

# **United States Coast Guard Auxiliary**



## **Auxiliary Financial and Materials Controls**

### **Standard Operating Procedures**

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16790 / AUX-SOP-008(B)  
08 Apr 2024

## MEMORANDUM

Reply to S. Minutolo  
Attn. of: (202) 372-1267

From: /S. J. Minutolo, GS-14/  
Chief Director of Auxiliary, Acting

To: Distribution

Subj: AUXILIARY FINANCIAL AND MATERIALS CONTROLS STANDARD  
OPERATING PROCEDURES

Ref: (a) Auxiliary Manual, COMDTINST M16790.1 (series)  
(b) Auxiliary Flotilla Procedures Guide 16790 of 23 Mar 2023  
(c) 14 USC § 3901  
(d) 33 CFR § 5  
(e) ALAUX 021-18 of 25 Aug 18  
(f) Records and Information Management Program Roles and Responsibilities,  
COMDTINST 5212.12 (series)  
(g) National Archives and Records Administration, General Records Schedules  
Transmittal 31 of April 2020  
(h) Acceptance and Accounting for Special Projects and Other Gifts to the Coast Guard  
From Non-Federal Sources, COMDTINST 5760.14 (series)  
(i) Auxiliary Financial Controls SOP, AUX-SOP-008(A)

1. **PURPOSE.** To update Standard Operating Procedures (SOP) for the application of controls on the management of Auxiliary finances and materials at district, division, and flotilla levels pursuant to authorities and policies in references (a)-(h).

2. **ACTION.** **Elected and appointed leaders and program managers at all levels of the Auxiliary organization shall ensure adherence to this SOP by all those involved in Auxiliary unit financial and materials management.** Auxiliary District Finance Staff Officers (DSO-FN) and Materials Staff Officers (DSO-MA) shall maintain close liaison with their servicing District Legal Officer (DLO), Executive Committees (EXCOM), and the Assistant National Commodore – Chief Financial Officer (ANACO-CF) for general financial and materials control advice and guidance including matters of performance standards and expectations.

3. **DIRECTIVES AFFECTED.** Reference (i) is superseded by this SOP. Subsequent changes to references (b) and (c) and the templates for standardized Standing Rules at all Auxiliary organizational levels are still expected. Rule 8.11 of all flotillas' Standing Rules, Rule 8.10 of all divisions' Standing Rules, and all references to the policy of Rule 10.3 in the districts' Standing Rules or Appendices remain amended by this SOP's section 2.e.(2) to:

- a. Permit units to authorize the disbursement (expenditure) of unit funds through the bill-pay service of their bank or credit union in addition to the use of paper checks; and,
- b. Limit authorization for taking any disbursement (expenditure) action to the unit FN staff officer and the unit elected leader.

4. BACKGROUND.

- a. Auxiliary unit funds are non-appropriated, stemming from sources like flotilla dues, public education course revenue, and private contributions. Auxiliary unit materials are largely purchased by, or donated or loaned to, the unit. Significant risk exists for the loss of Auxiliary unit funds and materials in the absence of tight financial and materials controls.
- b. References (a) and (b) do not provide comprehensive national guidance for the management and control of Auxiliary unit funds and materials. Auxiliary units have relied on limited guidance or developed their own guidelines to manage and control their finances and materials. This situation has amplified the need to fortify Auxiliary financial and materials controls in order to minimize the risk of additional losses of these resources. Focus remains on the need to prevent unchecked and unaccountable fund and materials access as well as conflicts of interest, and to notably integrate two-person integrity and other financial controls into Auxiliary unit fund account management.

5. DISCLAIMER. This SOP is not a substitute for applicable legal requirements, nor is it itself a rule. It is intended to provide guidance for Auxiliary personnel and is not intended to nor does it impose legally binding requirements on any party outside the Coast Guard.

6. MAJOR CHANGES.

- a. Provisions regarding concurrent elected and appointed offices apply to MA staff officers as well as FN staff officers.
- b. Immediate past officers are eligible to serve as FN and MA staff officers without need for a waiver.
- c. Additional detail and clarity are provided pertaining to the expectations about grant management and the interaction between Auxiliary units and the Coast Guard Auxiliary Association, Inc. regarding grants.
- d. Additional detail and clarity are provided pertaining to the role of the DLO regarding the conduct of prohibited source determinations and contract approvals.
- e. Affinipay is approved as the third authorized system along with PayPal and Square for use to accept payments.

- f. The recording of deposits and expenditures in the unit financial ledger as they occur, and not when an end-of-month statement arrives, is emphasized.
  - g. Additional detail and clarity are provided pertaining to authorized expenditures of unit funds (e.g., Personal Locator Beacons (PLBs) or other materials and equipment to support the unit's operations and programs as well as travel for a unit elected leader, appointed staff officer, or member to attend a conference or special training event are included).
  - h. Additional detail and clarity are provided pertaining to unit payment of an Auxiliarist's dues as an unauthorized expenditure.
  - i. Upon appointment of a succeeding finance or materials staff officer, the outgoing staff officer shall promptly deliver all unit funds, books, and records to the succeeding staff officer. The elected leader shall effectuate this delivery if the outgoing staff officer is unable or unavailable to do so.
  - j. Extensive additional detail and clarity are provided pertaining to the unit's finance and materials reports and records. This includes extension to April 1 for delivery of these annual end-of-year reports to the Director of Auxiliary (DIRAUX) and exemption from the provisions of this SOP of any equipment or property that is subject to Rescue and Survival Systems (R&SS) management under the purview of the DIRAUX.
  - k. Extensive additional detail and clarity are provided pertaining to the conduct of finance and materials audits.
  - l. A detailed Audit Committee Guide is provided as its own appendix.
  - m. Appendices are provided for a glossary of financial terms and transaction types.
7. DISTRIBUTION. No paper distribution will be made of this SOP. An electronic version will be posted on the Chief Director of Auxiliary and Coast Guard Auxiliary web sites: <https://wow.uscgaux.info/content.php?unit=BX-GROUP&category=sop> and <http://www.cgaux.org/>, respectively. All web sites in the SOP are the most current available. If the cited web link does not work, then access should be attempted by copying and pasting or typing the web site address into the user's internet browser.
8. QUESTIONS AND REQUESTS FOR CHANGES. Questions or proposed changes to this SOP should be submitted in writing to the Office of Auxiliary and Boating Safety, Auxiliary Division (CG-BSX-11) at [CGAUX@uscg.mil](mailto:CGAUX@uscg.mil) via the cognizant Auxiliary chain of leadership and management.

#

Encl: (1) Auxiliary Financial and Materials Controls SOP

Dist: DIRAUX, NEXCOM, DCO, ANACO-CF, ANACO-CC

**Auxiliary Financial and Materials Controls**  
**Standard Operating Procedures**

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**Auxiliary Financial and Materials Controls**  
**Standard Operating Procedures**

1. Organization.

a. Unit Finance Staff Officer. Reference (b) provides a functional description for the unit Finance (FN) staff office. Article VIII in the Standardized Standing Rules for flotillas and divisions, and Article X in the Standardized Standing Rules for districts also prescribes responsibilities for the Flotilla Staff Officer for Finance (FSO-FN), Division Staff Officer for Finance (SO-FN), and District Staff Officer for Finance (DSO-FN), respectively. Auxiliary unit leaders shall appoint a unit FN staff officer within 30 days of assuming elected office. Neither the unit FN staff officer nor any appointed assistant shall be familial related to the current elected leader, or vice leader of their unit or any other unit in their Chain of Leadership and Management (COLM).

b. Concurrent Elected and Appointed Finance and Materials Staff Offices.

(1) In accordance with reference (e), an incumbent elected officer at any organizational level shall not concurrently serve as a unit FN staff officer or any appointed assistant at any organizational level. If a member is not available to serve as the unit FN staff officer or any appointed assistant, or there is no effective way for the unit to comply, then the cognizant District Director of Auxiliary (DIRAUX) may grant a waiver for an elected officer to be appointed to fill the unit FN staff office. Such appointee shall functionally report to the unit FN staff officer at their next higher organizational level and shall keep the elected leader at their next higher organizational level apprised of any negative impacts on their elected office performance as they develop. For example, if the Flotilla Vice Commander (VFC) must also serve as the FSO-FN, then they must functionally report to the SO-FN for matters of their finance officer duties and immediately notify their Division Commander (DCDR) of any negative impacts. The Chief Director of Auxiliary (CHDIRAUX) may similarly waive this prohibition for elected and finance-related offices at the national level.

(2) This provision does not affect elected office eligibility criteria. It is understood, though, that if an Auxiliarist serving in a unit FN staff office is elected to an elected office, then they must relinquish that unit FN staff office position prior to commencing their term of elected office unless a waiver has been granted.

(3) Similarly, if an elected officer needs, or is otherwise compelled to assume the duties of a unit FN staff office, then they must relinquish their elected office before doing so unless a waiver has been granted by the DIRAUX.

(4) Waivers for these circumstances shall not exceed one year and shall only be granted by the DIRAUX upon validation of need by the District Commodore (DCO). For example, the need for waiver to allow a Division Vice Commander (VCDR) to serve as SO-FN must be validated by the DCO to the DIRAUX (email acceptable).

- (5) Before appointment of additional offices, the added burden on the Auxiliarist should be considered by the elected leader and by the unit membership. It is wholly reasonable and prudent for an elected leader to review associated workloads and expectations with unit FN staff officer candidates before making appointments in order to ensure clear understanding of how unit finances will be managed.
  - c. Unit Materials Staff Officer. The provisions of 1.a and 1.b. also apply to unit materials (MA) staff officers. Unit materials that unit MA staff officers are expected to manage, administer, and account for include all tangible property, equipment, facilities owned by or in the possession of (i.e., whether donated, contributed, transferred, or on loan to) the unit.
  - d. Immediate Past Officers. An immediate past officer (e.g., Immediate Past Flotilla Commander (IPFC)) is not an elected officer. Therefore, incumbents of immediate past offices are eligible to serve as an FN or MA staff officer without need for a waiver.
2. Budgets and Financial Planning.
- a. Tax Identification and Exemption.
    - (1) The Coast Guard Auxiliary is recognized by the Internal Revenue Service (IRS) as a government entity. It has never been a not-for-profit entity or any other type of charitable organization. No Auxiliarist or any element or unit of the Auxiliary should ever represent to anyone, vendor, contractor, financial institution, or state, or local governmental municipality, that the Auxiliary or any of its units is a not-for-profit or charitable entity. Any unit which has obtained a tax-exempt certificate from any state government or local municipality based on representations that it is a not-for-profit or charitable entity must have that certificate revoked and, if the local law permits, ask that it be reissued based on its status as a government entity. The District Legal Officer (DLO) should handle that process.
    - (2) Appendix A indicates the proper Federal Employer Identification Number (EIN) issued by the IRS for all Auxiliary units is 52-1500576, which must be used on all Auxiliary unit accounts for federal tax purposes.
      - (a) No Auxiliary unit may obtain or use any other EIN except as identified in paragraph (e) below.
      - (b) A personal Social Security Number (SSN) should never be used in lieu of the Auxiliary EIN because the IRS may hold the individual personally accountable for any taxes that may be due.
      - (c) The use of an EIN belonging to any other organization or corporation for any Auxiliary purpose is strictly prohibited.

- (d) The Auxiliary EIN is not authorized to be supplied to any other organization, entity, or individual for their use.
  - (e) Any Auxiliary unit must coordinate with the Coast Guard Auxiliary Association, Inc. (Association) and obtain its written permission prior to using the Association EIN on a grant application. This will enable the Association to appropriately track and monitor the application as well as properly report its outcome to the Internal Revenue Service (IRS) if the grant is approved.
- (3) Appendix B indicates IRS acknowledgement that the Auxiliary is an integral part of the Federal Government and therefore exempt from federal taxation. Auxiliary units are instrumentalities of the U.S. Coast Guard, not of a 501(c)(3) or not-for-profit corporation.
  - (4) Units are also cautioned when opening a bank account to ensure the account does not create a conflict with another Auxiliary unit using the same bank. Units encountering any resistance to the use of the authorized number from any financial institution or vendor should either select others with which to do business or seek assistance from the district's DLO to resolve the conflict. Moreover, under no circumstances may an Auxiliarist acting on behalf of a unit of the Auxiliary communicate with the IRS for any purpose without permission from the CHDIRAUX obtained through the COLM. The Chief Director has granted permission to all DLOs to communicate directly with federal or state tax officials to correct any errors described in this message.
  - (5) Depending upon the allowances of state law, Auxiliary units may use an authorized state certificate of exemption for purposes of sales tax and use tax exemptions by applying an applicable state-issued Taxpayer Identification Number (TIN).
  - (6) For Auxiliary conferences, training, and other events held at remote locations, Auxiliarists may use a Tax Exemption Certificate for Federal Government Agencies for Occupancy of Hotels, Motels, and Similar Accommodations, a template for which is provided in Appendix C.
  - (7) In contrast to the Coast Guard Auxiliary, the Association is a not-for-profit corporation incorporated in the District of Columbia and granted tax exempt status under Internal Revenue Code subsection 501(c)(3). No member of the Auxiliary is authorized to open accounts or transact business of any kind in the name of the Association.
- b. Unit Budgets.
- (1) The fiscal and budget year addressed by any Auxiliary unit's budget shall coincide with the conventional calendar year, January 1 thru December 31.

- (2) As authorized by reference (a) and established by the unit’s Standing Rules, disbursement from the unit’s funds may only be spent or committed with the concurrence of an appropriate majority of the unit’s voting members.
- (3) Every Auxiliary flotilla, division, and district/region shall develop an annual operating budget. Unit budgets shall coincide with the fiscal year as defined in section 2.b.(1) above and shall be approved by the unit’s membership vote in accordance with its Standing Rules.
- (4) To effectively administer the unit’s business without disruption, the unit’s elected leader should establish the unit’s annual budget in advance of the new fiscal year. The budget may be approved by the unit membership or board, as appropriate, before the new fiscal year, however it must be approved within the first three months of the fiscal year, or as otherwise specified in the unit’s Standing Rules. Early acceptance of a budget that is aligned with a new leader’s priorities aids the unit in that routine obligations can be paid without having the membership vote on every disbursement. Changes to a unit budget may be proposed at any time but require justification and approval by the unit membership or board, as appropriate, in order to be placed in effect.
- (5) Unit budgets may be quite simple or extraordinarily complex based on the size of the unit and its assets and cash flow. Review of the unit’s Financial Report and Inventory Record of an Auxiliary Unit (ANSC-7025) forms from previous years provide a good foundation for creating a new unit budget.

c. Financial Planning Schedule. The following table provides recommended target dates associated with financial management activities. Additional unit-specific dates and activities may also be prescribed.

**Recommended Financial Management Activity Dates**

<b>Date</b>	<b>Activity*</b>
Immediately	New bank signature cards for newly elected officers and/or finance officer.
31-Jan	Completion of unit financial and material audits.
31-Jan	Unit budget established at first membership meeting of the year.
31-Jan	Annual national membership dues invoice received at district.
31-Jan	Flotilla ANSC-7025 form forwarded to DCDR.
20-Feb	Flotilla and division ANSC-7025 forms forwarded to DCO.
28-Feb	Division submits annual national and district membership payment.
01 Apr	Flotilla, division, and district ANSC-7025 forms forwarded to DIRAUX.
30-Apr	Division submits 1 <sup>st</sup> quarter national and district membership payment.
31-Jul	Division submits 2 <sup>nd</sup> quarter national and district membership payment.
30-Sep	FSO-FN collects membership dues prior to 30 Sep.
30-Sep	Final date for receipt of flotilla membership dues for next year.
01-Oct	Certified letters mailed to members still owing dues.
30-Oct	Division submits 3 <sup>rd</sup> quarter national and district membership payment.

01-Nov	Begin membership disenrollment for non-payment of dues.
30-Nov	Audit Committee appointment before last regular meeting of the year.
30-Nov	Budget Committee appointment before last regular meeting of the year.
15-Dec	Last day district membership disenrollments are processed by DIRAUX
31-Dec	Unit membership count is frozen for following year's annual dues payment.

\*Activity may be accomplished before the due date. Check unit Standing Rules for the month payments are due.

- d. Budget Estimates. These will not be used except in the development of budget planning.
- e. Budget Expenditures.
  - (1) Disbursement of funds may only be used to support authorized Auxiliary activities.
  - (2) Unit disbursements may only be made by paper check or by electronic bill-pay service if available through the unit's bank or credit union. The unit FN staff officer is authorized to perform these functions. In the absence or unavailability of the unit FN staff officer, the unit elected leader is authorized to perform them. All supporting documentation shall be retained regardless of the expenditure method. In the event of any question, issue, or dispute about a potential expenditure that cannot be resolved at unit level, the unit FN staff officer shall consult with the DSO-FN prior to effecting the expenditure (if occurring at the district level, then the DSO-FN shall consult with the Assistant National Commodore – Chief Financial Officer (ANACO-CF)).
  - (3) Unit budgets shall specify anticipated expenditures as individual line items. All expenditures shall be approved in advance and as authorized in accordance with established unit Standing Rules and shall have supporting documentation retained with the budget. All actual expenditures shall be made in accordance with established Auxiliary policies and unit Standing Rules and have supporting documentation retained with the expenditures.
  - (4) Units may not overspend their cash balance. If a unit does not have funds to cover an expenditure, the unit must make all due effort to raise income to support its bank account in covering the expense. An Auxiliary unit may apply its funds to support the needs of a subordinate unit in its COLM through either a transfer to the subordinate unit or a direct expenditure on its behalf only if the subordinate unit provides justification and the transfer or expenditure is approved by the unit board. Auxiliary units may not transfer their funds to other Auxiliary units at their organizational level.
  - (5) Approval by the unit membership or board, as appropriate, must be obtained prior to any expenditure not included as a line item in the unit's annual budget, or if the expenditure is above the maximum allowable amount as specified in the unit's Standing Rules.
  - (6) Units shall not maintain petty cash accounts.

- (7) A bill presented for payment of an item that was not included in a budget line item, had no pre-approval, or has no supporting documentation shall not be paid without approval of the unit membership or board, as appropriate. Responsibility for such bills rejected for payment shall rest upon the individual who incurred the expense and any associated obligation.
- f. Budget Income. In general, funds should not be accumulated without some definite goal in mind for future disbursement intended to promote authorized activities. Unit budgets shall specify anticipated income and clearly identify respective anticipated sources. All actual income shall be generated and received as authorized in accordance with established Auxiliary policies and unit Standing Rules and have supporting documentation retained with the budget. Particular attention shall be paid to the collection and management of Public Education (PE) course fees in accordance with reference (a) to ensure they used for authorized programs.
- g. Balanced Budgets. Units shall strive to maintain a balanced budget in which income equals expenditures other than projects for which reserves have been set aside. To ensure solvency, if an expense category exceeds its allocated budget amount, then the overall budget must be revised to reflect appropriate reprogramming of funds necessary to maintain a balanced budget.
- h. Excess Accumulated Funds. Auxiliary units should always strive to develop, execute, and achieve a balanced budget. A significant excess accumulation of unit funds can be just as detrimental to the unit's ability to train, prepare, and support Coast Guard missions as a significant shortfall. Understanding that a significant excess accumulation of funds can stem from diverse circumstances (e.g., instantly in the case of a gift receipt; consistent growth over the course of several years), an Auxiliary unit's elected leader in such situation is strongly encouraged to advise their COLM to the Executive Committee (EXCOM) level. The COLM is responsible for providing insight and guidance that constructively leverages and applies excess funds in alignment with strategic organizational goals. Consultation with Coast Guard units directly supported by the Auxiliary unit should also be considered to help shape insight and guidance.
- i. Grants, Gifts, and Contracts.
- (1) Gifts. The procedures for solicitations and gifts can be found in Section 5.H. of reference (a). An Auxiliary unit elected leader shall consult the DLO prior to soliciting a gift or accepting an unsolicited gift.
- (2) Grants.
- (a) An Auxiliary unit elected leader shall consult the DLO prior to pursuing a grant.
- (b) Grant Application Criteria.
1. An Auxiliary unit shall only pursue a grant if the grant will benefit the unit in its support and performance of an authorized Auxiliary program(s) as

determined by the DCO and DIRAUX. The source of the grant may be located or headquartered outside of the Auxiliary unit's geographic area of responsibility (AOR).

2. There are numerous sources from which grants are available. The primary concern about a grant is whether the proposed source of the grant is a prohibited source. Therefore, the DLO shall perform a prohibited source determination prior to the submission of a grant application by an Auxiliary unit. The criteria for determining whether a source is a prohibited source is found in Appendix D of reference (a).
  3. The Association possesses extensive organic grant-writing experience and skill among its staff. It provides a readily available resource for Auxiliary units to consult with in the development of any grant application or agreement. An Auxiliary unit should consult with the Association prior to pursuing any grant application. If the grantor requires that the recipient be a non-profit 501(c)(3), then the Auxiliary unit must coordinate with the Association Development team to have the Association be the recipient. If the annual value of the grant exceeds \$5,000 per calendar year, then the Auxiliary unit must coordinate with the Association to determine if the Association will need to manage the grant application and distribute the grant resources to the Auxiliary unit. The Association is not required to perform a prohibited source determination and is not constrained by the other limitations found in Section 5.H. of reference (a).
- (c) Grant applications being submitted to the granting entity by an Auxiliary unit regardless of the unit level, must be submitted to the DLO, DCO, and DIRAUX for review and approval. The Auxiliary unit must receive acknowledgement of receipt and approval prior to submission (email acceptable). After completion of the DLO's prohibited source determination review, the DLO shall provide a recommendation to the DCO and DIRAUX along with a copy of the grant application. Upon receipt of approval from the DCO and DIRAUX (email acceptable), the unit will be provided notification and instructions regarding the grant (email acceptable). Notification and instructions shall be attached to the ANSC-7025 form as justification for any cash receipt over \$100.00.
- (d) No grant application or agreement may contain an "Indemnification and Hold Harmless Clause." Such clauses shift liability for specified occurrences from one party to another. An Auxiliarist who signs on behalf of the Auxiliary unit effectively represents that they have the authority to shift certain liability onto the Auxiliary unit. No member of the Auxiliary has the authority to do that, so signing such an application or agreement could result in a claim directly against the Auxiliarist.
- (e) Any grant application or agreement being submitted directly to the granting entity by the Auxiliary unit must be signed by the unit's elected leader if it is not

managed by the Association. The unit elected leader may only sign such applications and agreements after review and approval by the DLO.

- (f) The Auxiliary EIN shall be used whenever any grant application or agreement calls for an EIN. If an Auxiliary unit must use the Association EIN on a grant application or agreement due to a non-profit 501(c)(3) requirement, prior coordination with the Association Development team and obtaining the Association's written permission are required. The Association will manage the grant application or agreement and distribute the grant resources received to the Auxiliary unit. This will enable the Association to appropriately track and monitor the application and agreement as well as properly report for the Association financial audit and the IRS if the grant is approved.

### (3) Contracts.

- (a) Contracts, regardless of the unit level, must be submitted to the DLO for legal review and approval prior to signing. If ever in doubt or in question about contract provisions or prohibited source determination analysis, the DLO shall advise and seek guidance from the DCO, the DIRAUX, and the Area Assistant Chief Counsel to achieve resolution. The DIRAUX may consult in such manners with the cognizant Coast Guard district legal office. Final Auxiliary contract approval authority shall reside with the DCO or appropriate elected leader or staff officer as assigned by the DCO, except that the legality of entering into the contract shall be determined by the DLO, or where appropriate, the Assistant National Commodore – Chief Counsel (ANACO-CC).
- (b) No contract may contain an “Indemnification and Hold Harmless Clause.” Such clauses shift liability for specified occurrences from one party to another. An Auxiliarist who signs on behalf of the Auxiliary unit effectively represents that they have the authority to shift certain liability onto the Auxiliary unit. No member of the Auxiliary has the authority to do that, so signing such a contract could result in a claim directly against the Auxiliarist.
- (c) Any contract must be signed by the unit's elected leader. The unit elected leader may only sign such contracts after review and approval by the DLO.
- (d) The Auxiliary EIN shall be used whenever any contract calls for an EIN. If a contract requires an Association EIN then it should be reviewed by the Association's counsel and signed and managed by the Association. Auxiliary counsel should not review Association contracts.

### 3. Bank Accounts and Fund Management.

- a. Bank Account Information. Potential bank fraud and scams are constant threats in the digital world. Bank account information, and routing and account numbers shall not be shared with anyone except those limited individuals that have a need-to-know.



- b. Bank Account Establishment. Reference (a) and the unit Standing Rules establish the requirement for a unit bank account. This does not prohibit a unit from having multiple accounts (i.e., checking, savings, and/or certificate of deposits). To open a bank account for the unit or update the signature cards on the account due to a change in the unit elected officers or the unit FN staff officer, the following items should be readied:
- (1) A copy of unit meeting minutes that reflect the election of the new unit leadership and their full titles. The minutes should be signed and dated by the unit staff officer for Secretary/Records (SR).
  - (2) A copy of the unit leader's memorandum that appoints the unit FN staff officer.
  - (3) A copy of the Officers Report from AUXDATA II that provides full name, title, address, and telephone number on the new bank signature cards.
  - (4) A copy of the section of reference (a) that shows the proper EIN for all Auxiliary units.
  - (5) Copies of the IRS letters in Appendix A and Appendix B.
  - (6) Copies of references (c) and (d).
- c. Bank Statements.
- (1) Flotilla monthly bank statements shall be reviewed by the Flotilla Commander (FC) and the FSO-FN to verify that all transactions are in order. Division and district bank statements shall similarly be reviewed by the DCDR and the SO-FN, and by the DCO and the DSO-FN, respectively, on a quarterly basis (i.e., for periods ending with March, June, September, and December).
  - (2) Each party may perform such review by accessing the Auxiliary unit's bank account through the financial institution's web site and attesting to each other upon completion (email attestation required for audit purposes). As a minimum, such web site must require username and password for access; secondary Personal Identification Number (PIN) or passcode requirements are strongly encouraged. Bank account username, password, or PIN shall not be shared among the elected officers and the finance officer. Each individual shall have their own username, password, or PIN.
  - (3) An Auxiliary unit's elected leader and unit FN staff officer shall be designated as joint signatories for all of the unit's bank accounts. The financial institution used by the unit shall list and recognize these two individuals as the signatories for all of the unit's bank accounts. This action shall be completed within the first four weeks of each individual's term of office.

- (4) All signatories shall establish text notification service with the financial institution so that they immediately receive text notification of any account withdrawal or deposit (notification of dividend deposits may be excluded). This action shall be completed within the first four weeks of each individual's term of office. The DIRAUX may waive this requirement only upon receipt of a request by the unit FN staff officer positively and fully endorsed up their COLM. Upon receipt of any text notification of a fund withdrawal or deposit that a signatory is unaware of or finds questionable, they shall immediately ensure the unit elected leader and unit FN staff officer are aware of such (telephonic notice preferred). If unable to resolve the nature of the withdrawal or deposit within eight hours, the unit elected leader shall notify all unit leaders and unit FN staff officers in the COLM above their unit, including DIRAUX, and shall provide a summary of known elements of the withdrawal or deposit and actions being taken.
  - (5) If signatories are unaware of a transaction for which they are notified, they shall immediately contact the other joint owner to resolve their concern. If unable to either contact the other joint owner or resolve their concern about a withdrawal or deposit, then the joint owner shall immediately contact the financial institution to place a hold on that transaction, as applicable, and inform the unit elected leader and unit FN staff officer at the next higher organizational level.
- d. Account Controls. The Auxiliary operates on a cash basis. Income is recorded when it is deposited, and expenses are recorded when payment is made. Specifically, deposits and expenditures are officially recorded in the unit financial ledger as they occur...not when an end-of-month statement arrives. The Auxiliary uses this method as it is the simplest way of tracking the cash flow of the units.
- (1) Unit Financial Institution Insurance. Unit funds shall be deposited in an account insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA).
  - (2) Unit Financial Institution – Requirements.
    - (a) All units shall only use a federally insured (FDIC or NCUA) bank or credit union that provides original or image copies of all cancelled checks.
    - (b) The unit must use the services of a bank or credit union that provides the original cancelled check with the monthly bank statement, an imaged copy of the check, or an imaged copy must be available from the institution online. If the institution has a policy that the imaged copy is only available online for a limited amount of time, the unit must print all copies of the cleared checks and maintain copies with the monthly statements. Banks or credit unions that provide only the number of the cleared check shall not be used.

- (c) With the written consent of the unit leader (email acceptable), the unit FN staff officer may close a bank account and transfer funds to another federally insured institution.
- (3) All checking accounts must be reconciled on a monthly basis.
- (4) Two-Person Integrity (TPI) on Unit Bank Accounts. Disbursements and fund transfers must be approved by the unit elected leader, or the vice elected leader in the absence of the unit elected leader, before the transaction is executed (approval by email or physical initialing of an invoice acceptable).
- (5) Checks and Counter Checks. The use of counter checks is prohibited.
- (6) Voided checks shall be immediately defaced by writing "VOID" prominently across the check.
- (7) Checks must always have original signatures or bank-controlled authorization for bill paying with the unit FN staff officer's unique identification and password. They must never be pre-signed nor carry stamped or electronic signatures. Signatories must not be spouses or members of the same household, and same they should not sign checks made payable to themselves, their spouse, or any member of their household. Situations requiring reimbursement of preapproved expenses to a unit elected leader or the finance officer must be approved by the other unit elected leader not receiving payment prior to disbursement of the funds. If both unit elected leaders concurrently require reimbursement then approval must be provided by the elected leader at the next higher organizational level. Checks must never be made payable to "Cash."
- (8) Unit Financial Investments. All unit funds must only be invested in savings accounts, certificates of deposits, or money market accounts insured by the FDIC or NCUA. All such invested unit funds must be readily available without loss of principal.
- (9) Special attention shall be made to ensure funds collected from PE course fees are tracked separately and are appropriately used in accordance with reference (a). However, a separate bank account is not required. Such funds shall not be used for social events, subsidizing membership dues, or purchases/gifts to individual members.
- (10) Bonding. Bonding of all unit account custodians, normally the unit elected leaders and unit FN staff officer, is optional at all organizational levels. If funds in an Auxiliary unit account are in excess of \$5,000, then bonding of the unit's account custodian(s) is strongly recommended.

e. Electronic Fund Management.

(1) Electronic Transfers of Funds. An Auxiliary unit shall only electronically transfer funds if such funds are deposited directly into a federally insured banking institution or credit union in its own name as approved in advance by the unit elected leader.

(2) PayPal, Square, Affinipay, and Other Methods of Electronic Payment.

(a) Only PayPal, Square, and Affinipay accounts are authorized for use solely to accept payments to the unit. They shall be managed by the unit FN staff officer. The EIN 52-1500576 shall be used for such account tax purposes. Other electronic payment applications like Zelle and Venmo are not authorized for use.

(b) If an Auxiliary unit needs to use an alternative method of electronic payment, it must route a fully justified proposal through its COLM to the DLO. The DLO shall review the proposal, consult with the DCO and DIRAUX, and submit it with a recommendation to the ANACO-CC. The ANACO-CC shall review the proposal, consult with the Assistant National Commodore – Chief Financial Officer (ANACO-CF), National Commodore (NACO) and CHDIRAUX, and provide a decision back to the DLO, DCO, and DIRAUX.

(3) Credit and Debit Cards. Flexibility in effecting payments by Auxiliary units is attractive but not compelling enough to offset the responsibility and need to ensure the protection of Auxiliary unit funds that are secured by minimizing payment methods and documenting each expenditure for accountability. The provisions of standardized Standing Rules secure such protection and accountability by limiting payment methods and requiring written documentation to expend unit funds. Auxiliary units are therefore not authorized to create accounts for, possess, or use credit or debit cards.

(4) To keep the performance of their duties separate from other Auxiliary and personal matters, FN staff officers are encouraged to establish a distinct email address solely for their FN staff officer functions including electronic fund management. Due to account limitations, management concerns, and comparable security capabilities in conventional email accounts, cgauxnet.us email accounts will not be issued for this purpose.

f. Common Examples of Authorized Expenditures. Auxiliary unit funds may be used to purchase or provide the following items. This list is not exclusive, and if there is any doubt about an authorized expenditure, the unit FN staff officer shall consult with the DSO-FN to determine whether to proceed with the expenditure or not.

(1) Materials needed to teach an authorized boating safety class to the public, including course books; course materials necessary to teach a class (e.g., materials to construct a training aid like a model lighted channel; a projector and screen; a laptop computer

- for instructor use; a course-completion certificate card maker); custodial fees; meeting room rentals; class refreshments (e.g., coffee; tea).
- (2) Authorized flags, pennants, and patrol signs.
  - (3) Authorized Auxiliary uniform insignia on a one-time first-time basis for an individual Auxiliarist that effectively comprise a member enrollment kit. The following items are so authorized: new member shoulder boards; collar devices; Auxiliary ball cap (including Auxiliary unit ball cap); name tag; and sew-on equivalents.
  - (4) Design and development of authorized Auxiliary office and unit emblems.
  - (5) Design, development, and procurement of authorized Auxiliary office and unit coins. Such coins must not be personalized by an individual's name displayed upon them (e.g., Flotilla Commander John Smith's name must not appear on the coin).
  - (6) Materials and services needed for the conduct of unit conferences, meetings, ceremonial events (e.g., Change of Watch), training events (e.g., boat rendezvous) and public outreach events. This includes meeting room rentals, copier rentals, audio/visual equipment rentals, refreshments, and meals.
  - (7) Materials, refreshments, meals, and services needed for unit sponsored fellowship, including that involving Coast Guard members and their families, are authorized provided no revenue from unit PE efforts and the sale of PE materials is applied for this purpose.
  - (8) Materials and equipment needed to meet Auxiliary-specific facility acceptance criteria, including surface patrol placards; public advisory signs; Auxiliary-labeled life jackets; Personal Locator Beacons (PLBs) or other materials and equipment to support the unit's operations and programs.
  - (9) Authorized award and recognition items, including replacement ribbons, medals, pins, devices, and insignia; certificate frames and folders; presentation items (e.g., Auxiliarist-of-the-Year plaque; program achievement plaque; Auxiliary retirement gift; unit coffee mug); and associated printing and engraving.
  - (10) Materials and services needed for the conduct of unit administrative duties, training, and functions, including Zoom meeting licenses; paper; laptop computers; printing and publishing services (e.g., for unit newsletters); training materials needed by flotilla detachments and Auxiliary University Program (AUP) units; and postal services.
  - (11) Gift presentation to Coast Guard Mutual Assistance, provided no revenue derived from unit PE efforts is applied for this purpose.

- (12) Gift presentation to a Coast Guard unit or Coast Guard individual as authorized in reference (h), provided no revenue derived from unit PE efforts is applied for this purpose. In general, gifts to a Coast Guard unit must not exceed \$200 in value and must be non-cash in nature. Gifts to a Coast Guard individual must be under \$20 per occasion, non-cash in nature, and not cumulatively exceed \$50 per calendar year.
  - (13) Expressions of joy and sorrow specifically regarding unit members, including condolence cards to immediate family of deceased unit members; flowers for deceased unit member funerals; donations to an identified cause as requested by the member's immediate family in lieu of funeral flowers, get well cards for injured, sick, or hospitalized unit members. Similar expressions of joy and sorrow may also be provided in cases in which the subject of the expression is a Coast Guard military or civilian member.
  - (14) Bills for all Auxiliary unit dues as derived from Auxiliary unit members.
  - (15) Travel for a unit elected leader, appointed staff officer, or member to attend a conference or special training event, or assistance with a portion of the travel costs, as approved by unit members or board, as appropriate. Such travel must be clearly official in nature and contribute to improvement in the conduct of Auxiliary business, mission performance, or professional development.
  - (16) Gift presentation to another Auxiliary unit impacted by a natural disaster to assist with the unit's recovery.
- g. Common Examples of Unauthorized Expenditures. Unless falling within the scope of the previous section, Auxiliary unit funds may not be used to purchase materials and services in the following list. This list is not exclusive, and if there is any doubt about an unauthorized expenditure, the unit FN staff officer shall consult with the DSO-FN and DLO. Particularly prohibited are:
- (1) Dues obligations of any unit member or prospective unit member regardless of their personal situation, membership status, activity level, or amount due. This is meant to preclude a flotilla from using its funds to cover this financial obligation at any organizational level for a member(s) who is unable, unwilling, or unaware enough to pay it. It is not meant to preclude a flotilla from using its funds to pay its dues as billed by its COLM.
  - (2) Any Auxiliary uniform items other than those listed in section 3.f. above.
  - (3) Presentation items for a non-retirement-eligible member's disenrollment from the Auxiliary.
  - (4) Any gifts to members in recognition of their service as an elected or appointed officer or for any other reason not specifically authorized by this SOP.

(5) Revenue derived from unit PE efforts and the sale of PE materials may not be used for social or fellowship activities.

(6) Any gifts or donations to a non-Coast Guard or non-Coast Guard Auxiliary entity not specifically authorized by this SOP or references (a)-(e).

4. Membership Transactions.

a. Enrollments. Dues shall not be paid by an individual who is applying for Auxiliary enrollment until they have fully completed the Auxiliary enrollment process as indicated by their enrollment form, have been enrolled by the DIRAUX, and have been issued a member ID number. This payment shall be by check and immediately processed like any other payment to the cognizant flotilla including deposit to the flotilla’s bank account.

b. Membership Dues. Membership dues are not Coast Guard appropriated funds. They are neither sought, garnered, managed, allocated, nor controlled as part of the Coast Guard’s appropriation process. They are Auxiliary funds authorized by the Coast Guard to be collected for the purpose of membership management and mission support by Auxiliary units. Membership dues start upon enrollment and are later collected annually as authorized by reference (a) and unit Standing Rules. The amount paid by the member shall be a composite of dues for the national, district, division, and flotilla organizational levels. Districts, divisions, and flotillas shall set their own dues rates. The amount collected shall be based on the sum of money fixed by a majority vote of the members at each Auxiliary level and may change if the membership votes to change the amount at that level. The annual dues list shall be pulled at national level on 1 January of each year. Auxiliary units are obligated to pay annual dues for any member on this list.

(1) Initial dues for new enrollees may be prorated. Each division and flotilla shall include their dues in this amount to determine the total to be paid by the member. Unit Standing Rules specify the due date for annual dues. The following table exemplifies recommended prorated dues payments at national and district levels understanding division and flotilla dues are determined by those units.

**Recommended Prorated Dues Payment Table**

<b>Organizational Level</b>	<b>Annual</b>	<b>1<sup>st</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter</b>	<b>3<sup>rd</sup> Quarter</b>
National	\$24.00	\$18.00	\$12.00	\$6.00
District	*	*	*	*
Division	*	*	*	*
Flotilla	*	*	*	*

\*As determined by the unit. National dues reflect current amounts and may change based on National Board action.

(2) For collecting annual dues, a membership list shall be pulled from AUXDATA II to create a payment tracking log for the organizational level. The log shall contain member name, check number (or PayPal, Square, or Affinipay), date of payment, and date of deposit to ensure all membership payments received are traceable.

(3) AUXDATA II should be periodically reviewed during the collection period to ensure the list is complete because members may transfer during this period. Since transfers are processed by DIRAUX, members will just show up on the unit's rolls. Consideration must also be given circumstances in which a member transfers to another unit between the time the member paid their annual dues for the next year and 31 December. If the member transferred during this period, the dues shall stay with the unit that collected the dues. Therefore, it is important to complete the member transfer before the dues are paid or after 1 January of the new calendar year so the unit that collected the dues remains the same unit to pay the dues on behalf of the member.

(4) As failure of a member to pay their financial obligation (i.e., pay their annual dues) shall result in disenrollment of the member in accordance with reference (a), so may failure of a unit to fulfill its financial obligation (i.e., fulfill its obligation to pay the annual dues for all members on its annual dues list) result in the suspension of the unit's vote on the appropriate board until the financial obligation is paid in full. For example, if a flotilla has not paid its annual dues bill in full then its vote on its division board may be suspended until paid in full. Such action may only be taken if this condition exists as a provision in the Standing Rules of the unit to which the appropriate board belongs.

c. Disenrollments. For those members that retire, pass away, voluntarily disenroll, or fail to pay their dues, a Change of Membership Status form (ANSC-7035) must be submitted and fully processed to remove them from the unit's rolls. The units at all organizational levels of the member's COLM shall remain obligated for their respective payments for any such members still on their rolls as of 31 December. The FC shall process the ANSC-7035 as facilitated by the FSO-FN. The FSO-FN shall validate which members have not paid their dues after receipt of their dues notice and expiration of the unit Standing Rules due date.

## 5. Unit Financial Reports and Records.

a. Components and Signatures. Reference (a) and unit Standing Rules provide guidance for maintaining financial controls. All units shall maintain well-organized reporting, records, and accounting systems that provide complete auditable records of all unit transactions. Signatures on any such reports and records shall be original. Digital and e-signatures are not authorized. These records include:

(1) Unit annual budgets.

(2) Reconciled monthly checking bank statements and other bank statements.

(3) Receipts, disbursement vouchers, and authorization for payment.

(4) Deposit slips or records of deposits.



- (5) General ledger that tracks transactions (QuickBooks product, Quicken product, Excel product, checkbook, or paper ledger).
  - (6) Log(s) of membership dues collection and public education student payments (including logs from PayPal, Square, or Affinipay).
  - (7) Membership meeting financial reports. These reports should be kept straightforward and provide a readily understandable snapshot of the unit's financial status.
  - (8) Financial Report and Inventory Record of an Auxiliary Unit (ANSC-7025) forms. These reports are separate and distinct from membership meeting financial reports.
  - (9) Copy of unit inventory.
  - (10) Copy of unit meeting minutes that include motions for authorized expenses.
  - (11) Copy of any contracts, agreements, and/or grants impacting unit finances.
  - (12) Copy of unit annual audit report.
- b. Annual, Officer Relief, and For Cause. Reference (a), unit Standing Rules, and Appendix D provide requirements for the preparation and distribution of the ANSC-7025 form. For annual end-of-year reporting and COLM routing purposes, an Auxiliary unit shall submit a single ANSC-7025 form that contains both its finance and materials reports.
- (1) The annual end-of-year ANSC-7025 form must be prepared in January after all bank statements have been received. The report must cover all financial transactions of the previous year and undergo audit in accordance with Appendix D. Upon audit completion, an FC shall forward the flotilla report to their DCDR by January 31. The DCDR shall review the report and forward it along with other respective flotilla reports and the division report to the DCO by February 20. The DCO, or their designee (e.g., the DSO-FN), will review the reports and forward them to the DIRAUX by April 1.
  - (2) If a unit elected leader or unit FN staff officer changes during the year, an ANSC-7025 relief form must be completed and submitted to the DIRAUX within 30 days of the change. Upon appointment of a succeeding FN staff officer, the outgoing FN staff officer shall promptly deliver all unit funds, books, and records to the succeeding FN staff officer. The elected leader shall effectuate this delivery if the outgoing FN staff officer is unable or unavailable to do so.
  - (3) A unit elected leader may direct submission of an ANSC-7025 form from a subordinate unit in their COLM for cause at any time during the year (email acceptable). The unit elected leader must first notify and obtain approval from the DCO (email acceptable). The DCO must also consult with and obtain concurrence

from the DIRAUX prior to issuing approval (email acceptable). Such directed report shall be submitted to the unit elected leader and their unit FN staff officer within 30 days of direction.

- c. Monthly. The unit FN staff officer shall prepare a unit financial report of deposits, disbursements, and bank accounts monthly and provide it to unit elected leadership and membership in writing. The report shall reflect segregation between general funds and PE funds to ensure respective balances are tracked and are properly managed.
- d. Maintenance, Security, and Submission.
  - (1) The unit FN staff officer shall maintain the financial reports and records for the unit. Financial reports and records shall include monthly financial status reports, bank statements, receipts, approved disbursements, and correspondence associated with all other financial transactions. Financial reports and records shall include the current year plus no fewer than six previous years.
  - (2) Unit financial reports, records, and materials (e.g., checkbooks) shall be kept secure by, and in the custody of, the unit FN staff officer whenever not in use. Proper safeguards shall be employed to ensure the prevention of loss throughout prescribed retention periods (e.g., paper reports and records shall be stored in dry protected spaces; separately stored electronic back-ups of electronic files).
  - (3) At no time shall unit financial reports and records fall out of custody of the unit FN staff officer or unit elected leaders, or any higher unit FN staff officer or elected leader in their COLM. If unit financial reports and records must be physically transferred to another individual, then the custodial unit FN staff officer shall ensure the individual is aware of their obligation and requirement to similarly keep them secure whenever not in use.
  - (4) Any unit financial reports and records submitted to DIRAUX shall only be in organized and collated electronic form. Paper reports and records shall not be submitted.
- e. Retention.
  - (1) Auxiliary unit financial reports and records, including all supporting documentation for expenditures, shall be treated in accordance with Coast Guard Unit Allotment Statute Reports, Registers of Transactions, Allotments, Obligations, and Expenditures as defined through reference (f) (<https://www.dcms.uscg.mil/Our-Organization/Assistant-Commandant-for-C4IT-CG-6/The-Office-of-Information-Management-CG-61/About-CG-Directives-System/Commandant-Instructions?smdsearch2812=5212.12> ) and provisions of reference (g) (<https://www.archives.gov/files/records-mgmt/grs/grs-trs31.pdf> ).

- (2) As such, upon completion of the current fiscal year they shall be retained by the originating Auxiliary unit for a period no less than seven years after which they may be destroyed. Longer retention is authorized if deemed necessary for business or audit purposes.
  - (3) Paper reports, records, and all associated documentation may be converted to electronic form and retained by the Auxiliary unit solely in that manner after a period of six years following completion of the current fiscal year.
  - (4) ANSC-7025 forms submitted to the DIRAUX shall be transferred to the servicing Federal Records Center (FRC) after three years.
  - (5) ANSC-7025 forms and attachments must be converted to portable document format (pdf) and placed in the Coast Guard Auxiliary Document Management System by the DCO's designated representative.
- f. District/Regional Reports. The DCO shall include a brief narrative summary of their district/region's financial status in each quarterly report submitted to their respective Deputy National Commodore (DNACO). This summary shall describe any specially directed audits and ongoing investigations of financial irregularities.
- g. Meetings. Unit FN staff officers shall render a financial report at each regular meeting that includes all receipts and expenditures since the last report and the balance of funds remaining. If requested in advance, financial records shall be made available for membership to review.
- h. Availability to Membership.
- (1) Auxiliary unit financial reports and records shall never be labeled, treated, or referred to as classified material, nor labeled, treated, or referred to as restricted in any way with respect to a request for same by any member of the Coast Guard or any Auxiliarist within the COLM of the source Auxiliary unit.
  - (2) Requests for such reports and records by entities external to the Coast Guard (e.g., a commercial marine dealer; a Congressional or other governmental office) shall be referred from the unit via its COLM to the DIRAUX for processing.
  - (3) Flotilla and division unit financial reports and records shall be made available to flotilla and division membership upon approval and shall remain readily available upon request by a member of the flotilla, division, or their COLM for a period of no less than seven years (current fiscal year plus six additional years).
  - (4) District unit financial reports and records shall remain readily available upon request from a member of the district or their COLM for a period of no less than seven years (current fiscal years plus six additional years).

- (5) A servicing unit FN staff officer shall fill a request for any of these reports and records that are more than a year old within 30 days. Requests for these reports and records from Auxiliarists outside the unit's COLM shall be provided at the convenience of the unit FN staff officer and with awareness of the unit elected leader.

6. Unit Materials Reports and Records.

- a. Components and Signatures. All units shall maintain well-organized materials reports and records that provide complete auditable records. Signatures on any such reports and records shall be original. Digital and e-signatures are not authorized. For those units with operational assets, the Materials Staff Officer should collaborate with the Operations Staff Officer to account for equipment maintained by members in operational programs. Any equipment or property that is subject to Rescue and Survival Systems (R&SS) management under the purview of the DIRAUX is not subject to the provisions of this SOP and is not to be included in its prescribed inventories and reports. Component records include:
  - (1) Unit annual materials inventories.
  - (2) Materials receipts and transfer documents.
  - (3) Membership meeting materials reports. These reports should be kept straightforward and provide a readily understandable snapshot of the unit's materials status.
  - (4) ANSC-7025 forms that contain any materials report. These reports are separate and distinct from membership meeting materials reports.
  - (5) Copy of any unit materials inventory.
  - (6) Copy of unit meeting minutes that include motions related to materials.
- b. Annual, Officer Relief, and For Cause. Reference (a), unit Standing Rules, and Appendix D provide requirements for the preparation and distribution of the ANSC-7025 form. For annual end-of-year reporting and COLM routing purposes, an Auxiliary unit shall submit a single ANSC-7025 form that contains both its finance and materials reports.
  - (1) The annual end-of-year ANSC-7025 form must be prepared in January after all materials transactions have occurred. The report must cover all materials transactions of the previous year, list all property currently in unit custody (except any equipment or property that is subject to R&SS management under the purview of the DIRAUX), and undergo audit in accordance with Appendix D. Upon audit completion an FC shall forward the flotilla report to their DCDR by January 31. The DCDR shall review the report and forward it along with other respective flotilla reports and the division report to the DCO by February 20. The DCO, or their designee (e.g., the DSO-MA), will review the reports and forward them to the DIRAUX by April 1.

- (2) If a unit elected leader or unit MA staff officer changes during the year, an ANSC-7025 relief form must be completed and submitted to the DIRAUX within 30 days of the change. Upon appointment of a succeeding MA staff officer, the outgoing MA staff officer shall promptly deliver all unit materials and records to the succeeding MA staff officer. The elected leader shall effectuate this delivery if the outgoing MA staff officer is unable or unavailable to do so.
  - (3) A unit elected leader may direct submission of an ANSC-7025 form from a subordinate unit in their COLM for cause at any time during the year (email acceptable). The unit elected leader must first notify and obtain approval from the DCO (email acceptable). The DCO must also consult with and obtain concurrence from the DIRAUX prior to issuing approval (email acceptable). Such directed report shall be submitted to the unit elected leader and their unit MA staff officer within 30 days of direction.
- c. Monthly. The unit MA staff officer shall prepare a unit materials report of materials status and transactions monthly and provide it to unit elected leadership and membership in writing. The report shall reflect all material donations, contributions, transfers, and loans that occurred since the last report. If no changes occurred, then the report should simply state, "No changes since last report."
- d. Maintenance, Security, and Submission.
- (1) The unit MA staff officer shall maintain the materials reports and records for the unit. Materials reports and records shall include monthly materials status reports, transfer forms, and correspondence associated with all other materials transactions. Materials reports and records shall include the current year plus no fewer than six previous years.
  - (2) Unit materials and associated reports and records shall be kept secure by, and in the custody of, the unit MA staff officer whenever not in use. Proper safeguards shall be employed to ensure the prevention of loss throughout prescribed retention periods (e.g., materials and paper reports and records shall be stored in dry protected spaces; separately stored electronic back-ups of electronic files). The degree of security afforded materials should elevate with their value. For example, it would be reasonable and acceptable for a FSO-MA in custody of two spare Auxiliary life jackets to store them in a closet within their home, whereas a SO-MA in custody of an Auxiliary vessel's outboard motor or a DSO-MA in custody of a district store's inventory should store such materials in a locked garage/storage facility.
  - (3) At no time shall unit materials and associated reports and records fall out of custody of the unit MA staff officer or unit elected leaders, or any higher unit MA staff officer or elected leader in their COLM. If unit materials and associated reports and records must be physically transferred to another individual, then the custodial unit MA staff officer shall ensure the individual is aware of their obligation and requirement to similarly keep them secure whenever not in use.

- (4) Any unit materials reports and records submitted to DIRAUX shall only be in organized and collated electronic form. Paper reports and records shall not be submitted.

e. Retention.

- (1) Auxiliary unit materials reports and records shall be treated in accordance with Coast Guard Unit Allotment Statute Reports, Registers of Transactions, Allotments, Obligations, and Expenditures as defined through reference (f) and provisions of reference (g).
- (2) As such, upon completion of the current fiscal year they shall be retained by the originating Auxiliary unit for a period no less than seven years after which they may be destroyed. Longer retention is authorized if deemed necessary for business or audit purposes.
- (3) Paper reports, records, and all associated documentation may be converted to electronic form and retained by the Auxiliary unit solely in that manner after a period of six years following completion of the current fiscal year.
- (4) ANSC-7025 forms submitted to the DIRAUX shall be transferred to the servicing Federal Records Center (FRC) after three years.

- f. District/Regional Reports. The DCO shall include a brief narrative summary of any significant highlights in their district/region's materials status in each quarterly report submitted to their respective DNACO (e.g., the gifting of a vessel to a flotilla; the transfer of three laptop computers from the DIRAUX office to district staff). This summary shall describe any specially directed audits and ongoing investigations of materials irregularities.

- g. Meetings. Unit MA staff officers shall render a materials report at each regular meeting that includes all inventory changes since the last report. If requested in advance, materials records shall be made available for membership to review.

h. Availability to Membership.

- (1) Auxiliary unit materials reports and records shall never be labeled, treated, or referred to as classified material, nor labeled, treated, or referred to as restricted in any way with respect to a request for same by any member of the Coast Guard or any Auxiliarist within the COLM of the source Auxiliary unit.
- (2) Requests for such reports and records by entities external to the Coast Guard (e.g., a commercial marine dealer; a Congressional or other governmental office) shall be referred from the unit via its COLM to the DIRAUX for processing.

- (3) Flotilla and division unit materials reports and records shall be made available to flotilla and division membership upon approval and shall remain readily available upon request by a member of the flotilla, division, or their COLM for a period of no less than seven years (current fiscal year plus six additional years).
- (4) District unit materials reports and records shall remain readily available upon request from a member of the district or their COLM for a period of no less than seven years (current fiscal years plus six additional years).
- (5) A servicing unit MA staff officer shall fill a request for any of these reports and records that are more than a year old within 30 days. Requests for these reports and records from Auxiliarists outside the unit's COLM shall be provided at the convenience of the unit MA staff officer and with awareness of the unit elected leader.

7. Audits.

a. Financial Audit.

- (1) Elected leaders need to be cognizant of the status of unit finances before accepting responsibilities of their office. Moreover, their awareness of such is an inherent obligation on behalf of the entire unit membership. Unit financial audits are an essential tool to promote and ensure fulfillment of this obligation and require full cooperation and support between the unit FN staff officer and their elected leader.
- (2) Unit financial audits shall be scheduled, completed, and submitted in accordance with provisions of Appendix D. If not completed and submitted in such fashion, then the Auxiliary unit may be required to provide any and all additional substantiating documentation for that audit as well as for any subsequent unit ANSC-7025 form submission as directed by any elected leader (DIRAUX included) in the unit's COLM.
- (3) A financial audit shall examine associated documentation for any expenditure including checks themselves. The following minimum guidelines apply:

Number of Checks/Expenditures in the Quarter	Minimum Number of Checks/Expenditures to be Sampled*
1-50	8
51-100	15
101-200	30
> 200	15%

\*Specified minimum sample sizes represent 15% of the corresponding maximum numbers of checks. For every check in the sample discovered to have a financial irregularity or which gives rise to financial question, an additional 15% of the remaining checks shall be sampled.

- (4) Unit elected leaders shall establish a Financial Audit Committee to perform an audit of the unit's financial records. To avoid conflicts of interest, the committee shall be composed in accordance with provisions of Appendix D. The committee shall conduct its functions in-person unless circumstances are so exceptional that they prevent doing so (e.g., a pandemic prevents face-to-face interactions; committee members live more than 50 miles away from each other and makes in-person meeting impractical). In such circumstances, committee functions may be conducted by electronic means.
- (5) The current unit FN staff officer shall facilitate audit preparation for the committee and be available to answer questions.
- (6) If an Auxiliary unit fails to comply with the procedures defined in this SOP, reference (a), or applicable unit Standing Rules, including failure to submit an ANSC-7025 form as required, or if unit financial irregularities are suspected or discovered, the DCO may direct a financial audit. After the audit review, the DCO may take subsequent action deemed necessary and as authorized and appropriate. The DIRAUX has authority to direct a financial audit at any time and take subsequent action deemed necessary and appropriate.

b. Materials Audit.

- (1) Elected leaders need to be cognizant of the status of unit materials before accepting responsibilities of their office. Moreover, their awareness of such is an inherent obligation on behalf of the entire unit membership. Unit materials audits are an essential tool to promote and ensure fulfillment of this obligation and require full cooperation and support between the unit MA staff officer and their elected leader.
- (2) Auxiliary units shall minimize materials inventories, utilize audits as opportunities to identify unneeded, obsolete, excess, and inappropriate items, and remove such items from inventory.
- (3) Unit materials audits shall be scheduled, completed, and submitted in accordance with provisions of Appendix D. If not completed and submitted in such fashion, then the Auxiliary unit may be required to provide any and all additional substantiating documentation for that audit as well as for any subsequent unit ANSC-7025 form submission as directed by any elected leader (DIRAUX included) in the unit's COLM.
- (4) A unit materials audit shall be included as part of its designated section of any ANSC-7025 form submission. In some cases, the materials inventory section of the ANSC-7025 form may not be structured to effectively document the unit's inventory. In such cases, the unit shall annotate the inventory section to indicate a separate inventory document has been attached and ensure the ANSC-7025 form's materials inventory record section has all appropriate signatures.



- (5) Unit elected leadership shall establish a Materials Audit Committee to perform an audit of the unit’s materials inventory. To avoid conflicts of interest, the audit committee shall be composed in accordance with provisions of Appendix D. The committee shall conduct its functions in-person unless circumstances are so exceptional that they prevent doing so (e.g., a pandemic prevents face-to-face interactions; committee members live more than 50 miles way from each other so as to make in-person meeting impractical). In such circumstances, committee functions may be conducted by electronic means (e.g., visual sighting of inventory items may be made via Zoom video connection).
- (6) The current unit MA staff officer shall facilitate audit preparation for the committee and be available to answer questions.
- (7) If an Auxiliary unit fails to comply with the procedures defined in this SOP, reference (a), or applicable unit Standing Rules, including failure to submit an ANSC-7025 form as required, or if unit materials irregularities are suspected or discovered, the DCO may direct a materials audit. After the audit review, the DCO may take subsequent action deemed necessary and as authorized and appropriate. The DIRAUX has authority to direct a materials audit at any time and take subsequent action deemed necessary and appropriate.

8. Report Routing. The following table summarizes routing expectations for ANSC-7025 forms.

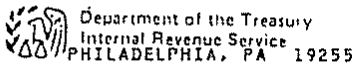
**Financial Report and Inventory Record of an Auxiliary Unit (ANSC-7025) Routing**

	FC to DCDR	DCDR to DCO (or their designee)	DCO to DIRAUX
Flotilla ANSC-7025 form (combined)	Required <sup>1</sup>	Required <sup>4</sup>	Required
Flotilla ANSC-7025 form (finance section only due to relief)	Required <sup>2</sup>	Required <sup>5</sup>	Required
Flotilla ANSC-7025 form (materials section only due to relief)	Required <sup>3</sup>	Required <sup>6</sup>	Required
Division ANSC-7025 form (combined)		Required <sup>4</sup>	Required
Division ANSC-7025 form (finance section only due to relief)		Required <sup>5</sup>	Required
Division ANSC-7025 form (materials section only due to relief)		Required <sup>6</sup>	Required
District ANSC-7025 form (combined)			Required
District ANSC-7025 form (finance section only due to relief)			Required
District ANSC-7025 form (materials section only due to relief)			Required

Notes: 1 = Copy to SO-FN and SO-MA                      2 = Copy to SO-FN                      3 = Copy to SO-MA  
4 = Copy to DSO-FN and DSO-MA                      5 = Copy to DSO-FN                      6 = Copy to DSO-MA

Appendix A

**IRS Confirmation of U.S. Coast Guard Auxiliary  
Employer Identification Number (EIN) of 10 March 1987  
(also available on the Auxiliary Leadership site: <http://agroup-bx.wow.uscgaux.info/content.php?unit=BX-GROUP&category=sop> )**



DATE OF THIS NOTICE: 03-10-87 CP 575  
EMPLOYER IDENTIFICATION NUMBER: 52-1500576  
28086124 N

For assistance you may  
call us at:

962-2590 LOCAL BALTIMORE  
488-3100 DIST. OF COL.  
1-800-424-1040 OTHER MD

UNITED STATES COAST GUARD AUXILIARY  
COAST GUARD COMMANDANT G-BAU  
WASHINGTON DC 20593

or you may write to us at the  
address shown to the left. If you  
write, be sure to attach the bottom  
part of this notice

**Notice of New Employer Identification Number Assigned**

Thank you for your Form SS-4, Application for Employer Identification Number (EIN). The number assigned to you is shown above. This number will be used to identify your business account and related tax returns and documents, even if you do not have employees.

Please keep a copy of this number in your permanent records. Use this number and your name, exactly as shown above, on all Federal tax forms that require this information, and refer to the number on all tax payments and tax-related correspondence or documents. Incomplete information or any variation used when filing tax returns, making FTD payments or subsequent payments may result in improper or delayed posting of payments to your account and/or the assignment of more than one EIN.

If your business is a partnership which must obtain prior approval for its tax year, the tax year you entered in Block 3 of your Form SS-4 does not establish a tax year. For guidance in determining if you must request prior approval and the method of doing so, see IRS Publication 538, Accounting Periods and Methods, available at most IRS offices.

Please note that the assignment of this number does not grant tax exempt status to nonprofit organizations. Any organization (other than a private foundation) having annual gross receipts normally of not more than \$5,000 is exempt by statute if it meets the requirements of section 501(c)(3) of the Internal Revenue Code. These organizations are not required to file Form 1023 (Application for Recognition of Exemption) or file Form 990 (Return of Organization Exempt from Income Tax). However, if the organization wants to establish its exemption with the Internal Revenue Service and receive a ruling or determination letter recognizing its exempt status, it should file Form 1023 with the Key District Director. For details on how to apply for this exemption, see IRS Publication 557, Tax-Exempt Status for Your Organization, available at most IRS offices.

Thank you for your cooperation.

Appendix B

IRS Confirmation of U.S. Coast Guard Auxiliary  
Exemption from Federal Income Tax of 19 November 1980  
(also available on the Auxiliary Leadership site: <http://agroup-bx.wow.uscgaux.info/content.php?unit=BX-GROUP&category=sop>)

JUN 18 2004 2:51PM JAQUES ADMIRALTY

NO. 2309 P. 1

U.S. DEPARTMENT OF THE TREASURY

Washington, DC 20224

William T. Kruglak II  
Suite 2258  
One Biscayne Tower  
Miami, FL 33131

Person to Contact:  
Marcus Owens  
Telephone Number:  
(202) 566-6269

Refer Reply to:  
S:BO:T:R:2-4

Date:  
NOV 18 1980

Dear Mr. Kruglak:

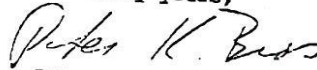
This is in response to your letter of July 2, 1980, in which you requested, in your capacity as Legal Counsel to the U.S. Coast Guard Auxiliary, clarification of the federal income tax status of the Auxiliary.

As the Coast Guard Auxiliary was created by Act of Congress as a nonmilitary organization administered by the Commandant of the Coast Guard under the direction of the Secretary of Transportation, the Auxiliary is an integral part of the United States Government. As such, the Auxiliary is not subject to federal income tax nor is it required to file federal income tax returns.

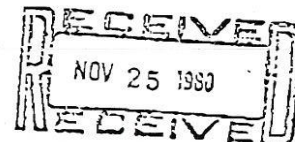
You have also requested that the Auxiliary be listed in all Internal Revenue Service publications as an exempt organization. Please be advised that the publication to which you refer, Publication 78, Cumulative List of Organizations Described in IRC 170(c), does not include integral parts of federal, state or local governments although those entities are not subject to federal income tax, thus we are unable to include the Auxiliary in the publication. As noted, however, in the preface to that publication, contributions to a subdivision of the U.S. Government are deductible from federal income tax by donors under IRC 170(c)(1) if the contribution is made exclusively for public purposes.

We trust the foregoing information is helpful.

Sincerely yours,



Peter K. Bros  
Chief, Rulings Section 2  
Exempt Organizations  
Technical Branch



08 Apr 2024



Commander  
XXXXX Coast Guard District

DIRAUX office street  
DIRAUX office city / state / zip code  
Staff Symbol: dpa  
Phone: DIRAUX phone number  
Fax: DIRAUX fax number

**Appendix C  
Template**

16790  
XX YYY ZZZZ

**TAX EXEMPTION CERTIFICATE  
FOR FEDERAL GOVERNMENT AGENCIES  
FOR OCCUPANCY OF HOTELS, MOTELS, AND SIMILAR ACCOMMODATIONS  
(Pursuant to Articles 28 and 29 of the Tax Law)**

XXXXXX State Taxpayer Identification Number (TIN): \_\_\_\_\_

U.S. Coast Guard Auxiliary Employer Identification Number (EIN): 52-1500576

To: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This is to certify that I, the undersigned, am a representative of the United States Government Agency indicated below, and that the charges for the occupancy of the above establishment on the dates specified below has been or will be paid for by such government agency, and that such charges are incurred in the performance of my official duties as a representative or employee of such U.S. Government agency.

DEPARTMENT / AGENCY: U.S. Department of Homeland Security / U.S. Coast Guard

Address: Commander (dpa)  
XXXXXX Coast Guard District  
DIRAUX office street  
DIRAUX office city, state, zip code

Name of employee / representative: \_\_\_\_\_

Signature of employee / representative: \_\_\_\_\_ Date: \_\_\_\_\_

NOTE: A separate exemption certificate is required for each occupancy and for each employee / representative.

## **Appendix D Audit Committee Guide**

### 1. Introduction.

- a. An Audit Committee shall be assigned to perform a unit financial audit or materials audit or both. Its purpose shall be to examine and audit the associated books, records, and appropriate materials of the unit to ensure:
  - (1) They are free of material misstatement.
  - (2) Unit Standing Rules were followed.
  - (3) Auxiliary and district policies and procedures were followed.
- b. An annual financial and materials audit must be completed as quickly as possible after December 31 of each year in order to be finalized in sufficient time to submit the financial and materials report to the unit elected leader. The unit elected leader must sign and submit the report up the COLM to the DIRAUX in accordance with the schedule in paragraph 8. The committee will also report its findings at the next regular unit meeting. If any anomalies are uncovered, further investigation into the financial and/or materials records must be accomplished.
- c. To be effective and to properly complete its assigned purpose, an Audit Committee must apply an organized approach and standard procedures to its functions. The following procedures and checklist are intended to provide guidance for an Audit Committee in completing its mission.
- d. Because financial and materials records maintained by an Auxiliary unit may vary considerably due to the size of the unit and its activities, these audit procedures shall be considered the minimum for an adequate audit of unit funds and/or materials, and they can be adjusted or added to as circumstances dictate.
- e. A materials audit should normally focus on physical sighting and accounting of those items purchased, donated, contributed, transferred, and received on loan since the last audit. However, the audit convening authority may direct physical sighting and accounting of all material holdings as part of any such audit. As a minimum, an audit performed in conjunction with a change in the unit elected leader shall include sighting of all material holdings.

### 2. Audit Committee Composition.

- a. An Audit Committee shall never be comprised of a single member. It should consist of at least three (3) unit members, including the Committee Chair, but may have two members if time and circumstance prevent more. The unit may have one committee to perform both the financial and materials audits, or they may have two separate audit committees, one for finance and one for materials.

b. Eligible committee members include:

- (1) Any incoming unit elected leaders.
- (2) The incoming unit FN staff officer (required whenever a financial audit is triggered by a change of the unit elected leader or unit FN staff officer).
- (3) The incoming unit MA staff officer (required whenever a materials audit is triggered by a change of the unit elected leader or unit MA staff officer).
- (4) Any member aware of most, if not all, unit activities that occurred during the year.
- (5) Any unit member who has an interest in the unit’s accounting or bookkeeping.

c. Ineligible committee members include:

- (1) Unit elected leaders (including the vice unit leader) that were incumbent during the year being audited because these officers effectively led and managed unit FN and MA staff officers.
- (2) Unit FN and MA staff officers that were incumbent during the year being audited because they handled unit funds and materials. However, these FN and MA staff officers shall facilitate audit preparation for the committee and be available to answer questions about unit books, records, and appropriate materials.
- (3) Any member who has been involved with any significant disbursements of the unit’s funds or handling of the unit’s materials.
- (4) Any family member of the incumbent elected leaders, FN staff officer, or MA staff officer.

3. Audit Committee Schedule.

<b>Initial Action</b>	<b>Action Taken By</b>	<b>Due Date</b>	<b>Final Action</b>
Committee Appointment <sup>[1]</sup>	Unit Elected Leader	Division: At or before regular meeting in October. Flotilla: At or before regular meeting as designated in the unit Standing Rules.	Appoint the Audit Committee, designate Chairperson, and provide each member with a copy of this guide.
Audit	Audit Committee	As soon as possible after the end of the fiscal year (31 December). This	Use the information contained in this guide when conducting the audit.

		includes after receiving the December bank statement(s) yet no later than 30 days after the end of the fiscal year. Also, as may otherwise be prescribed or directed in accordance with this SOP.	
Submission of ANSC-7025 Form <sup>[2]</sup>	FC (or VFC if FC unavailable)	On or before 31 January. Also, as may otherwise be prescribed or directed in accordance with this SOP.	Send to DCDR with copy to the SO-FN.
	DCDR (or VCDR if DCDR unavailable)	On or before 20 February. Also, as may otherwise be prescribed or directed in accordance with this SOP.	Send to DCO with copy to the DSO-FN.
	DCO (or DCOS if DCO unavailable)	On or before 1 April. Also, as may otherwise be prescribed or directed in accordance with this SOP.	Send to DIRAUX.
Audit Report <sup>[1]</sup>	Audit Committee	Before the next regular unit meeting.	Prepare report identifying findings resulting from the examination of the books and records of the FN and MA staff officers along with any

			recommendations.
	Audit Committee Chair	At the next regular unit meeting.	Present full report to membership.

<sup>[1]</sup> Unit Standing Rules, Paragraph 10.2.

<sup>[2]</sup> Auxiliary Manual, CIM16790.1G, Section N. Finances, Sub-section N.1. Financial Reporting.

#### 4. About the Audit.

##### a. When to Audit.

- (1) As soon as possible after the end of the fiscal year (31 December). This includes after receiving the December bank statement(s) yet no later than 30 days after the end of the fiscal year.
- (2) Prior to any change in the unit elected leader unless sufficient time is not available. In such case it shall be completed within 30 days of the change.
- (3) Prior to any change in the unit FN or MA staff officer unless sufficient time is not available. In such case it shall be completed within 30 days of the change.
- (4) Within 30 days of direction for such by the unit elected leader, the next higher elected leader in the COLM (e.g., from DCAPT to DCDR), DCO, DIRAUX, or other Coast Guard authority.
- (5) As otherwise required by unit Standing Rules.

##### b. Preparation. The Audit Committee should have the following references and materials readily available to commence the audit:

- (1) References.
  - (a) Auxiliary Financial Controls SOP, 16790 / AUX-SOP-008 (series).
  - (b) Unit Standing Rules.
  - (c) Unit SOP if it has a financial element.
  - (d) Applicable unit procedures manual or guide (e.g., Auxiliary Flotilla Procedures Guide).
  - (e) Applicable unit FN and/or MA staff officer job descriptions (e.g., Duties of Flotilla Staff Officer Finance (FSO-FN)).



(f) Auxiliary Manual, COMDTINST M16790.1 (series).

(2) Materials.

(a) Financial Audit.

- (1) The most recent unit financial audit report and the last annual unit financial audit report if not one and the same.
- (2) Unit annual budget.
- (3) Monthly financial statements (e.g., bank accounts).
- (4) Monthly bank reconciliation reports (January-December).
- (5) Accounting system records (e.g., monthly financial report; cash accounts; receipts; disbursement ledgers).
- (6) Funds collection logs (e.g., membership dues log; PE class log; change of watch payment log].
- (7) Any documentation related to grants, donations, or gifts to the unit.
- (8) Unit checkbook.
- (9) Receipts, invoices, disbursement vouchers, and unit elected leader authorization for payment (e.g., email; written approvals; signatures on disbursement forms).
- (10) Unit meeting financial reports.
- (11) Unit meeting minutes that include special motions for authorized expenses not included in the budget.

(b) Materials Audit.

- (1) The most recent unit materials audit report and the last annual unit materials audit report if not one and the same.
- (2) Keys, lock combinations, and any materials that may be needed in order to access unit materials for the purpose of visual sighting.
- (3) A unit materials inventory and any documentation related to material purchases, donations, contributions, transfers, and loans.
- (4) Unit meeting materials reports.

- (5) Unit meeting minutes that include special motions related to the materials inventory.
  - (3) Signed copy of previous year's Financial Report and Inventory Record of an Auxiliary Unit (ANSC-7025) form and the ANSC-7025 form prepared for the year being audited, ready for signatures.
  - (4) Signed copy of last year's Audit Committee report.
5. Audit Checklist. The following checklist shall be used for basic audit purposes. District-specific line items may be added to it.

**Auxiliary Finance / Materials Audit Checklist**

<b>Action Item Number</b>	<b>Audit Action</b>	<b>Yes (Y) No (N) Not applicable (N/A)</b>
	<b>1. Financial Audit - General</b>	
1.a.	Ensure the FN and MA staff officers, or any appointed assistants, are not familial related to the current elected leader, vice leader, or immediate past leader of their unit or any other unit in their COLM.	
1.b.	Ensure the FN and MA staff officers, or any appointed assistants, are not incumbent elected officers at any organizational level unless properly waived (and for a period no longer than one year).	
1.c.	Ensure that unit financial reports, records, and materials (e.g., checkbooks) are kept secure by, and in the custody of, the unit FN staff officer whenever not in use.	
1.d.	Ensure proper safeguards are employed to prevent loss throughout prescribed retention periods (e.g., paper reports and records stored in dry protected spaces; separately stored electronic back-ups of electronic files).	
	<b>2. Financial Audit - Receipts (Revenue)</b> Determine that all revenue is properly handled and recorded.	
2.a.	For Member dues – Is the rate assessed based on the date the member joined, and correctly prorated if applicable?	
2.b.	For other funds collection logs (PE classes, COW, etc.) – Does the amount collected reflect the number of attendee times the rate charged?	
2.c.	Are individual donations, gifts, and grants under \$100 in value? If not, has proper authorization been given for acceptance of the funds?	
2.d.	For bank accounts and CDs – does the interest appear reasonable?	
2.e.	For each transaction, if payment was by:	

2.e.(1)	<u>Cash</u> - Are the dates the cash was received, from whom, and the payment method “cash” stated in the transaction’s description? Was a cash receipt issued for the payment?	
2.e.(2)	<u>Check for an Individual</u> - Are the dates the checks were received, from whom, and the check numbers stated in the transaction’s description field?	
2.e.(3)	<u>Check for a Group</u> - Is the type of activity, the date of the activity, the number of individuals involved stated in the transaction’s description field, and the correct lump sum recorded?	
2.e.(4)	<u>Electronic Transfers of Funds (PayPal, Square, Affinipay)</u> - Does the amount transferred from the source correspond to the amount stated on each bank statement?	
2.f	Is the “Receipt Type” for each transaction appropriate?	
2.g.	Are funds being deposited in a timely manner? (Note: Correlate deposit of funds with the event generating them)	
2.h.	Are established procedures being followed (e.g., accounting; unit Standing Rules, procedures manual or guide; Auxiliary Manual)? Confirm who has physical access to these records, who has logical access (e.g., username and password) to any software and accounts associated with these records and confirm such access information is not shared with any unauthorized personnel.	
	<b>3. Financial Audit - Disbursements (Expenses)</b> For each expenditure, the Audit Committee will ensure that it was authorized and that there is a receipt signed by a person other than the Finance Officer or the person who authorized the expenditure.	
3.a.	Ensure the expenditures have been properly authorized.	
3.a.(1)	Examine original invoice or receipt for date, items purchased and amount(s).	
3.a.(2)	Check for appropriate approvals.	
3.a.(2)(a)	Approved budget item by the membership.	
3.a.(2)(b)	Documented emergency expenditure in the meeting minutes.	

3.a.(2)(c)	Authorized disbursement by the unit elected leader, or by the vice elected leader if the elected leader is not available (email acceptable).	
3.a.(2)(d)	Were the expenditures properly authorized?	
3.a.(3)	Compare each cancelled check to the invoice checking for:	
3.a.(3)(a)	Correct amount	
3.a.(3)(b)	Correct date	
3.a.(3)(c)	Authorized signature	
3.a.(3)(d)	Were all elements present for each check (including voided checks or copies thereof)?	
3.b.	Is the "Disbursement Type" correct for each transaction?	
3.c.	Are disbursements being made in a timely manner (i.e., within the month they were approved)?	
3.d.	Were PE-generated funds used to support authorized Auxiliary activities <i>except</i> social activities?	
3.e.	If General Disbursements are over \$100, was an itemized list provided?	
3.f.	Have unit funds been expended to pay for dues of members who did not pay their dues?	
3.g.	Are established procedures being followed (e.g., accounting; unit Standing Rules, procedures manual or guide; Auxiliary Manual)? Confirm who has physical access to these records, who has logical access (e.g., username and password) to any software and accounts associated with these records and confirm such access information is not shared with any unauthorized personnel.	
	<b>4. Financial Audit - Cash Accounts</b> The following line items should be used as applicable and appropriate.	
4.a.	Verify that all bank statements are reconciled to the balances shown in the financial records.	

4.b.	Verify that there are no outstanding deposits beyond 30 days or checks beyond 90 days on the year end reconciliation.	
4.c.	Verify the existence of all savings accounts or certificates and reconcile to the balances shown in the financial records.	
4.d.	Confirm with the FN staff officer that there are signature cards on file at the unit's financial institution(s) for the current unit elected leader, vice elected leader, and FN staff officer. Any that are not on file must be established immediately, and any signature cards still on file for past office incumbents must be removed immediately.	
4.e.	Does each transaction description and amount match with the corresponding receipt or disbursement?	
4.f.	Verify the bank statements do not have any strange entries (e.g., ATM withdrawals; check card payments; teller transaction (TLR) cash withdrawals). These entries may indicate a debit card, credit card, or transfer out of the account, which are not authorized.	
4.g.	Are established procedures being followed (e.g., accounting; unit Standing Rules, procedures manual or guide; Auxiliary Manual)? Confirm who has physical access to these records, who has logical access (e.g., username and password) to any software and accounts associated with these records and confirm such access information is not shared with any unauthorized personnel.	
	<b>5. Materials Audit - Inventory</b> The following line items should be used as applicable and appropriate.	
5.a.	General.	
5.a.(1)	Obtain a detailed list of materials in inventory (type and quantity) from the MA staff officer (i.e., purchased; donated or contributed; on loan). It should also identify who is currently in the possession of the item, its location, and its condition or disposition.	
5.a.(2)	Ensure that materials transactions are included in the financial report for the unit when purchased or received.	

5.a.(3)	Ensure that unit materials and associated reports and records are kept secure by, and in the custody of, the unit MA staff officer whenever not in use. Ensure proper safeguards are employed to prevent loss throughout prescribed retention periods (e.g., materials and paper reports and records stored in dry protected spaces; separately stored electronic back-ups of electronic files). Ensure the degree of security afforded materials elevates with their value.	
5.b.	Purchases.	
5.b.(1)	Unless otherwise directed by the audit convening authority to verify the existence of every item on inventory, test the accuracy of the listing by verifying the existence of each item purchased since the last audit.	
5.b.(2)	Does each purchase include a description of the item, serial number (e.g., electronic devices, software), date of purchase, and cost? <u>Note</u> : Each serial numbered item should be listed on a separate line.	
5.b.(3)	If the item is no longer in inventory, is the date removed and the disposition of the item noted (e.g., sold to whom; discarded; destroyed, donated to Coast Guard)?	
5.b.(4)	Are established procedures being followed (e.g., accounting; unit Standing Rules, procedures manual or guide; Auxiliary Manual)? Confirm who has physical access to these records and materials, who has logical access (e.g., username and password) to any software and accounts associated with these records and materials and confirm such access information is not shared with any unauthorized personnel.	
	<b>6. Materials Audit – Materials Donated, Contributed, or Transferred</b> The following line items should be used as applicable and appropriate.	
6.a	Unless otherwise directed by the audit convening authority to verify the existence of every item donated, contributed, or transferred, test the accuracy of the listing by verifying the existence of each item that was donated, contributed, or transferred since the last audit.	
6.b.	Does each donation, contribution, or transferred item include a description of the item, serial number (e.g., electronic devices; software), date of receipt, and value (known or estimated)? <u>Note</u> :	

	Each serial numbered item should be listed on a separate line.	
6.c.	If the item is no longer in inventory, is the date removed and the disposition of the item noted (e.g., donated to whom; discarded; destroyed; returned to donor or contributor)?	
6.d.	Are established procedures being followed (e.g., accounting; unit Standing Rules, procedures manual or guide; Auxiliary Manual)? Confirm who has physical access to these records and materials, who has logical access (e.g., username and password) to any software and accounts associated with these records and materials and confirm such access information is not shared with any unauthorized personnel.	
	<b>7. Materials Audit – Materials on Loan</b> The following line items should be used as applicable and appropriate.	
7.a.	Unless otherwise directed by the audit convening authority to verify the existence of every item on loan, test the accuracy of the listing by verifying the existence of each item that has been received on loan from the Coast Guard or any other entity since the last audit.	
7.b.	Does each item on loan include a description of the item, serial number (e.g., electronic devices; software), quantity, date of receipt, and value (known or estimated)? <u>Note</u> : Each serial numbered item should be listed on a separate line.	
7.c.	If the item is no longer in inventory, is the date removed and the disposition of the item noted (e.g., destroyed; returned to loaner)?	
7.d.	Are established procedures being followed (e.g., accounting; unit Standing Rules, procedures manual or guide; Auxiliary Manual)? Confirm who has physical access to these records and materials, who has logical access (e.g., username and password) to any software and accounts associated with these records and materials and confirm such access information is not shared with any unauthorized personnel.	
	<b>8. Financial and Materials Audits – Financial Report and Inventory Record of an Auxiliary Unit (ANSC-7025) Form</b> Once audit testing has been completed to the satisfaction of the Audit Committee, this form shall be checked for completeness and accuracy and signed by the committee members.	



8.a.	Has the current ANSC-7025 form been used?	
8.b.	Does the unit's name and number match the unit's name and number in AuxDirectory/AUXDATA?	
8.c.	Do beginning balances agree with the prior year's ending balances?	
8.d.	Do categories of revenues and expenses agree with the unit financial record?	
8.e.	Is the form mathematically correct?	
8.f.	Do ending balances agree with the reconciled accounts?	
8.g.	Does the total on line 9 match the total on line 8?	

6. Audit Committee Report. When a Financial and/or Materials Audit Committee has completed its review, the committee will provide the following appropriate report (i.e. with or without findings) to the unit elected leader with a copy to the unit FN staff officer if a financial audit was conducted, to the unit MA staff officer if a materials audit was conducted, and to the DSO-FN (via the SO-FN and/or SO-MA if coming from flotilla level). The report shall be signed by all committee members and presented at the next meeting of the unit membership.

**Unit Name and Number**  
**Financial / Materials Audit Committee Report**  
*(Use this template for a report with findings)*

We have conducted our audit of the *(identify if financial and/or materials)* records for the year ending *(identify year)* in accordance with the Auxiliary Financial and Materials Controls SOP and the unit Standing Rules. An audit is not specifically designed to identify fraud or defalcations although they may be discovered while performing the audit.

Based on the audit, we believe the unit's *(identify if financial and/or materials)* records and statements are free of material misstatement. The following findings and recommendations are provided:

Findings:

*(List any findings to be reported)*

Recommendations:

*(List any recommendations)*

In our opinion, when the above findings have been satisfactorily addressed, the ANSC-7025 form represents the *(identify if financial and/or materials)* position of the unit and the results of its *(identify if financial and/or materials)* activities for the year.

Respectfully submitted,

\_\_\_\_\_  
Audit Committee Chair Date

\_\_\_\_\_  
Audit Committee Member Date

\_\_\_\_\_  
Audit Committee Member Date

**Unit Name and Number**  
**Financial / Materials Audit Committee Report**  
*(Use this template for a report without findings)*

We have conducted our audit of the *(identify if financial and/or materials)* records for the year ending *(identify year)* in accordance with the Auxiliary Financial and Materials Controls SOP and the unit Standing Rules. An audit is not specifically designed to identify fraud or defalcations although they may be discovered while performing the audit.

Based on the audit, we believe the unit's *(identify if financial and/or materials)* records and statements are free of material misstatement.

In our opinion, the ANSC-7025 form represents the *(identify if financial and/or materials)* position of the unit and the results of its *(identify if financial and/or materials)* activities for the year.

Respectfully submitted,

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Audit Committee Chair

Date

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Audit Committee Member

Date

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Audit Committee Member

Date

7. ANSC-7025 Form Signatures. When the Audit Committee is satisfied with the accuracy of the ANSC-7025 form, the Audit Committee Chair and unit FN staff officer and/or MA staff officer each sign their names on the report where indicated (see signature tables below). The FN staff officer (or MA staff officer if only used for materials inventory audit purposes) shall then forward the ANSC-7025 form to the unit elected leader for the other required signatures before it is transmitted up the COLM by its due date.

<b>Financial Report Signatures</b>		
<b>If for New Year</b>	<b>And</b>	<b>Then</b>
No change in unit elected leader	No change in FN staff officer	<ol style="list-style-type: none"> <li>1. Current FN staff officer signs both the FN “OUTGOING OFFICER” line and the FN “INCOMING OFFICER” line.</li> <li>2. Current unit elected leader signs both the FC/DCP/DCO “OUTGOING OFFICER” line and the FC/DCP/DCO “INCOMING OFFICER” line.</li> <li>3. Audit Committee Chair signs the “AUDIT COMMITTEE CHAIR” line.</li> </ol>
	Change in FN staff officer	<ol style="list-style-type: none"> <li>1. Outgoing FN staff officer signs the FN “OUTGOING OFFICER” line.</li> <li>2. Incoming FN staff officer signs the FN “INCOMING OFFICER” line.</li> <li>3. Current unit elected leader signs both the FC/DCP/DCO “OUTGOING OFFICER” line and the FC/DCP/DCO “INCOMING OFFICER” line.</li> <li>4. Audit Committee Chair signs the “AUDIT COMMITTEE CHAIR” line.</li> </ol>
	No change in FN staff officer	<ol style="list-style-type: none"> <li>1. FC/DCP/DCO “INCOMING OFFICER Current FN staff officer signs both the FN “OUTGOING OFFICER” line and the FN “INCOMING OFFICER” line.</li> <li>2. Outgoing unit elected leader signs the FC/DCP/DCO “OUTGOING OFFICER” line.</li> <li>3. Incoming unit elected leader signs the” line.</li> <li>4. Audit Committee Chair signs the “AUDIT COMMITTEE CHAIR” line.</li> </ol>

Change in unit elected leader	Change in FN staff officer	<ol style="list-style-type: none"><li>1. Outgoing FN staff officer signs the FN “OUTGOING OFFICER” line.</li><li>2. Incoming FN staff officer signs the FN “INCOMING OFFICER” line.</li><li>3. Outgoing unit elected leader signs the FC/DCP/DCO “OUTGOING OFFICER” line.</li><li>4. Incoming unit elected leader signs the FC/DCP/DCO “INCOMING OFFICER” line.</li><li>5. Audit Committee Chair signs the “AUDIT COMMITTEE CHAIR” line.</li></ol>
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<b>Materials Inventory Report Signatures</b>		
<b>If for New Year</b>	<b>And</b>	<b>Then</b>
No change in unit elected leader	No change in MA staff officer	<ol style="list-style-type: none"> <li>1. Current MA staff officer signs both the MA “OUTGOING OFFICER” line and the MA “INCOMING OFFICER” line.</li> <li>2. Current unit elected leader signs both the FC/DCP/DCO “OUTGOING OFFICER” line and the FC/DCP/DCO “INCOMING OFFICER” line.</li> <li>3. Audit Committee Chair signs the “AUDIT COMMITTEE CHAIR” line.</li> </ol>
	Change in MA staff officer	<ol style="list-style-type: none"> <li>1. Outgoing MA staff officer signs the MA “OUTGOING OFFICER” line.</li> <li>2. Incoming MA staff officer signs the MA “INCOMING OFFICER” line.</li> <li>3. Current unit elected leader signs both the FC/DCP/DCO “OUTGOING OFFICER” line and the FC/DCP/DCO “INCOMING OFFICER” line.</li> <li>4. Audit Committee Chair signs the “AUDIT COMMITTEE CHAIR” line.</li> </ol>
Change in unit elected leader	No change in MA staff officer	<ol style="list-style-type: none"> <li>1. Current MA staff officer signs both the MA “OUTGOING OFFICER” line and the MA “INCOMING OFFICER” line.</li> <li>2. Outgoing unit elected leader signs the FC/DCP/DCO “OUTGOING OFFICER” line.</li> <li>3. Incoming unit elected leader signs the FC/DCP/DCO “INCOMING OFFICER” line.</li> <li>4. Audit Committee Chair signs the “AUDIT COMMITTEE CHAIR” line.</li> </ol>
	Change in MA staff officer	<ol style="list-style-type: none"> <li>1. Outgoing MA staff officer signs the MA “OUTGOING OFFICER” line.</li> <li>2. Incoming MA staff officer signs the MA “INCOMING OFFICER” line.</li> <li>3. Outgoing unit elected leader signs the FC/DCP/DCO “OUTGOING OFFICER” line.</li> <li>4. Incoming unit elected leader signs the FC/DCP/DCO “INCOMING OFFICER” line.</li> <li>5. Audit Committee Chair signs the “OUTGOING OFFICER” line.</li> </ol>

## **Appendix E Financial Terms**

Accrual Basis	The accrual basis of accounting is a system of recognizing receipts and disbursements when they are incurred instead of focusing on when they are paid or collected. This means that both receipts and disbursements are recognized and recorded in the accounting period when they occur instead of when payments are actually made.
Audit	An unbiased examination and evaluation of the financial and/or materials records and statements of a unit.
Book Balance	A unit's cash balance according to its accounting records.
Cash	In accounting, an asset on the financial report comprising cash on hand, paper currency, coins, bank balances, negotiable money orders and checks; money or money equivalents. To cash a negotiable instrument (as a check) is to convert it into money (paper currency and coins).
Cash Basis	The cash basis of accounting is a system that recognizes and records receipts and disbursements as they are received or paid in cash.
Cash on hand	Specifically, all money, cash, and undeposited funds with the unit, as opposed to cash in the bank.
Compliance	The ability to reasonably ensure conformity and adherence to Auxiliary policies, procedures, and regulations.
Conclusions	The audit committee's evaluations of the effects of the findings on the activities reviewed. Conclusions usually put the findings in perspective based upon their overall implications. Conclusions are sometimes referred to as opinions.
Conflict of Interest	Is any relationship that is, or appears to be, not in the best interest of the unit, the Auxiliary or the Coast Guard. A conflict of interest would prejudice an individual's ability to perform his or her duties and responsibilities objectively.

Disbursements	An accounting term for the sum of all money paid out for goods and services during a given period. They are the cost of goods and services used up in the process of conducting business. They are sometimes referred to as "the cost of doing business." Disbursements deducted from Receipts result in a gain or loss for the unit during a given period.
Error	The unintentional misstatement or omission of significant information in the accounting books or records of the unit.
Expenditure	Money paid out for purchase of goods or services.
Findings	Pertinent statements of fact. Audit findings emerge by a process of comparing what should be with what exist based on the documentation.
Fraud	Any illegal acts characterized by deceit, concealment, or violation of trust. Fraud is perpetrated by individuals and organizations to obtain money, property, or services; to avoid payment or loss of services; or to secure personal or business advantage.
Funds	Funds are defined as monies received or disbursed while doing business (i.e., dues; course registration fees; sale of publications; public education fees).
Income	An accounting term defining the money received by a business during a period as a result of its operations. The goods and services sold.
Information	Data obtained during an audit to provide a sound basis for audit findings and recommendations. Information should be sufficient, competent, relevant, and useful.
Internal Control	<p>A process within an organization designed to provide reasonable assurance regarding the achievement of the following primary objectives:</p> <ul style="list-style-type: none"><li>• The reliability and integrity of information.</li><li>• Compliance with policies, plans, procedures, and regulations.</li><li>• The safeguarding of assets.</li><li>• The economical and efficient use of resources.</li></ul> <p>The accomplishment of established objectives and goals for operations or programs.</p>



Irregularity	<p>The intentional misstatement or omission of significant information in accounting records, financial statements, other reports, documents, or records. Irregularities include fraudulent financial reporting which renders financial statements misleading and misappropriation of assets. Irregularities involve:</p> <ul style="list-style-type: none"><li>• Falsification or alteration of accounting or other records and supporting documents.</li><li>• Intentional misapplication of accounting principles.</li></ul> <p>Misrepresentation or intentional omission of events, transactions, or other significant information</p>
Money or Money Equivalents	<p>In general, the standard medium of exchange as established by a government-and the standard of value for describing the worth of other things. Media include coins, paper money and any substance used as money such as bank notes, checks or money orders. In business, this means any definite or indefinite sum of money.</p>
Net Gain (or Loss)	<p>On a Statement of Operations, the sum remaining after all expenses have been deducted from revenue. When the value is positive it is called Net Gain. When the value is negative it is called Net Loss.</p>
Objectivity	<p>An unbiased mental attitude that requires the audit committee to perform in such a manner that they have an honest belief in their work product and that no significant quality compromises are made. Objectivity requires the audit committee not to subordinate their judgment on audit matters to that of others.</p>
Receipts	<p>An accounting term defining the documents associated with money received through the sale of goods and services during a given period as a result of operations.</p>
Recommendations	<p>Actions the audit committee believes necessary to correct existing conditions or improve operations.</p>
Reconciliation (Bank)	<p>The process by which an account balance in the unit's books is reconciled to the same account's balance reported by the corresponding financial institution. Unit monthly checking bank statements and other bank statements must be reconciled.</p>

Revenue	An accounting term defining the money received by a government entity or non-profit during a given period as a result of operations. The money generated from the sale of goods and services.
Risk	The uncertainty of an event occurring that could have an impact on the achievement of objectives. Risk is measured in terms of consequences and likelihood.
Sales	The sum of money for more than one sale. In accounting, often used interchangeably with income or revenue.
Significance	The level of importance or magnitude assigned to an item, event, information, or problem by the audit committee.

**Appendix F  
Transaction Types**

<b>Cash Account Type</b>	<b>Purpose</b>
a. Checking account	- Total money in all checking accounts.
b. Savings accounts / CDs	- Total money in all savings accounts, certificates of deposit, money markets and other similar accounts.
c. <user defined #1>	- Total money in all users defined #1.
d. <user defined #2>	- Total money in all users defined #2.
<b>Cash Transaction Type</b>	<b>Purpose</b>
a. Checking – beginning balance	- Beginning balance for each checking account for the year.
b. Checking – transaction	- All deposits or withdrawals against a checking account.
c. Savings / CD – beginning balance	- Beginning balance for each savings and CD account for the year.
d. Savings / CD – transaction	- All deposits or withdrawals against a savings or CD account.
e. Trust Fund – beginning balance	- Beginning balance for each Trust Fund account for the year.
f. Trust Fund – transaction	- All deposits or withdrawals against a Trust Fund account.
g. Other Cash Item – beginning balance	- Beginning balance for each other cash item account for the year.
h. Other Cash Item– transaction	- All deposits or withdrawals against another cash item account.
i. PE Funds – beginning balance	- Beginning balance for PE funds. Note: This is a memo transaction and is not used in ANSC-7025 form calculations.
<b>Receipt Transaction Type</b>	<b>Purpose</b>
a. Dues	- Dues and assessments received.
b. PE course fees	- PE course fees, custodial reimbursements, charges for books and materials, and other money collected from PE course students.
c. Cash contributions	- Monetary contributions received.
d. Uniform, flags, insignia	- Money received for uniforms, flags, insignia, and other Auxiliary paraphernalia.
e. Conferences, meetings	- Money received for conferences, registration fees, change of watch, rendezvous, and other Auxiliary functions.
f. Other Cash Items	- Money received not otherwise covered by any of the above.

<b>Disbursement Transaction Type</b>	<b>Purpose</b>
a. Dues	- Dues paid to other Auxiliary units (national, district and division).
b. PE expense	- Money spent for PE related expenses, including course books and materials, custodial fees, meeting room rentals, training aids, equipment, coffee, etc.
c. Uniforms, flags, insignia	- Money spent for uniforms, flags, insignia, and other Auxiliary paraphernalia.
d. Conferences, meetings	- Money spent for conferences, meetings, change of watch, rendezvous, and other Auxiliary functions.
e. Material and equipment	- Money spent for material and equipment for any Auxiliary program, except PE.
f. Building repair/maintenance	- Money spent for repair, maintenance or insurance for any building used for meetings, training, or classrooms.
g. Utilities	- Money spent for telephone, heat, light, power, and other utilities incurred by the unit.
h. Trophies, awards	- Money spent for trophies, awards, and other items of recognition.
i. General disbursement	- Money spent not otherwise covered by any of the above.

## Appendix G

### Acronyms

ANACO-CC	Assistant National Commodore – Chief Counsel
ANACO-CF	Assistant National Commodore – Chief Financial Officer
ANSC	Auxiliary National Supply Center
ANSC-7025	Financial Report and Inventory Record of an Auxiliary Unit form
ANSC-7035	Change of Membership Status form
AOR	Area of Responsibility
AUP	Auxiliary University Program
Association	Coast Guard Auxiliary Association, Inc.
AUXDATA II	Auxiliary Database II (Auxiliary Information System of Record)
CG-BSX	U.S. Coast Guard Office of Auxiliary and Boating Safety
CHDIRAUX	Chief Director of Auxiliary (CG-BSX)
COLM	Chain of Leadership and Management
DCAPT	District Captain
DCDR	Division Commander
DCO	District Commodore
DCOS	District Chief of Staff
DIRAUX	District Director of Auxiliary (dpa)
DLO	District Legal Officer (District Staff Officer for Legal/Parliamentarian)
DNACO	Deputy National Commodore
DSO-FN	District Staff Officer – Finance
DSO-MA	District Staff Officer - Materials
EIN	Employer Identification Number

EXCOM	Executive Committee
FC	Flotilla Commander
FN	Finance appointed staff office designator
FDIC	Federal Deposit Insurance Corporation
FOIA	Freedom of Information Act
FRC	Federal Records Center
FSO-FN	Flotilla Staff Officer – Finance
FSO-MA	Flotilla Staff Officer - Materials
FTCA	Federal Tort Claims Act
GRS	General Records Schedule
ID	Identification
IRS	Internal Revenue Service
MA	Materials appointed staff office designator
NACO	National Commodore
NCUA	National Credit Union Administration
PE	Public Education
PIN	Personal Identification Number
R&SS	Rescue and Survival Systems
SO-FN	Division Staff Officer – Finance
SO-MA	Division Staff Officer - Materials
SOP	Standard Operating Procedure
SR	Secretary/records appointed staff officer designator
SSN	Social Security Number

TIN	Taxpayer Identification Number
TLR	Teller Transaction
TPI	Two-Person Integrity
VCDR	Division Vice Commander
VFC	Flotilla Vice Commander
VNACO	National Vice Commodore