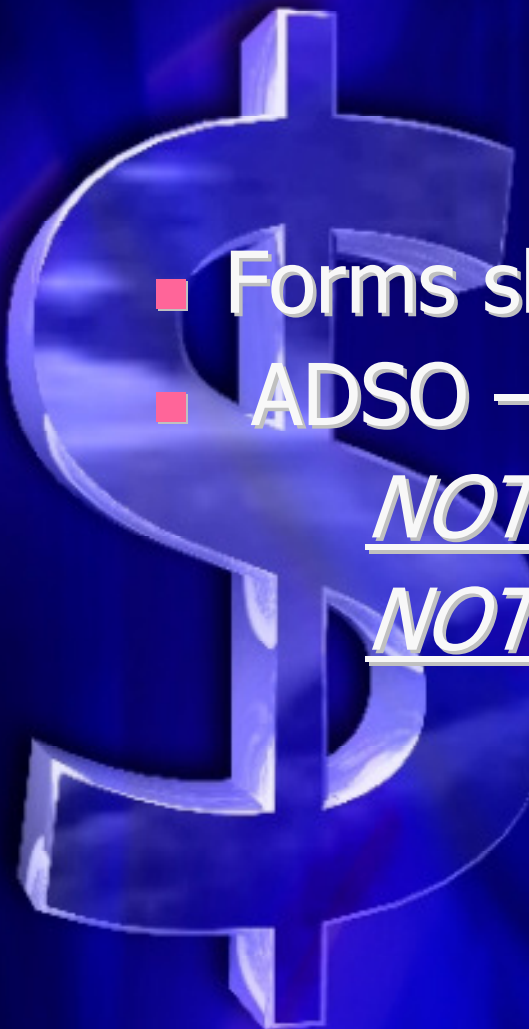
- Complete the unit name and number at the top of the form
- The current year's beginning balances should equal the previous year's ending balances
- The form should balance ---

- 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

- **New since 2011.....**

Yearend (December) bank statements and reconciliations are to be attached to the Form 7025 when submitted.

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

NOT DIRAUX...

NOT DSO-FN



Unit Audits

Audit committee:

.Gail Ramsey

.Fran Fisher

11/16/2013

ITEMS NEEDED FROM UNITS FOR AUDITS:

1. Approved budgets for the years 2011, 2012, and 2013
2. Monthly bank statements for all accounts 2011 – 2013
3. Bank reconciliations for all bank accounts at 12/31/10, 12/31/11, 12/31/12 and 12/31/13.
4. January 2014 bank statement.
5. Cancelled checks if available.
6. Receipts for “all” expenditures.
7. Check book or check record.
8. Copies of Forms 7025 with the signer’s names printed.

11/16/2013

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▪ If the question relates to Quicken or QuickBooks, please let me know which version you are using- 2011, 2012, etc.