



COMDTNOTE 7101
MAY 25 2007

COMMANDANT NOTICE 7101

CANCELLED: MAY 24 2008

Subj: SELECTED DELIVERABLES FOR FY-07 FINANCIAL STATEMENTS

Ref: (a) Financial Resource Management Manual (FRMM), COMDTINST M7100.3 (series)

1. PURPOSE. This Notice highlights certain procedures for the preparation and submission of the FY-07 Coast Guard financial statements that are required by the Chief Financial Officers (CFO) Act of 1990, the Department of Homeland Security (DHS) Financial Accountability Act of 2004, and as detailed in reference (a).
2. ACTION. Area, district commanders, sector commanders, commanders of maintenance and logistics commands, commanding officers of headquarters units, assistant commandants for directorates, Judge Advocate General, and special staff offices at Headquarters shall ensure compliance with the provisions of this Notice. Internet release is authorized.
3. DIRECTIVES AFFECTED. None.
4. DISCUSSION.
 - a. The CFO Act requires Federal agencies to improve financial management and internal controls to help assure the issuance of reliable financial information. This legislation also requires annual audited financial statements and requires CFOs to develop and maintain an integrated agency accounting and financial management system, including financial reporting and internal controls.
 - b. Office of Management and Budget (OMB) Circular A-136 requires agencies to submit the FY-07 DHS financial statements to OMB and Congress by 15 Nov 07. Agencies are also required to submit unaudited interim financial statements to OMB 21 days after the end of each quarter of the fiscal year.

DISTRIBUTION – SDL No. 147

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	
A																											
B		8	10		2	2			2		2									5			2				
C											2			2													
D					2																						
E																											
F																											
G																											
H																											

NON-STANDARD DISTRIBUTION:

c. Similar to recent years, this accelerated submission deadline has resulted in across-the-board deadline changes for the FY-07 financial statements. These due dates are listed in Enclosure (1). Even though the FY-07 financial statements are based on 30 Sep 07 data, the bulk of this year's audit work will be based on the 30 Jun 07 statements. 30 Jun 07 is an extremely important date for audit testing. All functions/activities normally performed on 30 Sep 07 will also occur for the 30 Jun 07 "hard close" date, including the Pipeline Verification Process. Consequently, Enclosure (1) includes action items for both due dates/statements.

d. Management Discussion and Analysis (MD&A).

(1) The Management Discussion and Analysis (MD&A) is a key part of any financial statement. Its purpose is to help those who use the financial statements understand the Coast Guard's financial condition and operating results. In accordance with OMB Bulletin No. 01-09, the MD&A will discuss, at a minimum, the Coast Guard's mission and organizational structure, its program and financial performance goals, objectives, and results, as well as an assessment of its systems, controls, and legal compliance. Program and financial results should be expressed in terms of objective, relevant measures that disclose the extent to which the Coast Guard's programs are achieving their intended objectives. The MD&A may also include forward-looking information about the possible effects of anticipated future demands, events, conditions, and trends. Performance information appearing in the MD&A should be consistent with information appearing in performance plans and reports and budget documents.

(2) Along with its principal statements and related footnotes, the Coast Guard will submit to DHS an MD&A with the most significant programmatic and financial performance measures. Performance information to be included in this MD&A shall be gleaned from the Coast Guard's FY-07 budget submission and the FY-07 CG Performance Plan. As in FYs 04 through 06, this year's report must be a combined performance and accountability report. It must include the Annual Performance Report required by the Government Performance and Results Act (GPRA), as well as the annual Coast Guard financial statements and other reports.

5. RESPONSIBILITIES. (See enclosure (1) for specific deadlines)

a. Commandant (CG-8), U.S. Coast Guard Chief Financial Officer (CFO). Provide complete, reliable, timely and responsive financial information to meet statutory and regulatory requirements.

b. Commandant (CG-84).

(1) Coordinate the overall submission effort for the Coast Guard's annual CFO statements.

(2) Provide information regarding critical milestones that must be met in order to publish the Coast Guard's financial statements in accordance with DHS' and OMB's timeline.

(3) Ensure necessary financial and accounting policies are promulgated to support preparation of the annual financial statements.

- (4) Coordinate with Commandant (CG-512) to develop a MD&A, using the general criteria summarized in paragraph 4.d. above and as specifically detailed in OMB Bulletin No. 01-09.
- c. Commandant (CG-85). Coordinate the Coast Guard's annual internal control assurance process, ensuring the required assurance statement is approved by the Commandant in accordance with the timeline specified in enclosure (1).
- d. Commandant (CG-512). Develop information regarding the Coast Guard's programmatic performance and related financial impact. Coordinate with Commandant (CG-84) on the inclusion of this data in the Coast Guard's MD&A presentation.
- e. Commandant (G-APO). Ensure that each Chief of the Contracting Office (COCO) initiates action to clear outstanding unexpended account balances, especially those with appropriations due to close by 30 September. Based on responses from the contracting offices, the FINCEN will record an accrual for any items or services that have been received but not processed in Coast Guard Oracle Financials (CGOF).
- f. Commandant (CG-094). Based upon research conducted within the legal community, provide to DHS Office of General Counsel (OGC) case summaries for all matters that meet the reporting criteria established by OGC. The case summaries assess existing and potential legal liabilities and categorize the likelihood and amount of loss. OGC releases edited versions of the case summaries to DHS Inspector General and DHS Office of Financial Management.
- g. Coast Guard Finance Center (FINCEN).
- (1) In coordination with Commandant (CG-84), work with other DHS personnel to assure that the OMB statement requirements are incorporated into designated financial systems.
- (2) Compile and forward on a timely basis the required Coast Guard financial statements and related information to the affected fund managers and DHS.
- h. Inventory Control Points/Coast Guard Yard.
- (1) Provide timely Federal Agency Centralized Trial Balance System II (FACTS II) general ledger crosswalk to FINCEN.
- (2) Provide timely and accurate financial statement input to FINCEN for consolidation.
- i. Appropriation, Trust/Revolving Fund and Program Managers shall evaluate actual closeout results against the project/AFC manager's closeout projections, taking corrective action where necessary.
- j. AFC Managers for centrally managed Allotment Fund Codes (i.e. AFC 01, 08, 20, 56, and 57) and Project Target Officers for centrally managed projects within Commandant, (G-A, CG-4, CG-3P, CG-1 and CG-3R) shall provide FINCEN with year-end accounts payable accruals for inclusion in the annual CFO Statements. Examples of items to be included are Project Management Data Sheets, medical liabilities, TRICARE claims, travel claims, and household

moves (specific description of accrued liabilities will be provided by Commandant (CG-84) staff).

6. PROCEDURES. A specific timeline of critical events affecting the FY-07 CFO financial statement development process is provided in enclosure (1).
7. ENVIRONMENTAL ASPECT AND IMPACT CONSIDERATIONS. Environmental considerations were examined in the development of this Notice and have determined to be not applicable.
8. FORMS/REPORTS. None.

R. S. BRANHAM/s/
Assistant Commandant for Resources
Chief Financial Officer

Encl: (1) FY07 Financial Statement and Audit Preparation Plan

FY07 Financial Statement and Audit Preparation Plan

Action Item	Responsible Office	Due dates for 6/30 Statements	Due dates for 9/30 Statements
Provide unfunded Active Duty Bonus Liability to be paid in future years	CG-10/ CG-83/ CG-842	6/20	9/19
Provide Environmental Liability Data	CG-443/CG-453	6/20	9/19
Provide retired pay actuarial pension and health care data from actuary for statements	CG-10/CG-842	6/20	9/19
Legal Liabilities	CG-094	6/20	9/19
Obtain imputed costs from Treasury Judgment Fund	FINCEN FF	6/20	9/19
Provide unfunded PCS Post Employment Actuarial Liability	CG-10/ CG-83/ CG-842	6/20	9/19
Provide capital and operating lease data for footnotes	CG-842	6/20	9/19
Information for Statement of Net Cost	CG-512	6/20	9/19
Obtain CUPS Unfunded Annual Leave	FINCEN FF	6/20	9/19
Obtain DOL unfunded actuarial and funded liability from DHS for recording	FINCEN FF	6/20	9/19
Provide input on AFC-57 medical liability	CG-1/ FINCEN FF	6/20	9/19
Provide input on AFC-73 medical liability	CG-1/ FINCEN FF	6/20	9/19
Provide liability to OPM for civilian pay liabilities	CG-10/ FINCEN FF	6/20	9/19
Provide OPM CSRS and FERS pension, FEHB and FEGLI imputed financing accounts for statements and footnotes	CG-10/ CG-842	6/20	9/19
Provide unfunded Military Annual Leave Liability	CG-10/ CG-83/ CG-842	6/20	9/19
Provide employer contributions for CSRS/FERS pension, FEHB, and FEGLI	CG-10/ CG-842	6/20	9/19
Provide unfunded Montgomery GI Bill to be paid in future years	CG-10/ CG-83/ CG-842	6/20	9/19
Provide unfunded Reserve Re-enlistment Bonus	CG-10/ CG-83/ CG-842	6/20	9/19
Provide Field OM&S Balances and Footnotes	CG-842/ FINCEN FR	6/20	9/19
Provide RSSI Real Property Stewardship Data	CG-842/ FINCEN	6/28	9/26
Provide month end ICP TIER input file	Yard/ ELC/ AR&SC	6/28	9/26

Enclosure (1) to COMDTNOTE 7101

Action Item	Responsible Office	Due dates for 6/30 Statements	Due dates for 9/30 Statements
Provide month end ICP cost report by appropriation and object class	Yard/ ELC/ AR&SC	6/28	9/26
Provide month end CAS TIER extract file	ELC/AR&SC/ FINCEN SP	6/28	9/26
Provide month end ICP trial balance and allotment status reports	Yard/ ELC/ AR&SC	6/28	9/26
Provide month end CAS trial balance and other required financial statement files	FINCEN SP	6/28	9/26
Provide ICP OM&S Inventory Balances, Footnotes and Reconciliation of Beginning to Ending Balances (Cost of Goods Sold Reconciliation)	Yard/ ELC/ AR&SC	6/28	9/26
Provide Deferred Maintenance Data	CG-483/ CG-6R CG-842	6/28	9/26
Provide RSSI Personal Property and Artifact Data	CG-842	6/28	9/26
Provide OM&S to PP&E Reclassification Documentation and Reports	CG-842/ FINCEN FR	6/28	9/26
Management Discussion & Analysis	CG-512	N/A	9/30
CG Internal Control Assurance Statement	CG-85	N/A	9/30
Complete footnote verbiage	CG-842	7/5	10/04
Submit initial Tier file	FINCEN	7/11	10/5
Complete RSI RDT&E stewardship investment footnote	FINCEN FF	7/17	10/16
Complete RSI segment information on CG yard and supply fund revolving funds	FINCEN FF	7/17	10/16
Submit CG final adjusted Tier file	FINCEN	7/13	10/12
Submit final adjusted Tier file financial statements to DHS (with audit adjustments)	FINCEN/ CG-842	7/17	10/21
Submit final Statement of Financing, Notes, MD&A and RSSI	FINCEN/ CG-842	7/19	10/18
Management Representation Letter	FINCEN/CG-8(d) / CG-00	N/A	11/15