## Section N. Finances

**Introduction**

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

**N.1. Financial Reporting**

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

**N.2. Deposits**

All Auxiliary unit funds shall be promptly deposited to accounts containing the appropriate unit designation and the words, "U.S. Coast Guard Auxiliary." The proper Federal taxpayer identification number issued by the IRS for all units of the Auxiliary is 52-1500576, which should be used on all unit accounts.

**N.3. Disbursements and Expenses**

Disbursement of funds must always be used to further the general purpose of the Auxiliary. In general, funds should not be accumulated without some definite goal in mind for future disbursement intended to promote authorized activities.

Auxiliary unit funds may only be spent or committed with the concurrence of an appropriate majority of the voting members of that unit unless specific provisions authorizing the expenditure or commitment are in the Auxiliary unit's Standing Rules. Auxiliary unit funds may be disbursed with the signature of the unit finance officer and/or a unit elected officer, as authorized in the unit's Standing Rules.

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| **N.4. Bonding** | If funds more than $5,000 are involved, bonding of the custodian may be advisable. Bonding is optional at all Auxiliary levels. |
| **N.5. District Corporations** | DCOs, as the Presidents of their respective district corporations, shall ensure their respective corporations function in a manner discussed in section M of this chapter. The treasurer of each respective district corporation shall ensure an annual accounting or financial report of its activities is submitted to the Director for review. The annual accounting will not be prepared by a Coast Guard employee or Auxiliarist, but must be prepared by an independent certified public accountant, as specified in the by-laws of the district corporation. Guidelines for district corporations are contained in Appendix E. |