



CAP REGULATION 173-1

30 April 2019

APPROVED/L. CAMPBELL/CAP/FM

Finance

FINANCIAL MANAGEMENT PROCEDURE 1 - WING FINANCIAL POLICY

CAP Regulation 173-1, dated 15 November 2012, as amended by ICL dated 15 March 2017, is supplemented as follows:

SUMMARY OF CHANGES

Clarified processing of unit budgets.

Referenced CAPF 172, *Consolidated Finance Authorizations* for list of authorized check signers.

Added reference to National investment program which is available to qualified units.

Added instruction for deposits and preparation of CAWGF 3, *California Wing Deposit Advice*.

Clarified instructions for use of CAWGF 11, *Disbursement Request*.

Eliminated details of processing Chase Bank's direct payment for recurring charges.

Text changes as indicated by highlighting.

9.b.(7). Internal Financial Review. The financial review will be completed within 45 days after the end of each quarter. As part of this review, the appointed member will also review and sign the monthly bank reconciliation.

9.c.(9).(a). Added. Squadron Budget. The CAWGF 12, *Squadron Budget Worksheet*, is required to be completed by all units below wing at the end of the fiscal year for the upcoming fiscal year. The spaces on the form are self-explanatory and should be completely filled out with appropriate information to completely identify the submitting unit as well as a proposed dollar amount for each income and expense category as planned by the unit.

1. All budgets from units below wing are required to be submitted to the Director of Finance for uploading into the wing financial software prior to beginning each fiscal year.
2. If the amount for a category is \$0.00, then \$0.00 should be entered for that category. The amount of Expense should be equal to the amount of the Income on the Total lines.
3. The unit is expected to strive to maintain a balanced budget – 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, the overall budget must be revised to maintain a balanced budget.
4. The unit must review their budget quarterly. Review of the budget will be noted in the minutes of the Finance Committee. If the unit determines there are changes to the budget, the unit will revise the CAWGF 12, note the revision of the budget in their finance committee meeting minutes and forward a copy of both documents to CAWG HQ. The unit is not required to notify the wing if no budget changes are required.

9.c.(9).(b). Added. Cadet Programs conducts major activities such as Encampment and Cadet Programs Conference annually. Each of these activities operates on a budget approved in advance by the Finance Committee, and all expenses are documented prior to payment. A reconciliation of budget vs. actual expense, with receipts attached, is submitted to CAWG/FM following the activity. When the Special Activities Account is used to support an activity, any unused checks will be returned to CAWG/FM with the reconciliation.

11.m.(1). Added. Checking Accounts: California Wing maintains three checking accounts at Chase Bank known as Wing General Account, Squadron Account and Special Activities Account. In addition to the Senior Wing Administrators, members of the CAWG Finance Committee authorized to sign checks drawn on these accounts are shown on the current CAWG CAPF 172, *Consolidated Finance Authorizations*.

11.m.(2). Added. California Wing maintains two savings accounts known as General (Wing) Savings and Squadron Savings. These interest bearing accounts are used to hold funds in excess of that required for day to day coverage of expenses. Both accounts are maintained by electronic transfer of funds by the CAWG Commander, Director of Finance or Senior Wing Administrators. Earned interest will be credited quarterly to the subordinate units in proportion to their participation.

11.o.(1). Added. Transfer of funds between accounts may be accomplished by use of checks or electronic means. Use of electronic transfers is limited to the CAWG Commander, Finance Director or Senior Wing Administrators and may not exceed \$25,000 per transfer.

11.o.(2). Added. The Wing General Account is used as a matter of convenience to receive all funds from NHQ/FM. Finance Committee approval is not required for routine transfer of funds between the Wing General Account and other CAWG accounts except for Special Activities. Transfer of funds into and distribution of checks for the Special Activities Account must have prior Finance Committee approval. In addition, under the Wing Banker Program, subordinate unit funds are deposited into the Squadron General Account, and then may be transferred, until needed, to the Squadron Savings Account, where they are held for benefit of the particular unit. All disbursements are paid from the Wing General Account or Squadron Account.

14.a. Added. National HQ has implemented the Centralized Aircraft Maintenance program for CAWG, and assumed responsibility for direct payment of vendors. Requests for maintenance and direct payment of vendors will be coordinated with NHQ through CAWG/DOAM.

16.b. Excess funds may also be invested in certificates of deposit in order to maximize growth. While CAPR 173-1 prohibits co-mingling unit funds with wing funds, excess funds from several units may be combined to obtain a better interest rate. Certificates funded for benefit of subordinate units will be coordinated by CAWG/FM with the respective unit finance committees prior to purchase. Earned interest will be credited to the subordinate units in proportion to their participation.

16.e. Added. National HQ has made their investment program available to qualified units. See CAWG Supplement 6 to CAPR 173-1 for details.

17.a. Added. All funds received for any activity will be deposited to the Wing General or Squadron Account. Funds may be deposited at a local Chase Bank or sent to Wing HQ for deposit. Any cash received must be converted to a check or money order before being sent to Wing HQ. In all cases, a completed CAWGF 3, *California Wing Deposit Advice* and a copy of the bank deposit slip must be

forwarded to CAWG/FMA so the funds can be properly credited in QuickBooks.

17.b. Added. Preparation of CAWGF 3 is self-explanatory. Indicate the date, unit name and charter number making the deposit. List each item separately along with a description or the Chart of Accounts number to be credited. Do not forward the checks unless wing is making the deposit on your behalf. Units should retain a copy of the deposit package at least until the monthly statement has been reconciled.

18.a. Added. All requests for reimbursement, except those relating to CAWGF 8, *Travel Voucher* and e108/CAPF 108, will be made on CAWGF 11, *Disbursement Request*, clearly identifying the payee, description of the expense and one or two authorized signatures. All expense will be supported by paid receipt(s) or vendor's invoice(s). For expenses under \$1500 (wing) or \$500 (subordinate unit), the CAWGF 11 will be approved by a member of the appropriate finance committee or designee. Non-recurring expenses over these limits will be approved by the finance committee, recorded in official minutes with a copy attached, and two approval signatures will be entered on CAWGF 11.

18.b. Added. Certain operating expenses recur on a monthly frequency, e.g., Internet connection, repeater rental billings, and office equipment fees. These expenses, listed on the current CAPF172 on file in CAWG Finance, and billed to CAWG HQ directly by the vendor, will not require preparation of CAWGF 11, but will be supported only by the vendor's invoice. In addition, recurring expenses may be set up by the California Wing Senior Wing Administrator to pay directly through the current bank direct payment process. Check signers will perform the same review and approving processes that occur during a normal check signing procedure but will sign the modified QuickBooks *Unpaid Bills Detail* form in lieu of a check.

20.b.1. Added. Credit cards are authorized for optional use by selected wing staff and subordinate units. Specific limits, usage guidelines, and reconciliation procedures are documented in CAWG Supplement 2 to CAPR 173-1.

ALAN W. FERGUSON, Colonel CAP
Commander

Attachment 1 - Compliance Elements

There are no compliance elements for this supplement.