



COMDTNOTE 7101  
APRIL 24, 2008

COMMANDANT NOTICE 7101

CANCELLED: APRIL 23, 2009

Subj: SELECTED DELIVERABLES FOR FISCAL YEAR 2008 FINANCIAL STATEMENTS

Ref: (a) Financial Resource Management Manual (FRMM), COMDTINST M7100.3 (series)  
(b) National Environmental Policy Act Implementing Procedures and Policy for Considering Environmental Impacts, COMDTINST M16475.1 (series)

1. PURPOSE. This Notice highlights certain procedures for the preparation and submission of the fiscal year 2008 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, Commander Deployable Operations Group, 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 assure 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 fiscal year 2008 DHS financial statements to OMB and Congress by 15 November 2008. Agencies are also required to submit unaudited interim financial statements to OMB 21 days after the end of each quarter of the fiscal year.

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c. These due dates are listed on Enclosure (1). Even though the FY08 financial statements are based on 9/30/08 data, the bulk of this year's audit work will be based on the 6/30/08 General Ledger balances. The 6/30/08 is an extremely important date for audit testing. All functions/activities normally performed at 9/30/08 will also occur for the 6/30/08 "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 an MD&A with the most significant programmatic and financial performance measures to DHS. Performance information to be included in this MD&A shall be gleaned from the Coast Guard's FY 2008 budget submission and the FY 2008 CG Performance Plan. As in FYs 2004, 2005, 2006 and 2007, 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-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.
- d. Commandant (CG-913). Ensure that each Chief of the Contracting Office (COCO) monitors unexpended account balances on a quarterly basis and initiate immediate action to clear outstanding unexpended account balances on dormant accounts, especially those with appropriations due to close by 30 September. In addition, the COCO shall work closely with their cognizant comptroller to ensure funds on dormant UDOs are deobligated at the end of each quarter.
- e. 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.
- f. 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.
- g. 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.
- h. 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.
- i. AFC Managers for centrally managed Allotment Fund Codes (i.e. AFC 01, 08, 20, and 57) and Project Target Officers for centrally managed projects within Commandant, (CG-9, CG-5, CG-53, CG-4 and CG-1). 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, CHAMPUS 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 2008 CFO Statement development is provided in enclosure (1).

7. ENVIRONMENTAL ASPECT AND IMPACT CONSIDERATIONS. This action is not expected to result in any significant adverse environmental impacts as described in the National Environmental Policy Act of 1969 (NEPA). The proposed action has been reviewed by the USCG and has determined this action to be categorically excluded from further environmental documentation under current USCG Categorical Exclusion # 33, in accordance with reference (b).
8. FORMS/REPORTS. None.

KEITH A. TAYLOR/s/  
Rear Admiral, U.S. Coast Guard  
Assistant Commandant for Resources

Encl: (1) FY08 Financial Statement and Audit Preparation Plan

**FY08 Financial Statement and Audit Preparation Plan**

<b>Action Item</b>	<b>Responsible Office</b>	<b>Due dates for 6/30 Statements</b>	<b>Due dates for 9/30 Statements</b>
Provide unfunded Active Duty Bonus Liability to be paid in future years	PSC	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-83	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	6/20	9/19
Provide capital and operating lease data for footnotes	CG-842	6/20	9/19
Information for Statement of Net Cost	FINCEN/ CG-512	6/20	9/19
Obtain CUPS Unfunded Annual Leave	CG-83	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	6/20	9/19
Provide input on AFC-73 medical liability	CG-1	6/20	9/19
Provide liability to OPM for civilian pay liabilities	CG-83	6/20	9/19
Provide OPM CSRS and FERS pension, FEHB and FEGLI imputed financing accounts for statements and footnotes	CG-83	6/20	9/19
Provide unfunded Military Annual Leave Liability	PSC	6/20	9/19
Provide employer contributions for CSRS/FERS pension, FEHB, and FEGLI	CG-83	6/20	9/19
Provide unfunded Montgomery GI Bill to be paid in future years	CG-13	6/20	9/19
Provide unfunded Reserve Re-enlistment Bonus	CG-13	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	6/27	9/26

Enclosure (1) to COMDTNOTE 7101

Provide month end ICP TIER input file	Yard/ ELC/ AR&SC	6/27	9/26
Provide month end ICP cost report by appropriation and object class	Yard/ ELC/ AR&SC	6/27	9/26
Provide month end CAS TIER extract file	ELC/AR&SC/ FINCEN SP	6/27	9/26
Provide month end ICP trial balance and allotment status reports	Yard/ ELC/ AR&SC	6/27	9/26
Provide month end CAS trial balance and other required financial statement files	FINCEN SP	6/27	9/26
Provide ICP OM&S Inventory Balances, Footnotes and Reconciliation of Beginning to Ending Balances (Cost of Goods Sold Reconciliation)	ELC/ AR&SC	6/27	9/26
Provide Deferred Maintenance Data	CG-483/ CG-6R	6/27	9/26
Provide RSSI Personal Property and Artifact Data	CG-842	6/27	9/26
Provide OM&S to PP&E Reclassification Documentation and Reports	CG-842/ FINCEN FR	6/27	9/26
Complete footnote verbiage	CG-842	7/7	10/6
Submit initial Tier file	FINCEN	7/7	10/6
Complete RSI RDT&E stewardship investment footnote	FINCEN FF	7/17	10/17
Complete RSI segment information on Yard Fund and Supply Fund revolving funds	FINCEN FF	7/17	10/17
Submit CG final adjusted Tier file	FINCEN	7/11	10/10
Submit final adjusted Tier file financial statements to DHS (with audit adjustments)	FINCEN/ CG-842	7/15	10/15
Submit final Statement of Financing, Notes, MD&A and RSSI	FINCEN/ CG-842	7/17	10/17
Management Discussion & Analysis	CG-512	N/A	9/30
CG Internal Control Assurance Statement	CG-85	N/A	9/30
Management Representation Letter	FINCEN/ CG-8(d)/ CG-00	N/A	11/15