U.S. Department of Transportation
United States Coast Guard

Commandant
United States Coast Guard

2100 Second Street, S.W.
Washington, DC 20593-0001
Staff Symbol: G-CFS
Phone: (202) 267-1180

COMDTINST M7042.1

AUG 20 1999

COMMANDANT INSTRUCTION M7042.1

Subj: TITLE 46 USER FEE COLLECTION POLICIES AND PROCEDURES

1. PURPOSE. This Manual establishes the policies and procedures for receiving, safeguarding, accounting for, verifying, and forwarding user fee collections currently received by Regional Exam Centers, the National Vessel Documentation Center, the National Pollution Funds Center, the Boat Registration Fee Collection Center and Overseas Vessel Inspection units.

2. ACTION. Area and district commanders, commanders of maintenance and logistics commands, commanding officers of headquarters units, assistant commandants for directorates, Chief Counsel and special staff offices at Headquarters shall ensure the policies contained within this Manual are followed.

3. DIRECTIVES AFFECTED. Marine Planning Policy Ltr 1-92 of 11 June 1992 is cancelled.

4. FORMS/REPORTS. Coast Guard Form, CG-2688, Collection Receipt (Stock Number 7530-00-F01-1720, Unit of Description 50 3PT SE, Unit of Issue PD, Stockpoint SCB) and Standard Form, SF 215, Deposit Ticket (Stock Number 7540-01-019-9452, Unit of Description 50 5PT SE, Unit of Issue PG, Stockpoint GSA) are available from the Catalog of Forms, COMDTINST M5213.6 (series). Standard and Optional Form, SF 1048, Public Voucher for Refunds (Stock Number 7540-00-634-4214, Unit of Description 1048-106, Unit of Issue HD, Stockpoint GSA) and other worksheets/checklists needed for the user fee collection process are located in the appendix to this Manual and should be reproduced locally.

W. H. CAMPBELL
Director of Finance and Procurement

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INTRODUCTION

Purpose

As an agency congressionally mandated to collect user fees, the United States Coast Guard (Coast Guard) is tasked with creating and executing internal controls to ensure the proper safeguarding and stewardship of user fee collections. The attached United States Coast Guard User Fee Collection Instruction (Instruction) establishes policies and procedures for receiving, securing, documenting, depositing, and reconciling user fee collections received by Regional Examination Centers (RECs), the National Vessel Documentation Center (NVDC), the National Pollution Funds Center (NPFC), the Recreational Boating Registration Fee Collection Center, and the Overseas Inspection Units (collectively referred to as Collection Centers (CC) throughout Introduction and Instruction).

Goal

The Instruction is a set of procedures written for both CC supervisors and personnel. The primary use of the Instruction is to direct all user fee collection related activities in an effective and efficient manner. CC supervisors can streamline the cash collection function while still adequately safeguarding assets and complying with generally accepted accounting principles. Additionally, if used properly, the Instruction will provide qualitative and quantitative information on CC activities and customer volume for use in better management of the CC.

Discussion

The goal of the Instruction is to create reasonable procedures and controls, which do not needlessly consume valuable resource hours implementing duplicative controls, but do meet standard accounting practices and help to protect employees from allegations of waste, fraud, and abuse.

The Instruction redefines user fee handling procedures and includes the implementation of technology for the receipting and tracking of collections. The procedures are designed to meet standard accounting practices and ensure adequate internal controls. The Instruction is intended to meet the following objectives:

- Ensure all services are paid for before they are rendered,
- Ensure daily services are reconciled against daily collections,
- Ensure all collections are adequately safeguarded,
- Ensure there is a feedback loop to CCs for deposits sent to Nations Bank and Citibank, and
- Ensure accountability of collections

INTRODUCTION

Organization

This manual is organized into the following sections: general instructions, additional procedures specific to each type of collection center, and the audit policy. Chapter 1 contains general instructions. These procedures apply to all of the user fee collection sites. Chapters 2 through 6 contain additional procedures that are applicable to each type of user fee collection site. This includes a chapter for each of the following: the Regional Exam Centers, the National Vessel Documentation Center, the National Pollution Funds Center, the Recreational Boating Registration Fee Collection Center, and the Overseas Vessel Inspection Units. Chapter 7 contains an audit policy that applies to all of the user fee collection sites.

Responsibility

The Coast Guard Finance Center is responsible for the management of the user fee collection process. This includes serving as the primary point of contact for responding to questions from the field related to the user fee collection process. In addition, keeping this instruction up to date, including the audit checklists, is the responsibility of the Finance Center. The Finance Center is also responsible for the operation of the cash registers and credit card processing equipment. This includes coordinating the procurement of cash register supplies, keeping maintenance agreements up to date, and organizing programming changes to the cash registers as needed.

Summary of Revised Procedures

Summarized below are the most significant procedural changes that have been incorporated into the Instruction. In addition to strengthening the existing mechanical cash collection procedures, the Instruction addresses the goal of improving the control environment. The Instruction will task the CC supervisors with specific duties, which can be delegated to the assistant CC supervisor. **It is the expressed intent of the Instruction that CC supervisors become integrally involved in collection controls.** The Instruction specifically addresses separation of incompatible duties.

- A new policy requiring CC supervisors to document and monitor complaints will assist in identifying and correcting problem areas within each CC.

- A new procedure to match collections with services will enable each CC supervisor to have visibility over the entire collection process. The objective of the reconciliation process is to match each collection with the related service. This procedure will identify services for which no corresponding collection(s) is received and collection(s) received with no resulting service(s). The CC supervisor will be responsible for reconciling daily services against fees collected. The reconciliation will also allow CC supervisors to monitor productivity levels for examiners and evaluators, and identify

needs for additional or reduced staffing levels.

- The safeguarding of user fee collections is a primary duty of the CCs. The Instruction provides procedures for safeguarding of user fees by tracking fee routes and by providing secure storage locations for collections until mailed to Nations Bank.

- The procedures reflect the addition of cash registers for documenting, receipting, and reconciling user fee collections. The use of cash registers should decrease total time spent on user fee collections processing by reducing the amount of manual documentation required while still creating a detailed log from each fee collected by each customer processed at each CC. The correct use of registers will also assist in the reconciliation processes.

- To make the Instruction more user friendly, the titles of cash handling/control positions have been changed to reflect the position responsibilities.

- Finally, a policy has been added to specifically address the responsibilities of Coast Guard employees who have cash handling or related responsibilities. The Instruction provides for the identification of accountable employees and documentation that the employee has read and understood his or her duties. The importance of safeguarding user fees collected by the Coast Guard must be understood by employees who could be held accountable for losses of user fees.

GENERAL INSTRUCTION

Definitions

The following definitions apply to all parts of the Instruction.

A. **Accountable Officer:** Any government officer or employee who, by reason of his or her employment, is responsible for or has custody of government funds.

B. **Alternate:** A civilian and/or military employee designated, in writing, by the command to perform, in the absence of the primary designee, the duties of the primary designee.

C. **Cashier:** Any civilian and/or military employee designated, in writing, by the command to perform the duties listed below.

1. Collect all user fees and process collections,
2. Count and total daily collections,
3. Properly secure collections,
4. Prepare daily deposit slip and deposit,
5. Mail daily deposits, and
6. Maintain accurate records of daily user fee deposits.

After receiving funds from the mariner (walk-in) or the mail clerk (mail-in), the physical handling of all money collected shall be limited to the primary cashier or, in their absence, the alternate.

D. **Collection Center (CC):** Any location where Merchant Mariner Licensing and Documentation, Recreational Boating Registration, Certificate of Financial Responsibility, Overseas Vessel Inspection, and/or Vessel Documentation fees are collected.

E. **Collection Center Supervisor:** Any civilian or military employee appointed to oversee, and be held responsible for, all activities of a collection center.

F. **Collections:** The term "collections" shall apply to currency, coins, checks, money orders, bank drafts, or other negotiable instruments received as fees from the maritime public in exchange for materials and services by the Coast Guard under Subtitle II of Title 46 United States Code. As used throughout the Instruction, and for the purposes of the user fee collection process, the terms "fees," "collections," "user payments," and "user fees" shall all have the same meaning.

G. **Complaint Reviewer:** The civilian or military employee designated to document and follow-up on each complaint received at each CC. The complaint reviewer position should be assigned to the CC supervisor or the assistant CC supervisor.

H. **Deposit Period:** The period of time between the preparation of a deposit on the first day and the preparation of the deposit on the next business day. All collections received after the preparation of the first day's deposit shall be part of the following day's deposit. Collections received from the start of the deposit period to the time the CC closes its doors to the maritime public must be secured in accordance with the Coast Guard Physical Security Program COMDTINST M5530.1A.

Example: If a CC cashier closes to prepare the daily bank deposit at 2:00 p.m. Monday, then the "deposit period" is from 2:00 p.m. Monday to 2:00 p.m. Tuesday. Collections received from the start of the deposit period on Monday to the time the CC closes its doors to the maritime public must be secured overnight and included in the deposit on Tuesday.

I. **Drop Box:** A metal box that stores daily collections while the CC is staffed with personnel. It shall have at least a single slot or drawer to accommodate collections. It shall have a lock to which only the cashier, alternate and CC supervisor have the key or combination. A locking cash register is considered a drop box. Collections received after the start of the deposit period shall be stored in accordance with the Coast Guard Physical Security Program COMDTINST M5530.1A.

J. **Evaluator/Examiner/Issuer:** The civilian or military employee(s) designated to provide services to customers who have paid. These individuals collectively are referred to as "service providers".

K. **Finance Center (FINCEN) User Fee (UF) Collection Technician:** The civilian collection technician at FINCEN tasked with the coordination and administration of the Coast Guard user fee account. The FINCEN UF Collection Technician is responsible for comparing deposit amounts reported by Nations Bank and Citibank against deposit amounts reported by CCs. The FINCEN UF Collection Technician is required to send all correspondence regarding the CC to the CC supervisor.

L. **Identification Number:** The number used by both the cashier and the evaluator/examiner/issuer to signify the recipient of service(s). This number must be the taxpayer identification number of the remitter if the payment could potentially generate an account receivable for the government.

M. **Mail Clerk:** The civilian or military employee designated to open daily mail and separate user fee collections from accompanying correspondence.

N. **Method of Payment:** The form a Coast Guard customer uses to pay for a user fee. The methods of payment the Coast Guard accepts are cash, check, money order, foreign bank drafts drawn in U.S. dollars, and (in selected areas) credit cards.

O. **Primary Designee:** Each civilian or military employee designated to fill the positions of mail clerk, cashier, complaint reviewer, and/or reconciler.

P. **Reconciler:** The civilian or military employee designated to:

1. Reconcile collections with services, and
2. Maintain and reconcile daily deposit amounts provided by the cashier and Nations Bank.

The reconciler shall not be responsible for any duties involving the handling of user fee collections. The reconciler position shall be assigned to the CC supervisor or assistant CC supervisor.

Q. **Safe:** The cashier shall be provided a safe or a separate locked compartment in a locked safe when required by the Coast Guard Physical Security Program COMDTINST M5530.1A. The safe, or compartment in a safe, for the cashier must be large enough to hold all undeposited collections-on-hand. Only those personnel with cash handling responsibilities or those personnel deemed necessary by the CC supervisor shall be given access to the safe.

R. **User Fee Codes:** The codes used in the user fee collection process to uniquely identify each fee collectible at a CC. See Form "Table of REC User Fees" for an example set of user fee codes.

GENERAL INSTRUCTION

Separation of Duties

Each CC supervisor shall assign employees to the following duties:

Cashier

Mail Clerk

Reconciler

Complaint Reviewer

Evaluator/Examiner/Issuer

The CC supervisor should assign alternates for the cashier and mail clerk duties.

It is recognized for cross training purposes CC supervisor's alternate responsibilities among employees. In order to accommodate this policy, when duties are rotated the CC supervisor shall assign these responsibilities for a discrete period of time (i.e. a week/month/quarter). These assignments shall be tracked for audit purposes.

GENERAL INSTRUCTION

The following table depicts the separation of duties that must exist at a CC:

	Cashier	Mail Clerk	Reconciler	Complaint Reviewer	Evaluator/ Examiner/Issuer
Cashier		✓	✕	✕	✕
Mail Clerk	✓		✕	✕	✕
Reconciler	✕	✕		✓	✓
Complaint Reviewer	✕	✕	✓		✓
Evaluator/ Examiner/ Issuer	✕	✕	✓	✓	

Legend:

✕ Duties shall not be assigned to the same employee during a given time period.
✓ Duties do not have to be segregated.

Exceptions:

- Complaint reviewer and reconciler shall not be assigned to any employee below the assistant CC supervisor.

Example of Proper Separation of Duties

The REC assigns employee U to be the cashier and employee V to be the reconciler. Employee V is the CC supervisor. Employee W is an evaluator.

The REC, because employee U is not busy full-time with cashier duties, can also assign employee U to be the mail clerk. Employee U shall not be an evaluator, examiner, or issuer.

Employee V does not have cash handling responsibilities. Employee V also acts as an evaluator and an issuer

The alternate cashier position may be assigned to an evaluator or examiner, employee W for example. If the cashier is absent, another employee separate from employee W, the alternate cashier, shall observe the collection of user fees and take custody of the mariner file for purposes of verifying the amount of payment is correct for the service to be provided and logging the appropriate information onto a Reconciliation Tool. If all transactions are observed by a separate employee, then employee W shall be able to carry out his or her normal responsibilities.

GENERAL INSTRUCTION

Employee V is absent. Reconciliation should be delayed until employee V returns. If an extended absence is planned, alternate arrangements should be made for the assistant CC supervisor to perform the reconciliation.

GENERAL INSTRUCTION

Statement of Accountability

Under Federal Law, an accountable officer is any government officer or employee who, by reason of his or her employment, is responsible for or has custody of government funds (62 Comp. Gen. 476, 479 (1983); 59 Comp. Gen. 113, 114 (1979); B-188894, September 29, 1977). For the United State Coast Guard, the employees considered to be accountable officers are, but not limited to, cashiers and mail clerks. Alternates for those positions are also considered to be accountable officers.

The CC supervisor shall designate a mail clerk and a cashier, along with one or more alternates for each position. Each mail clerk, alternate mail clerk, cashier, and alternate cashier shall read, understand, sign, and date a copy of the Accountable Officers Designation Letter. A copy of each signed, dated Accountable Officers Designation Letter shall kept on file at the CC. Each time the Coast Guard assigns an employee to an accountable officer position, the CC shall have the new employee sign and date an Accountable Officers Designation Letter

Special Procedures

I. Complaint Log

A mitigating control in the user fee collection process is recipient satisfaction. If a customer pays for a service or document he or she does not receive, the customer's first response is to call the CC and seek resolution.

Complaints could signal potential breakdowns in the cash control process and therefore should be given priority by a staff member with oversight authority at each CC. The CC supervisor or assistant CC supervisor should be responsible for maintaining some type of system for tracking and resolving complaints.

Each complaint may be unique, and it is the CC supervisor's responsibility to determine how to research and identify the possible causes. Complaint resolution is crucial and each complaint should be followed up as soon as practical. The logging and resolving of complaints will help the CC supervisor feel comfortable that the CC is functioning properly.

An example of an event that would cause a customer to call to complain would be when a mail clerk opens a piece of mail containing a user fee payment and a service request, steals the payment, and throws away the request for services. Because the services were never performed and the payment wasn't returned to the customer, the customer would call to inquire about the status of his or her request. The supervisor may consult the mail log to determine if the receipt of the payment and request was logged. No evidence of the receipt would trigger more research to determine the present state of the payment.

With a detailed complaint log, a CC supervisor may be able to identify areas where the user fee process fails to meet its intended goals. Aided by the complaint log, a CC supervisor may be able to increase customer satisfaction and increase productivity levels by identifying dishonest employees, employees needing additional training, and/or areas where workload is unevenly distributed.

II. Voided Transactions

Control over collections is essential to reliability of cash register summary data. Uncontrolled voids will result in discrepancies between the cash register tape control, the deposit slip, and the reconciliation to the services. The CC reconciler shall review voided transactions as they occur.

If a cash register transaction needs to be voided (e.g. the transaction is improperly entered and grand totaled), the cashier shall:

A. Immediately summon the CC reconciler to initial the internal cash register tape. Under no circumstances should the cashier wait to have the internal tape initialed.If the CC reconciler is not present, have the highest ranking employee present initial the tape. If no other employee is present, the cashier should initial the tape, and bring the voided entry to the CC reconciler's attention immediately upon his or her return.

B. Void the transaction in the presence of the reconciler.

C. The printed receipts should be stapled to the user fee collection sheet in the mariner's file.

Voiding any improperly entered transaction will remove the dollar value of the transaction from the ending total for daily collections.

Initialing the cash register tape for a voided cash register transaction is an independent verification of an error, and the error's balance should not be part of the final balance and deposit. Initialing of the cash register tape also provides reassurance to the cashier the voided entry has been validated.

III. Non-Sufficient Funds (NSF) Checks

Nations Bank shall notify the FINCEN UF Collection Technician whenever a NSF check is returned. The FINCEN UF Collection Technician shall initiate and track all subsequent Coast Guard collection efforts for NSF checks. The tracking should be accomplished by utilizing the taxpayer identification number listed on the check. All checks must contain taxpayer identification numbers.

The FINCEN UF Collection Technician shall notify the appropriate CC reconciler a check has been returned as NSF so that the CC records may be updated and appropriate holds can be placed on future transactions involving the check writer. The FINCEN UF Collection Technician shall also advise the reconciler when proper restitution has been made.

Upon notification by the FINCEN that a customer's check has been returned as uncollectible, the CC reconciler shall make a notation on the customer's file to signify a hold is placed on all future transactions involving the check writer. The notation shall state the reason for the hold (i.e., personal check returned NSF) and the name of the person who presented the check. The returned check notation shall be apparent on the customer file.

Exception: The NVDC shall maintain a list of all customers who have bounced checks at the NVDC. Each time FINCEN notifies the NVDC reconciler of a NSF check, the reconciler shall add the remitter to the list. Cashiers should review the list as they process checks through the cash register. The list shall be continually updated to remove customers as checks are subsequently cleared. For Privacy Act reasons, NVDC shall ensure that the list cannot be queried to obtain the name and social security number of the remitter. Rather, the names only should be under a "bad checks" listing.

Upon notification from FINCEN that a customer's returned check has been subsequently cleared, the reconciler shall annotate the customer's file to reflect the date of payment of the NSF check and the removal of the hold on the file. Once the hold has been removed from the front of the file, the CC may again accept transactions from the customer.

IV. Collection of Funds for NSF Checks

CCs should not process any transactions with customers who have outstanding NSF checks. If a customer has an outstanding NSF check and would like to honor the check, the following steps should be followed by the collection center:

A. Contact FINCEN at (757) 523-6888. Request the current balance for the customer's account and the associated bill number reference.

B. Accept payment for the exact amount of the outstanding balance. Accept payment in the form of a money order only. (Outstanding balance may be more than the original amount of the NSF check due to interest, penalties, and administrative charges.)

C. On the front of the money order, annotate the unit OPFAC, the customer's SSN, and the bill number reference.

D. Annotate customer's file to show that collection has been received by the CC.

E. Stamp the money order with a restrictive endorsement to Nations Bank Account # 69-02-5102. DO NOT PROCESS PAYMENT THROUGH THE CASH REGISTER. The original transaction and payment (NSF check) was processed through the cash register. The subsequent payment for the transaction is an accounts receivable, and will be handled by FINCEN.

F. Mail check to the accounts receivable lockbox at the following address:

PNC Bank
P.O. Box 641020
Pittsburgh, PA 15264-1020

Once the money order has been accepted by the CC and the customer's file has been annotated to show the payment of the NSF check, the CC is free to conduct business with the customer.

NOTE: No transactions will be accepted until a customer with a NSF check has cleared the NSF check with either FINCEN or a collection center.

V. Foreign Bank Drafts

Although the Coast Guard is required by law to accept foreign bank drafts, the foreign bank drafts cannot be processed through the Coast Guard lockbox at Nations Bank. Citibank has been contracted to process the foreign bank drafts. For audit tracking purposes, FINCEN collects the foreign bank drafts from the CCs, and mass deposits them for the Coast Guard.

Exception: The NPFC deposits its foreign bank drafts directly to Citibank.

When foreign bank drafts are received at a CC, the amount of the foreign draft deposit to be sent to FINCEN or Citibank should be noted on row (I) of the regular Collections Summary Sheet, but not added to the deposit amount. The payment shall also be recorded on the documentation retained at the CC.

A. *Regional Examination Centers, Recreational Boating Registration Fee Collection Center and National Vessel Documentation Center.*

1. Each day foreign bank drafts are accepted, the cashier shall:

   a) Run an adding machine tape to total all foreign bank drafts. The total of the foreign bank drafts and the regular collections shall equal the grand total cash register tape.

   b) Run an adding machine tape with the following calculation:

      (1) Grand total amount (from Z1 report tape) - amount in foreign bank drafts = regular amount to be deposited.

   c) Complete and make a copy of the daily Collection Summary Sheet. One copy with regular deposit payments will be sent to Nations Bank, following the normal daily deposit procedures. The other, with foreign bank drafts, will be sent to FINCEN. Row I of the Collection Summary Sheet should contain the amount of the day's collection paid in foreign bank drafts.

   d) Staple the adding machine tapes listed in 1 a) and b) above to the Collection Summary Sheet for foreign bank draft collections to be sent to FINCEN.

   e) Deliver to CC reconciler

   g) Stamp the back of each foreign bank draft with a restrictive endorsement to the Coast Guard account number. On the front of the foreign bank draft stamp the CC's Operating Facility number (OPFAC), date the foreign bank draft is to be sent to FINCEN,

and the taxpayer identification number of the remitter of the foreign bank draft.

h) Include in the deposit sent to FINCEN the:

(1) Collection Summary Sheet for foreign bank drafts,
(2) Adding machine tape totaling the foreign bank drafts, and
(3) All foreign bank drafts.

i) Mail deposit in sealed, opaque envelope to FINCEN UF Collection Technician at:

j) Commanding Officer (OGR)
Attn: UF Collection Technician
USCG Finance Center
1430A Kristina Way
Chesapeake, VA 23326

FINCEN shall be responsible for depositing and tracking foreign bank drafts accepted from the RECs, the Recreational Boating Registration Fee Collection Center, and NVDC. FINCEN shall send confirmation via e-mail notifying the CC of receipt of the foreign bank drafts to be deposited.

GENERAL INSTRUCTION

The CC reconciler will use the copy of the Collection Summary Sheet to maintain the Confirmation Log for foreign bank drafts. See Procedure "Maintain Confirmation Log" for guidance.

B. *National Pollution Funds Center.*

1. Each day foreign bank drafts are accepted, the cashier shall:

a) Run an adding machine tape to total all foreign bank drafts.

b) Prepare a separate SF-215 deposit form using the directions below. (No mistakes are permitted in blocks 3 or 4.) The following instructions apply:

(1) Block 1: Deposit Number: This is preprinted on each deposit ticket. Spoiled or voided forms need to be filed with the remittance being processed.
(2) Block 2: Date Presented or Mailed to Bank: Do not type here.
(3) Block 3: 8-Digit or 4-Digit Agency Location Code (ALC): Type the command's code: 69 02 5102
(4) Block 4: Amount: Type the total amount being deposited.
(5) Block 5: Agency Use: Type "Date Mailed: (MM/DD/YY)."
(6) Block 6: Name and Address of Depository: Type "Citibank,Wilmington, DE."
(7) Block 7: Depositor's Title, Department or Agency and Address: Type:

Department of Transportation
Coast Guard Finance Center (OGR)
COFRs
1430A Kristina Way
Chesapeake, VA 23326

c) Remove and mail the Memorandum (white) Copy to:

Commanding Officer (OGR)

USCG Finance Center
1430A Kristina Way
Chesapeake, VA 23326

d) Remove the Agency (yellow) Copy, affix to a blank sheet of white paper.

e) Run an adding machine tape with the following calculation:

Grand total amount (from cash register tape) - amount in foreign bank drafts = regular amount to be deposited.

f) Staple the adding machine tape to the Agency Copy of the SF- 215 deposit form.

g) Stamp the back of each foreign bank draft with a restrictive endorsement to the Coast Guard bank account number at Citibank. Stamp the front of the check with the CC OPFAC, date the draft will be mailed to Citibank, and the taxpayer identification number of the remitter of the foreign bank draft.

h) Place the deposit in an opaque envelope.

i) Ensure the deposit information sent to Citibank contains:

(1) Remainder of the SF-215 deposit form for foreign bank drafts
(2) Adding machine tape totaling the foreign bank drafts, and
(3) All foreign bank drafts.

j) Send the foreign bank drafts deposit by U.S. Mail to:

Citibank
Foreign Check Clearing
Post Office Box 15962
Wilmington, DE 19850-5962

Or send the foreign bank drafts deposit by Federal Express to:

Citibank
Foreign Check Clearing
Two Penn's Way
New Castle, DE 19720

k) Record the date and amount of the deposit mailed to Citibank onto the Confirmation Log for foreign bank drafts. See Form "Confirmation Log."

GENERAL INSTRUCTION

Citibank shall mail the confirmation deposit slip to Commanding Officer (OGR) at the above address.

Upon receipt of Citibank deposit confirmation, FINCEN has seven days to notify the NPFC reconciler of receipt of confirmation deposit slip via e-mail.

The reconciler will use the retained copy of the SF-315 to fill out the Confirmation Log. The reconciler shall refer to Procedure "Maintain Confirmation Log" for instructions on filling out the Confirmation Log for foreign bank drafts.

VI. Refunds/Overpayments

Each time a request for a refund will be submitted, the CC shall document in the customer's file the reason for the refund. The CC shall document the reason on the User Fee Sheet that contains the payment triggering the refund.

Refund and overpayment requests must be mailed to FINCEN at the following address:

Commanding Officer (OGR)
USCG Finance Center
1430A Kristina Way
Chesapeake, VA 23326
Attn: UF Collection Technician

A. Refund or overpayment requests initiated by the customer must include:
   1. A copy of the User Fee Sheet detailing:
      a) The date and reason the check was submitted,
      b) Cash register receipt associated with refund/overpayment,

   2. An SF 1048 Public Voucher for Refunds, and
      a) The name and address of the customer,
      b) The reason the request is being submitted,

   3. Signature of CC supervisor authorizing the refund.

B. Refund or overpayment requests initiated by the CC must include:
   1. A copy of the User Fee Sheet detailing:
      a) The date and reason the check was submitted,
      b) Cash register receipt associated with refund/overpayment,

   2. A SF 1048 Public Voucher for Refunds, and
      a) The name and address of the mariner,
      b) The reason the request is being submitted,

   3. Signature of CC supervisor authorizing the refund.

Once the information above has been mailed to FINCEN, the FINCEN UF Collection Technician shall be responsible for completion of the refund process.

VII. Underpayments/Rejected Payments

For the following situations, reject the user fee payment and return unprocessed.

- Method of payment does not meet one or more of the requirements set forth in the Procedure "Verify Method of Payment."
- If a customer is presenting a check for a fee payment and the customer's file is flagged for a returned check.

A. To return a mailed, rejected, user fee payment back to a customer:

1. Write "VOID" on check or money order.
2. Send a written notice to explain why the payment has been rejected.
3. Mail "voided" payment and notice to customer.

Exception for NVDC: If the check is for less than the dollar amount required, the CC may deposit the check and send a notice to the mariner that additional money is due. Under no circumstances shall a service be provided for which payments in full have not been received.

B. To return a walk-in, rejected user fee payment back to a customer, the employee rejecting the payment should explain why the payment cannot be accepted. The person rejecting the payment may explain to the customer other options available to pay for a user fee.

Exception: If a mailed payment is in cash, accept the payment, annotate the customer's file to show the unpaid amount, and notify the customer of the remaining amount owed.

C. Note: If an employee dealing with the customer feels uncomfortable with rejecting a fee payment, the employee should summon the CC supervisor or other upper management employee to notify the customer of the rejection of payment.

VIII. Manual Receipts for User Fee Collections

A. In the event that the cash register becomes inoperable, the CC will issue a three-part collection receipt (Form CG-2688) for each user fee collected. The following procedures shall be followed. All other procedures shall remain the same, substituting the collection log for the journal tape/Z1 report.

The information that must be captured on each receipt is:

- Date,
- Customer name,
- User fee code,
- Identification number,
- Amount paid and number of check or money order, and
- Initials of cashier who accepted payment.

The three copies of the receipt shall be distributed in the following manner:

1. Original copy is retained by the collection center and attached to the user fee payment.

2. Yellow copy is attached to the customer's User Fee Sheet or other appropriate documentation.

3. Pink copy is distributed to the customer if available. If the user fee was not paid in person by the customer, the pink copy may be either attached to the customer's file with the yellow copy or may be discarded.

B. At the time the cashier is ready to prepare the deposit, all user fee payments and the attached receipts are collected. The cashier logs each payment on a collection log. Once the deposit and the collection log are completed, the originals of the receipts are mailed to Nations Bank with the deposit, a Collection Summary Sheet and a copy of the collection log.

IX. Updating the User Fees Programmed Into the Cash Registers

1. For Regional Exam Centers, changes to the user fees programmed into the cash registers will be conducted via a contract with a vendor. This will ensure that all fee changes are made on the same day, that they are correctly programmed, that the vendor has the most recent copy of the cash register program (in case the program has to be reloaded). FINCEN's internal control branch (office symbol: FI) will facilitate this change.

2. For other units equipped with cash registers, the option to have a contractor update the user fees programmed into their cash registers is available to them. If units choose to have a contractor update the user fees programmed into their cash registers, they should contact the FINCEN internal control branch (office symbol: FI) to facilitate this request.

X. Other Cash Register Requirements

A. For CC equipped with cash registers:

1. Cashier register keys shall be assigned to specific individuals or secured with access limited to the CC supervisor or assistant CC supervisor.
2. The manager or sub-manager keys shall reside solely with the CC supervisor or assistant CC supervisor.
3. The instructions for reprogramming the cash registers shall be secured with access limited to the CC supervisor or assistant CC supervisor.
4. When the cash register is left unattended, the cashier shall remove their register key from the register until they return.
4. At least once a month, a Z-2 report shall be run. The results of this report shall be retained locally at the unit for a period of three years or until requested to mail Z-2 reports to the National Mariner Center.
3. request.

XI. Disposition of User Fee Receipts and Records

A. CC will be responsible for maintaining three years of user fee receipts and records. The CC shall dispose of user fee receipts and records greater than three years old in accordance with the procedures contained in the Paperwork Management Manual (COMDTINST 5212.12).

PROCEDURES FOR REGIONAL EXAMINATION CENTERS (RECs)

I. Identify Fee(s) to be Paid

A. Walk-In. A REC staff member responsible for greeting a mariner and identifying the purpose of the mariner's visit shall perform the following:

1. Greet mariner and determine purpose for visit.

2. Determine if mariner is required to pay a user fee.

3. If a fee is to be paid, pull mariner's file.

4. If mariner's file is flagged for a NSF check and the mariner plans to pay the current fee(s), do not proceed. See Special Procedure "Underpayments/Rejected Payments."

5. If a User Fee Sheet is present in mariner's file, update the user fee sheet to identify the current user fee code(s) to be paid. If no User Fee Sheet is present in mariner's file, or no mariner file exists, create a new User Fee Sheet for the mariner and identify current user fee code(s) to be paid. For example of a User Fee Sheet, see Form "User Fee Sheet -REC." For user fee codes, see Form "Table of REC User Fees."

6. Direct mariner to take the User Fee Sheet to the cashier for payment of services.

B. Mail-In. For user fees received through the U.S. mail, overnight mail, or other form, the mail clerk shall perform the following duties on a daily basis:

1. Retrieve all mail sufficiently early in the day so all collections may be both processed for the same day's deposit and logged for the same day's reconciliation. Example: The cashier starts his or her deposit at 1:00 p.m. The mail clerk must open the mail, identify fees received, and deliver collections and documentation to the cashier prior to 1:00 p.m. Additionally, the cashier must be able to distribute the files to the service providers in sufficient time for them to log the appropriate information on their Reconciliation Tools.

2. Ensure all mail received is maintained in a secure location prior to processing. Example: REC requires all mail deliverers to drop mail into a slot in the locked mail room. Access to locked mail room is limited to mail room personnel only. If mail clerk retrieves the mail, but cannot

process it immediately, he or she must place the mail in a locked safe or cabinet.

3. Open the mail and separate user fee collections and related enclosures from all other mail.

4. Using the payment and related enclosures, identify mariner files to be pulled.

5. Secure collections in locked safe or cabinet and retrieve mariner files.

6. Retrieve fee payments once mariner files are pulled.

7. If mariner's file is flagged for a NSF check and the mariner has mailed a check or money order to pay the current fee(s), do not proceed. See Special Procedure "Underpayments/Rejected Payments."

8. Pull the User Fee Sheet from each mariner file and update the sheet to identify current user fee code(s) to be paid. If no User Fee Sheet is available, or no mariner file exists, create a new User Fee Sheet and identify current user fee code(s) to be paid. For example of User Fee Sheet, see Form "User Fee Sheet - REC." For user fee codes, see Form "Table of REC User Fees."

9. Attach each fee payment to its corresponding fee sheet with a paper clip.

10. Carry all User Fee Sheets and attached payments to cashier.

11. Once User Fee Sheets are returned to the mail clerk, compare what was given to the cashier with what was returned by the cashier. Verify the cash register receipts stapled to User Fee Sheets match in amount to the mail clerk's mail log.

12. Return User Fee Sheets (and mailed enclosures) to appropriate files and submit files to evaluators/examiners/issuers for services to be rendered.

II. Verify Method of Payment

The cashier shall determine if the method of payment is acceptable to the Coast Guard. The Coast Guard will accept cash, check, money order, or bank draft for the payment of user fees. All collections must be in U.S. currency. If a user fee payment does not meet any of the following criteria, it must be rejected. For rejected user fee payments, see Special Procedure "Underpayments/Rejected Payments."

A. Cash

The Coast Guard must accept cash for user fees (31 USC 5103). Cash will only be accepted in the exact amount of the user fee. The USCG is not required to make change.

B. Checks or money orders

Checks and money orders must be examined carefully to ensure the following information is complete and accurate:

1. Amount of payment. The amount of payment equals the services to be rendered.

2. Date of check. The check should reflect the date the check is tendered to the REC. If the check date is not the date tendered, the check must have at least a date prior to tender date. The REC must not accept check dates more than four months old because Nations Bank will not accept stale dated checks. The REC shall not accept checks dated after the tender date (i.e., post-dated checks).

3. **Written and numeric amounts match.** Example: A numeric $45 check is also written as forty five dollars. At a minimum, the written dollar amount on the check or money order must be the correct fee for the service(s) requested. The bank will default to the written amount on a check should there be a discrepancy between the written and numeric amounts. The bank will default to the numeric amount on a money order should there be a discrepancy between the written and numeric amounts.

4. Pay to the order of: The only acceptable entries are listed below. If the payee is blank, ensure one of the below entries is recorded as the payee. RECs are encouraged to acquire a "U.S. Coast Guard" stamp for this purpose. If the payee is different from any entry listed below, reject the payment.

- Coast Guard, United States Coast Guard, U.S. Coast Guard, or USCG;
- Government, United States Government, or U.S. Government;
- Treasury, United States Treasury, Treasury of the United States, or U.S. Treasury; or
- Department of Transportation, U.S.D.O.T., or D.O.T.

5. Signature. If the check does not have a signature, and the mariner is readily available, have the mariner sign the check on the spot. If the mariner is not available, accept the payment and process the check. Nations Bank personnel will process the check in accordance with prescribed handling procedures acceptable to the Coast Guard and the Treasury Department's Financial Management Service (FMS).

6. Social Security Number (SSN) or Taxpayer Identification Number (TIN). The cashier must ensure the customer's SSN is listed on the check. If a company is presenting the check, the company's TIN must be listed on the check.

C. Foreign Bank Drafts

Foreign bank drafts are to be treated the same as checks and money orders. Foreign bank drafts must be sent to FINCEN for processing. The procedures for sending foreign bank drafts to FINCEN are outlined in Special Procedure "Foreign Bank Drafts."

III. Process Collections

The implementation of cash registers will impact several activities of cash collection. The use of cash registers will:

- Limit access to cash to authorized personnel,
- Eliminate the need to hand write cash receipts,
- Eliminate the need to complete Record of Collections logs and Counter Logs,
- Accumulate data for daily reporting of types and amounts of fees collected,
- Provide daily collection totals for comparisons to deposits, and
- Provide a detailed transaction list for use in reconciliation to related services.

Cash register keys will be preprogrammed to reflect the types and amounts of fees collected at the REC.

The REC shall post signs that are visible to the mariners and state "Collection Center accepts payments for the exact dollar amounts only" and "Please request a receipt."

Before processing each fee payment through the cash register, the cashier shall stamp a restrictive endorsement on the back of each check or money order upon receipt. The restrictive endorsement stamp, also known as a "For Deposit Only" stamps, includes a restrictive endorsement statement and specifies a bank account number to which the funds shall be credited.

To process each payment through the cash register, the cashier shall:

A. Enter SSN to identify the customer associated with the transaction. The SSN is annotated on the fee payment and the User Fee Sheet.

B. Enter the user fee code(s) and amounts to be paid from the User Fee Sheet accompanying the fee payment. The cashier shall input the user fee code to be paid by either:

1. Touching the button corresponding to the fee being paid (a preprogrammed function button), or

2. Touching the button corresponding to Freedom of Information Act (FOIA) or Miscellaneous (Misc) and entering the amount of the fee.

Note: The Misc keys should be used only in exceptional circumstances. When the Misc keys are used, the SIP or ASIP should be notified.

C. Subtotal the transaction. The cashier shall ensure the subtotal amount matches the fee payment. If the subtotal and the payment do not match, the discrepancy should be identified and corrected.

D. Input the amount of payment. Amount of payment entered should equal the amount subtotaled in C. above. If amount of payment is less than the amount of the transaction according to the cash register, see Special Procedure "Underpayments/ Rejected Payments."

E. Input method of payment (i.e., cash, check, or money order). If payment is a check or money order, input the check number or money order number. Once the amount of payment equals the total amount of the transaction, the cash register drawer will open and receipts will print. The printed receipt will identify each customer benefiting from the user fee payment and each fee being paid (user fee code and amount associated with fee). When applicable, the receipt will also show the check number or money order number.

F. Stamp restrictive endorsement on check or money order, if applicable. Put payment in cash register drawer. Close cash register drawer.

G. Distribute external cash register receipts for user fee(s).

1. Top copy (White). The top copy shall be stapled to the User Fee Sheet accompanying fee payment.
2. Bottom copy (Yellow). If the customer is presenting the fee payment to the cashier, the yellow copy of the receipt will be returned to the customer. The bottom copy will be the customer's receipt. If the customer is not in the REC (i.e., a receipt is being issued for a mail-in transaction) the cashier shall staple both copies of the receipt to the User Fee Sheet. The REC is not required to mail the bottom copy of the receipt back to the customer.

H. Date stamp and initial User Fee Sheet.

I. Return User Fee Sheet to the customer (walk-in) or mail clerk (mail-in).

J. If a business sends in a check for multiple mariners, substitute these procedures for the ones indicated above.

1. Enter taxpayer identification number of the business to identify the company associated with the transaction.
2. Enter user fee code(s) and amounts to be paid for all mariners listed on the company's correspondence.

3. Subtotal the transaction as indicated above.

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4. Input the amount of payment as indicated above.
5. Input method of payment as indicated above.
6. Stamp restrictive endorsement on check. Put payment in cash register drawer. Close cash register drawer.
7. Put register receipt on the company's correspondence which list all mariners who are to receive services with the payment. Make a photocopy for each mariner's file. Attach this photocopied page to each mariner's User Fee Sheet. For the mariner listed on the User Fee Sheet, highlight the corresponding mariner's name on the photocopied page.
8. Date stamp and initial User Fee Sheet.
9. Return User Fee Sheet to the mail clerk for dissemination to the service providers.

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IV. Complete Reconciliation Tool for Services

The best control over user fee collections is the independent verification that the amount of the daily deposit equals the amount of services to be provided. Evaluators/examiners/issuers have now become active participants in the control over the user fee collection process. Evaluators/examiners/issuers are given the responsibility for entering all activities (when associated with a user fee collection) on a daily Reconciliation Tool which will be compared to the collections according to the cashier. To use this control, the evaluators/examiners/issuers will also be responsible for the daily delivery of the completed Reconciliation Tool to the REC reconciler. See Form "Reconciliation Tool for Evaluators/Examiners/Issuers."

To determine what services should be annotated on the Reconciliation Tool, use the following rule of thumb:

- If the payment is in the register, verify the correct fee was paid and log the service.

Example: If a file is placed on an evaluator's desk on Day 1, and if the receipt for the fee payment is in the file, then the evaluator shall log the service(s) on the Reconciliation Tool on Day 1. To further clarify, if the REC has received a fee payment for both an evaluation and an examination on Day 1, then the evaluator receiving the mariner's file should log both services on his or her Reconciliation Tool on Day 1 after verifying the services to be provided match the amount of money collected. This service would not be logged again when the exam was administered to the individual.

Evaluators/examiners/issuers shall complete the Reconciliation Tool as follows:

A. Evaluator/Examiner/Issuer Name. Self-explanatory.

B. Date. Self-explanatory.

C. (A) Customer Name. Last name and first name of mariner from User Fee Sheet.

D. (B) Social Security Number. Record mariner's SSN from receipt stapled to User Fee Sheet.

E. (C) User Fee Code for Service. The user fee code is a unique code that is assigned to each user fee. Look through the application and determine what service is to be provided. From the "Table of REC User Fees," determine the

code associated with this service. Verify that this code matches the code printed on he register receipt. If the codes do match, log the code onto the reconciliation tool. If the two codes do not match, resolve the discrepancy before continuing.

F. (D)Amount of Fee Associated with User Fee Code. Enter the amount of user fee as mandated by the schedule of user fees contained in Title 46 Code of Federal Regulations (CFR) section 10.109 and 12.02-18. Verify that this amount matches the amount printed on the receipt. At the end of the day, total column (D). For REC user fee code dollar values, see Form "Table of REC User Fees."

G. (E) Comment. If needed, enter any information that may clarify or explain the service.

The receipt must reflect exactly what is written on the reconciliation tool in order for the daily reconciliation to balance.

V. Prepare Register for Deposit

At approximately the same time each day the cashier shall prepare the deposit. Deposits should be prepared daily for same day mail pick up. Example: If the U.S. Mail has a scheduled pick-up at the REC, the cashier must start and finish the deposit in sufficient time to allow the deposit to be completed before mailing.

The cashier shall perform the following duties:

A. Close the window during the time period the cash register is being totaled and zeroed out.

B. Run a Z1 report to show the grand totals per each type of fee and to zero all balances in the cash register. Remove and discard receipt tapes.

C. Remove the journal tape/Z1 report from the cash register.

D. Re-feed blank journal tape to re-start transactions.

E. Empty the cash register. Care shall be taken to ensure all collections are removed.

F. Place the daily collections and the copies of the journal tape/Z1 report together to prepare the deposit.

VI. Convert Cash to Money Order

Nations Bank will not accept cash through the mail. All RECs must convert cash to a money order prior to mailing the deposit to Nations Bank. Costs associated with converting cash to a money order shall be entered on the Collection Summary Sheet.

Ensure the money order is processed in accordance with the procedures for preparing other checks and money orders for deposit. If the money order is purchased at the same time the deposit is to be mailed (i.e., purchased at the U.S. Post Office), the OPFAC, date, and restrictive endorsement stamps may need to be taken to the Post Office. The customer copy of the money order shall be given to the reconciler and stapled to the daily reconciliation tool.

Collections kept overnight shall be removed from the cash register, placed in an envelope, sealed, and secured in accordance with the Coast Guard Physical Security Program COMDTINST M5530.1A. If any mail remains to be processed at the end of the day, it should also be secured in accordance with the Coast Guard Physical Security Program COMDTINST M5530.1A.

If a REC chooses to retain cash from a deposit, the REC must safeguard these funds in accordance with the guidelines set forth in the Coast Guard Comptroller Manual, Volume 1, Part 4, Chapter 8.

VII. Prepare Deposit

If customers are present and the cashier feels it is necessary to accept transactions, the cashier may temporarily place the materials for the deposit in an envelope, seal the envelope, and place the envelope in a locked safe. The cashier may then process fee payments again.

When there are no customers present, or when the cashier does not feel the necessity to process payments for the present customers, the cashier shall prepare the deposit.

A. The cashier shall prepare checks and money orders for deposit as follows:

1. Mark each check or money order with two pieces of information for Nations Bank: 1) the unit OPFAC, and 2) the date the check or money order is mailed to Nations Bank. **This information should be noted to the right of the customer's name and address.** The information may be stamped or handwritten legibly. **Do not obscure any other information.** The unit OPFAC will enable Nations Bank to readily identify the source of the check should it be returned for any reason.

2. Batch checks and money orders in groups of 50. If a REC processes less than 50 transactions during any deposit period, the "batch size" for that deposit period shall equal the total number of checks/money orders received for that deposit period. Example: If 55 checks were received during a deposit period, the first batch would consist of 50 checks and the second batch of 5 checks. If only 35 checks were received, the batch would consist of 35 checks. In no case should a batch exceed 50 checks. All batches for the deposit period shall be mailed in the same envelope.

3. Run an adding machine tape on each batch totaling each check/money order amount. Should the written and numeric dollar amounts on a check differ, use the written amount on all checks. For money orders, use the numeric amount in all final calculations.

4. Run a summary adding machine tape to total the amounts of each batch to a grand total for deposit.

5. Bind each batch with a rubber band and place one adding machine tape, with the total facing outward, on top of the batch.

6. Compare the summary total adding machine tape to the Z1 report. Any discrepancies noted must be identified, researched, and corrected before mailing the deposit.

7. After the checks have been batched, complete the Collection Summary Sheet as follows:

   a) Unit OPFAC. Self-explanatory.

   b) Date of deposit. The date of deposit is the date the user fees are to be mailed to Nations Bank. This date should match the date placed on each check/money order.

   c) # batches this deposit. Self-explanatory.

   d) # checks this deposit. Self-explanatory.

   e) Summary Sheet prepared by. The name of the cashier preparing the form.

   f) Daily Collections Summary. Write the **actual** amount of the collections (not including money order fee, if applicable) on the appropriate line(s).

   g) Miscellaneous. Subtract the cost of a money order, if applicable.

   h) Grand Total. Total amount of deposit, which is the totals of lines A. through F. of the Collection Summary Sheet. This is the final amount of the daily deposit.

   i) Amount of Cash Collected Today. **Enter the exact amount of the day's collections that have been paid in cash ONLY.**

   j) Amount of Cash Included in Today's Deposit. **Enter the exact amount of cash included in the day's deposit.**

   k) Foreign Bank Drafts. Enter the amount of the day's collections that have been paid in foreign bank drafts.

   Any and all corrections to the Collection Summary Sheets should consist of *drawing a single line through the error and initialing the correction*.

8. Stamp the unit OPFAC on both copies of the journal tape/Z1 report.

9. Make a copy of the Collection Summary Sheet.

10. Staple the top copy of the journal tape/Z1 report to the **BACK** of the original Collection Summary Sheet. Staple 5 - 7 times to ensure the bank does not inadvertently remove the tape.

11. Staple the bottom copy of the journal tape/Z1 report to the copy of the Collection Summary Sheet.

12. A bank deposit must consist of the following four items:

a) Checks and money orders representing all user fees collected for the deposit period,

b) Adding machine tape detailing each item,

c) Top copy of the journal tape/Z1 report, and

d) Collection Summary Sheet.

13. If a money order has not yet been purchased and is needed, obtain a money order.

14. Deliver the copy of the Collections Summary Sheet/journal tape/Z1 report to the reconciler.

VIII. Mail Deposit

The cashier is responsible for mailing the deposit. The cashier shall:

A. Mail deposit to Nations Bank in care of the following address:

Nations Bank
Coast Guard User Fees
Box 740182
Atlanta, GA 30374-0182

The reconciler shall retain a copy of the Collection Summary Sheet at the REC.

After verification and deposit of user fees, Nations Bank will forward the Collection Summary reports and all other supporting information to FINCEN. The reports are reviewed by the FINCEN UF Collection Technician and filed at the FINCEN.

The FINCEN UF Collection Technician will notify the REC reconciler via e-mail of the amount and date the deposit is made in the U.S. Treasury. This notification will take place no later than 7 working days from the date FINCEN was notified of the REC deposit at Nations Bank. This feedback loop will serve as confirmation to the command that the REC deposit was received and deposited by Nations Bank.

IX. Maintain Confirmation Log

To track deposits the reconciler will perform the following duties:

A. Identify Collection Center and unit OPFAC.

B. From the copy of the **Collection Summary Sheet/journal tape/Z1 report**, log:

1. (A) Date Deposit Mailed.
2. (B) Amount of Today's Deposit. Today is the same day as the date in column (A). This amount is taken from GRAND TOTAL on the Collection Summary Sheet.
3. (C) Amount of Cash Collected Today. Enter the amount recorded on row G. of the Collection Summary Sheet. This amount should tie directly to the journal tape/Z1 report amount of cash collected.
4. (D) Amount of Cash Included in Today's Deposit. Enter amount recorded on row H. of the Collection Summary Sheet.
5. (E) Money Order Fee. Copy from Collection Summary Sheet.

C. Column (F) Balance of Cash on Hand Today is the balance of cash on hand (column (F)) from the previous day plus column (C) Amount of Cash Collected Today - (column (D) Amount of Cash Included in Today's Deposit + column (E) Money Order Fee). If cash is being deposited on a given day, it is assumed that all cash on hand at the REC is being deposited. Therefore, column (F) should become zero each day cash is deposited.

D. From FINCEN deposit confirmation e-mail, log: 1. (G) Amount Per FINCEN. Amount deposited at Nations Bank. 2. (H) Date of Notification by E-mail. Self-explanatory.

E. Contact the FINCEN UF Collection Technician if there is a discrepancy between deposit amounts.

F. Identify, research, and correct discrepancies.

X. Reconcile Cash Collected to Related Services

The primary purpose of reconciliation is to identify fees not deposited or services not provided.

On a daily basis the reconciler shall receive the copy of the Collection Summary Sheet/journal tape/Z1 report from the cashier. The reconciler shall also receive, on a daily basis, a Reconciliation Tool from each employee providing a service for the day. The reconciler shall fill out the Reconciliation Worksheet as follows:

A. Identify the REC and the appropriate OPFAC number.

B. (A) Evaluator/Examiner/Issuer Name. Record name of each employee providing service for the day. In order for the reconciliation to work properly, each employee must turn in a Reconciliation Tool on a daily basis.

C. (B) Date. Enter the same date as the Collection Summary Sheet. This should also be the same date as annotated on all Reconciliation Tools received.

D. (C) Evaluator/Examiner/Issuer Daily Total. Copy the ending total from column (D) of the employee's Reconciliation Tool.

E. (D) Dollar Value of Evaluator/Examiner/Issuer Services. Total of column (C)

F. (E) Amount of Today's Collections. Copy from Z1 report. [CA + CK ID]

G. (F) Less: Amount of Cash Collected Today. Copy from Z1 report. [CASH]

H. (G) Plus: Amount of Cash Included in Today's Deposit. Enter amount from column (D) of Confirmation Log.

I. (H) Total Deposit. Total of row (E) - row (F) + row (G) of Reconciliation Worksheet. This should match the amount indicated on the Grand Total row of the Collection Summary Sheet.

J. (I) Difference. Difference between row (E) and row (D) of Reconciliation Worksheet.

K. (J) Supervisor Adjustment. If applicable, once discrepancy noted on row (I) of Reconciliation has been researched, identified, and corrected, the reconciler shall annotate the dollar amount of adjustment on row (J).

L. (K) Comments. Reconciler shall make all comments necessary to explain the discrepancy on row (I) and adjustment on row (J) of the Reconciliation Worksheet.

M. Signature. Signature of Reconciler.

The completed reconciliation worksheet, collection summary sheet, journal tape/Z1 report, all reconciliation tools for the day, and the CC's copy of the purchased money order (which was obtained to convert cash to a money order, if applicable) shall be stapled together and kept on file at the REC. These files will be inspected during audits.

PROCEDURES FOR NATIONAL VESSEL DOCUMENTATION CENTER, WV (NVDC)

I. Identify Fee(s) to be Paid

A. Walk-In. A NVDC staff member responsible for greeting visitors shall perform the following:

1. Greet visitor and determine if visitor expects to pay a fee.
2. If visitor expects to pay a fee, summon a mail clerk to the front desk.
3. The mail clerk shall process the visitor's fee payment in the same manner which mail-in fee payments are processed. See Mail-In.

B. Mail-In. For user fees received through the U.S. Mail, overnight mail, or other form, the mail clerk shall perform the following duties on a daily basis:

1. Retrieve all mail sufficiently early in the day so all collections may be processed for the same day's deposit. Example: The cashier starts his or her deposit at 1:00 p.m. The mail clerk must open mail, identify fees received, and deliver collections and documentation to the cashier prior to 1:00 p.m.
2. Ensure all mail received is maintained in a secure location prior to processing. Example: NVDC requires all mail deliverers to drop mail into a locked mail room. Access to locked mail room is limited to mail room personnel only. If mail clerk retrieves mail, but can not process immediately, he or she must place mail in locked safe or cabinet.
3. Open mail and separate user fee payments and related enclosures from all other mail.
4. Annotate the identification number on enclosed payment. For the identification number use the Vessel Official Number, HIN, or unique number. Example: NVDC mail clerk notes the unique number "10001" on a mailed-in document. The mail clerk annotates "10001" on the corresponding method of payment
5. Attach fee payment to enclosed documentation with a paper clip.
6. Deliver documentation and attached payments to cashier.

II. Verify Method of Payment

The cashier shall determine that the method of payment is acceptable to the Coast Guard. The Coast Guard will accept cash, check, money order, bank draft or credit cards for the payment of user fees. All collections must be in U.S. currency. If a user fee payment does not meet any of the following criteria, it must be rejected. For rejected user fee payments, see Special Procedure "Underpayments/Rejected Payments."

A. Cash

The Coast Guard must accept cash for user fees (31 USC 5103). Cash will only be accepted in the exact amount of the user fee. The USCG is not required to make change.

B. Checks or money orders

Checks and money orders must be examined carefully to ensure the following information is complete and accurate:

1. Date of check. The check should reflect the date the check is tendered to NVDC. If the check date is not the date tendered, the check must have at least a date prior to tender date. The NVDC must not accept check dates more than four months old because Nations Bank will not accept stale dated checks. The NVDC shall not accept checks dated after the tender date.

2. Written and numeric amounts match. Example: A numeric $45 check is also written as forty five dollars. At a minimum, the written dollar amount on the check or money order must be the correct fee for the service(s) requested. The bank will default to the written amount should there be a discrepancy between the written and numeric amount. The bank will default to the numeric amount on a money order should there be a discrepancy between the written and numeric amount.

3. Pay to the order of: The only acceptable entries are listed below. If the payee is blank, ensure one of the below entries is recorded as the payee. NVDC is encouraged to acquire a "U.S. Coast Guard" stamp for this purpose. If the payee is different from any entry listed below, reject the payment or return the payment unprocessed.

- Coast Guard, United States Coast Guard, USCG, or U.S. Coast Guard;

- Government, United States Government, or U.S. Government;
- Treasury, United States Treasury, Treasury of the United States, or U.S. Treasury; or
- Department of Transportation, D.O.T., or U.S.D.O.T.

4. Signature. If the check does not have a signature, and the mariner is readily available, have the mariner sign the check on the spot. If the mariner is not available, accept the payment and process the check. Nations Bank personnel will process the check in accordance with prescribed handling procedures acceptable to the Coast Guard and the Treasury Department's Financial Management Service (FMS).
5. Social Security Number (SSN) or Taxpayer Identification Number (TIN). The cashier must ensure the customer's SSN is listed on the check. If a company is presenting the check, the company's TIN must be listed on the check.

C. Foreign Bank Drafts Foreign Bank drafts drawn on U.S. banks are to be treated the same as checks and money orders. Foreign bank drafts must be sent to FINCEN for processing. The procedures for sending foreign bank drafts to FINCEN are outlined in Special Procedure "Foreign Bank Drafts."

D. Credit Cards For credit card payments the cashier shall process the credit card and receive approval confirmation before processing the payment through the cash register. The cashier must follow the vendor's instruction for processing each credit card transaction.

III. Process Collections

The implementation of cash registers will impact several activities of cash collection. The use of cash registers will:

- Limit access to cash to authorized personnel,
- Eliminate the need to complete Record of Collections logs and/or Counter Logs,
- Provide daily collection totals for comparisons to deposits, and
- Provide a detailed transaction list for use in tracking receipt and deposit of payments for audit purposes.

CC shall post signs in an area plainly visible to the mariner stating the "Collection Center accepts payments for the exact dollar amounts only" and "Please request a receipt."

Before processing each fee payment through the cash register, the cashier shall stamp a restrictive endorsement on the back of each check or money order upon receipt. The restrictive endorsement stamp, also known as a "For Deposit Only" stamps, includes a restrictive endorsement statement and specifies a bank and bank account number to which the funds shall be credited.

To process each payment through the cash register, the cashier shall:

A. Input the identification number for each new transaction. Identification number is on both the method of payment and the documentation. NVDC shall use the Vessel Official Number, Hull Identification Number (HIN), or unique number as the identification number.

B. Enter the amount to be paid from the accompanying fee payment

C. Input method of payment (i.e., cash, check, or money order). If payment is a check or money order, input the check number or money order number. Once the amount of payment equals the total amount of the transaction, the cash register drawer will open and receipts will print. The printed receipt will identify the customer benefiting from the user fee payment. When applicable, the receipt will also show the check number or money order number. Note: If a check is paying for more than one vessel. Each vessel shall be entered as a separate transaction (i.e. The identification number, the dollar amount for that vessel, the check or money order number and the number of

vessels being paid for with the enclosed check). In these cases NVDC will have to determine how much money should be applied to each vessel and ensure the correct amount is paid in full for all ships combined. If the check is written for less than the amount due see Special Procedure, "Underpayments/Rejected Payments."

D. Put payment in cash register drawer. Close cash register drawer.

E. Distribute external cash register receipts for user fee(s). The receipt shall be stapled to the documentation and/or User Fee Sheet accompanying fee payment.

F. Submit documentation to file clerks for further processing of user fee requests.

IV. Complete Reconciliation Tool for Services

Reconciliation tools will not be required until the new automated system is implemented.

This section will be completed at that time.

Service providers are still required; however, to verify the correct service to be provided matches the service paid for as detailed on the attached cash register receipt. Should a discrepancy be discovered, the service provider should reconcile this discrepancy before providing the service.

V. Prepare Register for Deposit

At approximately the same time each day the cashier shall prepare the deposit. Deposits should be prepared daily for same day Federal Express pickup. Example: If the Federal Express has a scheduled pick-up at NVDC, the cashier must start and finish the deposit in sufficient time to allow the deposit to be properly reviewed before mailing.

The cashier shall perform the following duties:

A. Close the window during the time period the cash register is being totaled and zeroed out.

B. Run a Z1 report to show the totals collected and to zero all balances in the cash register. Remove and discard receipt tapes.

C. Remove the journal tape/Z1 report from the cash register.

D. Re-feed blank journal tape to re-start transactions.

E. Empty cash register. Care shall be taken to ensure that all collections are removed.

F. Place the daily collections and the copies of the journal tape/Z1 report together to prepare the deposit.

VI. Convert Cash to Money Order

Nations Bank will not an accept cash through the mail. NVDC must convert cash to a money order prior to mailing the deposit to Nations Bank. Costs associated with converting cash to a money order shall be entered on the Collection Summary Sheet.

Ensure that the money order is processed in accordance with the procedures for preparing other checks and money orders for deposit. If the money order is purchased at the same time the deposit is to be mailed (i.e., purchased at the U.S. Post Office), the OPFAC, date, and "For Deposit Only" stamps may need to be taken to the Post Office. The customer's copy of the money order purchased should be given to the manager of assistant manger and retained locally for audit purposes.

NVDC should not retain non-cash collections overnight except for transactions accepted after the preparation of the day's deposit and prior the close of business. Collections for this period shall be removed from the cash register and from the mail room, placed and sealed in envelopes, and secured in accordance with the Coast Guard Physical Security Program COMDTINST M5530.1A.

If NVDC chooses to retain cash from a deposit, NVDC must follow guidelines set forth in the Comptroller Manual, Volume 1, Part 4, Chapter 8 (COMDTINST M7300.4).

VII. Prepare Deposit

If customers are present and the cashier feels it is necessary to accept transactions, the cashier may temporarily place the materials for the deposit in an envelope, seal the envelope, and place the envelope in a locked safe. The cashier may then process fee payments again. When there are no customers present, or when the cashier does not feel the necessity to process payments for the present customers, the cashier shall prepare the deposit.

A. The cashier shall prepare checks and money orders for deposit as follows:

1. Mark each check or money order with two pieces of information for Nations Bank: 1) the unit OPFAC, and 2) the date the check or money order is to be mailed to Nations Bank. This information should be noted to the right of the customer's name and address. The information may be stamped or handwritten legibly. Do not obscure any other information. The unit OPFAC will enable Nations Bank to readily identify the source of the check should it be returned for any reason (for example, insufficient funds, closed account, etc.).
2. Batch checks and money orders in groups of 50. If NVDC processes less than 50 transactions during any deposit period, the "batch size" for that deposit period shall equal the total number of checks/money orders received for that deposit period. Example: If 55 checks were received during a deposit period, the first batch would consist of 50 checks and the second batch of 5 checks. If only 35 checks were received, the batch would consist of 35 checks. In no case should a batch exceed 50 checks. All batches for the deposit period shall be mailed in the same envelope.
3. Run an adding machine tape on each batch totaling each check/money order amount.
4. Run a summary adding machine tape to total the amounts of each batch to a grand total for deposit.
5. Bind each batch with a rubber band and place one adding machine tape, with the total facing outward, on top of the batch.
6. Compare the summary total adding machine tape to the Z1 report. Any discrepancies noted must be identified, researched, and corrected before mailing the deposit.

7. After the checks have been batched, complete the Collection Summary Sheet as follows:

   a) Unit OPFAC: Self-explanatory.

   b) Date of deposit: The date of deposit is the date the user fees are to be mailed to Nations Bank. This date should match the date placed on each check/money order.

   c) # batches this deposit: Self-explanatory.

   d) # checks this deposit: Self-explanatory.

   e) Summary Sheet prepared by: The name of the cashier preparing the form.

   f) Daily Collections Summary: Write the actual amount of the collections (not including many miscellaneous order fees, if applicable) on the appropriate line(s).

   g) Subtract the cost of a money order, if applicable.

   h) Grand Total: Total amount of deposit, which is the totals of lines A. through F. of the Collection Summary Sheet. This is the final amount of the daily deposit.

   i) Amount of Cash Collected Today. **Enter the exact amount of the day's collections that have been paid in cash ONLY**.

   j) Amount of Cash Included in Today's Deposit. **Enter the exact amount of cash included in the day's deposit**.

   k) Foreign Bank Drafts. Enter the amount of the day's collections that have been paid in foreign bank drafts.

Any and all corrections to the Collection Summary Sheets should consist of *drawing a single line through the error and initialing the correction*.

8. Make a copy of the Collection Summary Sheet.

9. Staple the top copy of the journal tape/Z1 report to the **BACK** of the original Collection Summary Sheet. Staple 5 - 7 times to ensure the bank does not inadvertently remove the tape

10. Staple the bottom copy of the journal tape/Z1 report to the copy of the Collection Summary Sheet.

11. A bank deposit must consist of the following four items:

    a) Checks and money orders representing all user fees collected for the deposit period,

    b) Adding machine tape detailing each item,

    c) Top copy of journal tape/Z1 report, and

    d) Collection Summary Sheet.

12. If money order has not yet been purchased and is needed, obtain a money order.

13. Deliver copy of the Collections Summary Sheet journal tape/Z1 report to assistant CC Supervisor.

VIII. Mail Deposit

The cashier is responsible for mailing the deposit. The cashier shall:

A. Mail deposit U.S. Mail (Priority Mail, Return Receipt Requested) to:

Nations Bank
Coast Guard User Fees
Box 740182
Atlanta, GA 30374-0182

Or

Send deposit Federal Express to:

Nations Bank
6000 Feldwood Road
College Park, GA 30349

B. The Assistant CC Supervisor shall keep a copy of the collection Summary Sheet on file at NVDOC.

After verification and deposit of user fees, Nations Bank will forward the Collection Summary reports and supporting documentation to FINCEN. The reports are reviewed by the FINCEN UF Collection Technician and filed at the FINCEN.

The FINCEN UF Collection Technician will notify the NVDC supervisor via e-mail of the amount and date the deposit is made in the U.S. Treasury. This notification will take place no later than 7 working days from the date FINCEN is notified of the deposit at Nations Bank. This feedback loop will serve as confirmation to the command that the NVDC deposit was received and deposited by Nations Bank.

IX. Maintain Confirmation Log

To track deposits the reconciler will perform the following duties:

A. Identify Collection Center and unit OPFAC.

B. From the copy of the Collection Summary Sheet/journal tape/Z1 report, log:

1. (A) Date Deposit Mailed.
2. (B) Amount of Today's Deposit. Today is the same day as the date in column (A). This amount is taken from GRAND TOTAL on the Collection Summary Sheet.
3. (C) Amount of Cash Collected Today. Enter the amount recorded on row (G). of the Collection Summary Sheet. This amount should tie directly to the journal tape/Z1 report amount of cash collected.
4. (D) Amount of Cash Included in Today's Deposit. Enter amount recorded on row (H). of the Collection Summary Sheet.
5. (E) Money Order Fee. Copy from Collection Summary Sheet.

C. Column (F) Balance of Cash on Hand Today is the balance of cash on hand (column (F)) from the previous day plus column (C) Amount of Cash Collected Today - (column (D) Amount of Cash Included in Today's Deposit + column (E) Money Order Fee). If cash is being deposited on a given day, it is assumed that all cash on hand at the REC is being deposited. Therefore, column (F) should become zero each day cash is deposited.

D. From FINCEN deposit confirmation e-mail, log:

1. (G) Amount Per FINCEN. Amount deposited at Nations Bank.
2. (H) Date of Notification by E-mail. Self-explanatory.

E. Contact the FINCEN UF Collection Technician if there is a discrepancy between deposit amounts.

F. Identify, research, and correct discrepancies

X. Reconcile Funds Collected to Related Services

The primary purpose of reconciliation is to identify fees not processed or services not rendered.

The reconciler shall perform the following duties:

Note: The reconciliation will not be required until the new automated tracking system is implemented.

PROCEDURES FOR NATIONAL POLLUTION FUNDS CENTER (NPEC)

I. Identify Fee(s) to be Paid

Mail Room. For user fees received through the U.S. Mail, the mail room shall perform the following duties:

- Ensure all mail received is maintained in a secure location prior to distribution to mail boxes. Example: NPFC requires all mail deliverers to drop mail into a slot in the locked mail room. Access to locked mail room is limited to mail room personnel only.
- Ensure mail is sorted in timely manner.

A. Mail Clerk A. Any employee within the Vessel Certification Division, except the Division Chief, may act as mail clerk A. The Division Chief is responsible for the reconciliation and shall not handle user fees. Payments are accompanied by an application and/or correspondence, hereafter referred to as correspondence. Mail clerk A shall perform the following duties:

1. Accept user fee payments, along with the accompanying correspondence, from the U.S. Mail, overnight delivery companies, and front desk walk in payments.
2. Open all mail. Attach the payment to the accompanying correspondence with a paper clip.
3. Deliver the payment and accompanying correspondence to mail clerk B.

II. Verify Method of Payment

Mail Clerk B. The Assistant Division Chief is mail clerk B. Mail clerk B shall determine if the method of payment is acceptable to the Coast Guard. Once mail clerk B determines the method of payment is acceptable, he or she shall initial the accompanying correspondence.

The NPFC will accept check, money order, or bank draft for the payment of user fees. All collections must be in U.S. currency. If a user fee payment does not meet any of the following criteria, it must be rejected. For rejected user fee payments, see Special Procedure "Underpayments/Rejected Payments."

A. Checks or money orders

Checks and money orders must be examined carefully to ensure the following information is complete and accurate:

1. Amount of payment. The amount of payment equals the services to be rendered.
2. Date of check. The check should reflect the date the check is tendered to NPFC. If the check date is not the date tendered, the check must have at least a date prior to tender date. NPFC must not accept check dates more than four months old, because the bank will not accept stale dated checks. NPFC shall not accept checks dated after the tender date.
3. **Written and numeric amounts match**. Example: A numeric $45 check is also written as forty-five dollars. At a minimum, the written dollar amount on the check or money order must be the correct fee for the service(s) requested. The bank will default to the written amount on a check should there be a discrepancy between the written and numeric amounts. The bank will default to the numeric amount on a money order should there be a discrepancy between the written and numeric amounts.
4. Pay to the order of. The only acceptable entries are listed below. If the payee is blank, ensure one of the below entries is recorded as the payee. CCs are encouraged to acquire a stamp "U.S. Coast Guard" for this purpose. If the payee is different from any entry listed below, reject the payment.

- Coast Guard, United States Coast Guard, USCG, or U.S. Coast Guard;

- Government, United States Government, or U.S. Government;
- Treasury, United States Treasury, Treasury of the United States, or U.S. Treasury;
- Department of Transportation, U.S.D.O.T., or D.O.T.,
- National Pollution Funds Center or NPFC.

5. Signature. If the check does not have a signature, and the customer is readily available, have the customer sign the check on the spot. If the customer is not available, accept the payment and process the check. The bank personnel will process the check in accordance with prescribed handling procedures acceptable to the Coast Guard and the Treasury Department's Financial Management Service (FMS).

6. If the customer's file is flagged for a returned check and the customer has mailed a check to pay the current fee (s), do not proceed. See Special Procedure "Underpayments/Rejected Payments."

7. Social Security Number (SSN) or Taxpayer Identification Number (TIN). The cashier must ensure the customer's SSN is listed on the check. If a company is presenting the check, the company's TIN must be listed on the check.

B. Foreign Bank Drafts

Foreign bank drafts are to be treated the same as checks and money orders. Foreign bank drafts must be sent to Citibank for processing. The procedures for processing foreign bank drafts are outlined in Special Procedure "Foreign Bank Drafts." A foreign bank draft drawn in a currency other than U.S. Dollars shall not be accepted.

III. Process Collections

The implementation of a network software tracking system will impact several activities of user fee collections. The use of a network software tracking system will:

- Automate the CV Remittance Sheet,
- Accumulate data for daily reporting of types and amounts of fees collected,
- Provide user fee collections totals for comparisons to deposits, and
- Provide a mechanism for use in reconciling services with collections.

A. Cashier A. Cashier A is from the Vessel Certification Division and is responsible for processing the payments. Cashier B is from the Finance Division and is responsible for the deposit. Cashier A shall perform the following duties:

1. Stamp a restrictive endorsement on the back of each check or money order upon receipt. The restrictive endorsement stamp, also known as a "For Deposit Only" stamps, includes a restrictive endorsement statement and specifies a bank and a bank account number to which the funds shall be credited.
2. Verify the fee payment amount matches either the amount indicated in the correspondence or the amount written and initialed by mail clerk B.
3. Enter the payment data for each transaction into the CV Remittance Sheet. The CV Remittance Sheet also serves as a log for payments to FINCEN and for FOIA.
4. Separate the payment from the correspondence and forward the correspondence to an examiner for processing.
5. The payments should be keep secured with a printed copy of the CV Remittance Sheet until given to cashier B to prepare the deposit.

IV. Complete Reconciliation Tool for Services

Examiners are now included in the performance of the reconciliation. Examiners are responsible for entering activities (when associated with a user fee collection) into the Reconciliation Tool. The Reconciliation Tool is part of the network software tracking system and can be read by anyone in the Vessel Certification Division. ONLY the examiners shall be allowed to indicate a service has been completed in the Reconciliation Tool. Before certifying that the service has been completed, examiners shall verify that payment was collected and the payment was the correct amount for the services rendered. They shall also verify that mail clerk B, the assistant Division Chief, has initialed the accompanying correspondence. The reconciler, who is the Vessel Certification Division Chief, must ensure each service rendered was paid for, and for each payment a service was provided.

V. Convert Cash to Money Order

Nations Bank will not an accept cash through the mail. NPFC must convert cash to a money order prior to mailing the deposit to Nations Bank. Costs associated with converting cash to a money order shall be entered on the CV Remittance Sheet.

Ensure that the money order is processed in accordance with the procedures for preparing other checks and money orders for deposit. If the money order is purchased at the same time the deposit is to be mailed (i.e., purchased at the U.S. Post Office), the OPFAC, date, and "For Deposit Only" stamps may need to be taken to the Post Office. The customer's copy of the money order purchased should be given to the manager of assistant manger and retained locally for audit purposes.

NPFC should not retain non-cash collections overnight except for transactions accepted after the preparation of the day's deposit and prior the close of business. Collections for this period shall be secured in accordance with the Coast Guard Physical Security Program COMDTINST M5530.1A.

If NPFC chooses to retain cash from a deposit, NPFC must follow guidelines set forth in the Comptroller Manual, Volume 1, Part 4, Chapter 8 (COMDTINST M7300.4).

VI. Prepare Deposit

Cashier B. Cashier B is an employee in the NPFC Finance Division responsible for the deposit. At approximately the same time each day cashier B shall prepare the deposit. Deposits shall be prepared daily. Example: If the U.S. Mail has a scheduled pick-up at NPFC, cashier B must start and finish the deposit in sufficient time to allow the deposit to be mailed. Cashier B shall perform the following duties:

A. Pick up the CV Remittance Sheet and checks from cashier A.

B. Separate the payments into three deposits: FOIA, domestic checks, and foreign bank drafts.

C. Verify the CV Remittance Sheet totals equal the check totals for each type of deposit.

D. For foreign check deposits refer to Special Procedure "Foreign Bank Drafts." For the deposit of FOIA and domestic checks, continue with step E.

E. Prepare checks and money orders for two separate deposits as follows:

1. Mark each check or money order with two pieces of information: 1) the unit OPFAC, and 2) the date the check or money order is to be mailed. This information should be noted **to the right** of the customer's name and address. The information may be stamped or handwritten legibly. **Do not obscure any other information**. The OPFAC will enable the bank to readily identify the source of the check should it be returned.

2. Batch checks and money orders in groups of 50. If NPFC processes less than 50 transactions during any deposit period, the "batch size" for that deposit period shall equal the total number of checks/money orders received for that deposit period. Example: If 55 checks were received during a deposit period, the first batch would consist of 50 checks and the second batch of 5 checks. If only 35 checks were received, the batch would consist of 35 checks. In no case should a batch exceed 50 checks. All batches for the deposit period shall be mailed in the same envelope.

3. Run an adding machine tape on each batch totaling each check/money order amount. Should the written and numeric dollar amounts on a check or money order differ, use the written amount for all checks. For money orders, use the numeric amounts.

4. Run a summary adding machine tape to total the amounts of each batch to a grand total for deposit.

5. Bind each batch with a rubber band and place one adding machine tape, with the total facing outward, on top of the batch.

F. After the checks have been batched, complete the Collection Summary Sheet as follows:

1. Unit OPFAC. Self-explanatory.
2. Date of deposit. The date of deposit is the date the user fees are to be mailed to Nations Bank. This date should match the date placed on each check/money order.
3. # batches this deposit. Self-explanatory.
4. # checks this deposit. Self-explanatory.
5. Summary Sheet prepared by. The name of the cashier preparing the form.
6. Daily Collections Summary. Write the actual amount of the collections (not including money order fee, if applicable) on the appropriate line(s).
7. Miscellaneous. Subtract the cost of a money order, if applicable.
8. Grand Total. Total amount of deposit, which is the totals of lines A. through F. of the Collection Summary Sheet. This is the final amount of the daily deposit.
9. Amount of Cash Collected Today. **Enter the exact amount of the day's collections that have been paid in cash ONLY**.
10. Amount of Cash Included in Today's Deposit. **Enter the exact amount of cash included in the day's deposit**.
11. Foreign Bank Drafts. Enter the amount of the day's collections that have been paid in foreign bank drafts.

Any and all corrections to the Collection Summary Sheets should consist of *drawing a single line through the error and initialing the correction*.

G. Make a copy of the Collection Summary Sheet, a CV Remittance Sheet.

H. A bank deposit must consist of the following four items:

1. Checks and money orders representing all user fees collected for the deposit period,
2. Adding machine tape detailing each item,
3. CV Remittance Sheet.

4. Collection Summary Sheet.

I. If a money order has not yet been purchased and is needed, obtain a money order.

J. Deliver the copy of the Collections Summary Sheet and the CV Remittance Sheet to the reconciler.

VII. Mail Deposit

Cashier B is responsible for mailing the deposit. Cashier B shall:

A. Mail the domestic check deposit to Nations Bank in care of the following address:

U.S. Coast Guard
CNI
P.O. Box 640166
Pittsburgh, PA 15264-0166

B. File a copy of the Collection Summary Sheet at NPFC.

After verification and deposit of user fees, Nations Bank will forward the Collection Summary reports and support to FINCEN. The reports are reviewed by the FINCEN UF Collection Technician and filed at the FINCEN.

The FINCEN UF Collection Technician will notify cashier A via e-mail of the amount and date the deposit is made in the U.S. Treasury. This notification will take place no later than 7 working days from the date FINCEN is notified of the NPFC deposit at Nations Bank. This feedback loop will serve as confirmation to the NPFC the deposit is received and deposited by Nations Bank.

VIII. Maintain Confirmation Log

To track deposits the reconciler will perform the following duties:

A. Identify Collection Center and unit OPFAC.

B. From the copy of the **Collection Summary Sheet**, log:

1. (A) Date Deposit Mailed.
2. (B) Amount of Today's Deposit. Today is the same day as the date in column (A). This amount is taken from GRAND TOTAL on the Collection Summary Sheet.
3. (C) Amount of Cash Collected Today. Enter the amount recorded on row (G). of the Collection Summary Sheet. This amount should tie directly to the CV Remittance Sheet.
4. (D) Amount of Cash Included in Today's Deposit. Enter amount recorded on row (H). of the Collection Summary Sheet.
5. (E) Money Order Fee. Copy from Collection Summary Sheet.

C. Column (F) Balance of Cash on Hand Today is the balance of cash on hand (column (F)) from the previous day plus column (C) Amount of Cash Collected Today - (column (D) Amount of Cash Included in Today's Deposit + column (E) Money Order Fee). If cash is being deposited on a given day, it is assumed that all cash on hand at the REC is being deposited. Therefore, column (F) should become zero each day cash is deposited.

D. From FINCEN deposit confirmation e-mail, log:

1. (G) Amount Per FINCEN. Amount deposited at Nations Bank.
2. (H) Date of Notification by E-mail. Self-explanatory.

E. Contact the FINCEN UF Collection Technician if there is a discrepancy between deposit amounts.

F. Identify, research, and correct discrepancies.

IX. Reconcile Collections to Related Services

The primary purpose of a reconciliation is to identify fees not processed or services not rendered.

The reconciler shall perform the following duties:

Ensure the network software system restricts users in the follow manner:

Only cashier A shall have access to edit the CV Remittance Sheet. All other employees in the Vessel Certification Division may have "Read Only" access to the CV Remittance Sheet.

Only examiners shall have access to edit the Reconciliation Tool column, which indicates the service, has been completed. All other employees may have "Read Only" access to the Reconciliation Tool.

Using the network software system compare the Reconciliation Tool to the CV Remittance Sheet for any variances.

> Note: Due to the lags in time between collections and services rendered, the reconciler may experience a delay in his or her ability to perform the reconciliation. If service is not noted on a Reconciliation Tool within 90 days after the user fee collection, the cause should be determined. The reconciler should track whether a certain individual or group is causing lags in processing

PROCEDURES FOR THE BOAT REGISTRATION FEE COLLECTION CENTER

For purposes of the Instruction, the Boat Registration Fee Collection Center will be referred to as a Collection Center (CC).

I. Identify Fee(s) to be Paid

At the CC, mail clerk and cashier duties may be assigned to any employee who processes registrations.

A. Walk-In. At the CC a service provider will greet the customer and identify the fees to be paid. The service provider shall perform the following duties:

1. Accept application for registration/renewal from customer.
2. If the customer is paying by check, the customer shall annotate their Social Security Number (SSN) on their check or pay with cash, credit card or money order. If a business is paying the fee with a check, the taxpayer identification number shall be noted on the check.
3. Process the application for registration/renewal through computer system and assign an Alaska boat registration number (AK number) to the transaction.
4. If customer's computer file is flagged for a returned check and the customer plans to pay the current fee(s) with a check, do not proceed. See Special Procedure "Underpayments/Rejected Payments."
5. Deliver the file to the cashier to process the payment through the cash register.

B. Mail-In. For user fees received through the U.S. Mail, overnight mail, or other form, the mail clerk/cashier shall perform the following duties on a daily basis:

1. Receive mail delivery by the District Mail Clerk or pick up mail from the CG mail room and lock all mail (unopened) in the safe.
2. Ensure all mail received is maintained in a secure location prior to processing.
3. The service providers will retrieve the applications, open them, and ensure the customer's Social Security Number (SSN) is listed on the check. If a company is presenting the check, the company's Taxpayer

Identification Number (TIN) must be listed on the check. The service provider shall not provide the service without the SSN or TIN listed on the check. The service provider will then process the application, assign each application with an AK number, initial the application, print the certificates, and transfer the completed application, with the payment attached, to the Collection Clerk.

4. The Collection Clerk will be responsible for entering all transactions into the cash register and preparing the deposit.

5. If customer's computer file is flagged for a returned check and the customer plans to pay the current fee(s) with a check, do not proceed. See Special Procedure "Underpayments/Rejected Payments."

6. The cashier will mark the AK number on fee payment and process the payment in accordance with sections II and III of this chapter.

II. Verify Method of Payment

The cashier shall determine the method of payment is acceptable to the Coast Guard. The Coast Guard will accept cash, check, money order, bank draft, or credit cards for the payment of user fees. All collections must be in U.S. currency. If a user fee payment does not meet any of the following criteria, it must be rejected. For rejected user fee payments, see Special Procedure "Underpayments/Rejected Payments."

A. Cash

The Coast Guard must accept cash for user fees (31 USC 5103). Cash will only be accepted in the exact amount of the user fee. The USCG is not required to make change.

B. Checks or money orders

Checks and money orders must be examined carefully to ensure the following information is complete and accurate:

1. Amount of payment. The amount of payment equals the services to be rendered.
2. Date of check. The check should reflect the date the check is tendered to the CC. If the check date is not the date tendered, the check must have at least a date prior to tender date. The CC must not accept check dates more than four months old because Nations Bank will not accept stale dated checks. The CC shall not accept checks dated after the tender date.
3. **Written and numeric amounts match**. Example: A numeric $45 check is also written as forty-five dollars. At a minimum, the written dollar amount on the check or money order must be the correct fee for the service(s) requested. The bank will default to the written amount on a check should there be a discrepancy between the written and numeric amounts. The bank will default to the numeric amount on a money order should there be a discrepancy between the written and numeric amounts.
4. Pay to the order of: The only acceptable entries are listed below. If the payee is blank, ensure one of the below entries is recorded as the payee. CCs are encouraged to acquire a "U.S. Coast Guard" stamp for this purpose. If the payee is different from any entry listed below, reject the payment.

   - Coast Guard, United States Coast Guard, USCG, or U.S. Coast Guard;

- Government, United States Government, or U.S. Government;
- Treasury, United States Treasury, Treasury of the United States, or U.S. Treasury; or
- Department of Transportation, U.S.D.O.T, or D.O.T.
- Boating Registration

5. Signature. If the check does not have a signature, and the customer is readily available, have the customer sign the check on the spot. If the customer is not available, reject the payment and send the application package back to the vessel owner.

C. Foreign Bank Drafts

Foreign bank drafts are to be treated the same as checks and money orders. Foreign bank drafts must be sent to FINCEN for processing. The procedures for sending foreign bank drafts to FINCEN are outlined in Special Procedure "Foreign Bank Drafts."

D. Credit Cards

For credit card payments the cashier shall process the credit card and receive approval confirmation before processing the payment through the cash register. The cashier must follow the vendor's instruction for processing each credit card transaction.

III. Process Collections

The implementation of cash registers will impact several activities of cash collection. The use of cash registers will:

- Limit access to cash to authorized personnel,
- Eliminate the need to complete Record of Collections logs and/or Counter Logs,
- Accumulate data for daily reporting of types and amounts of fees collected,
- Provide daily collection totals for comparisons to deposits, and
- Provide a detailed transaction list for use in reconciliation to services rendered.

Cash register keys will be preprogrammed to reflect the types and amounts of fees collected at the CC.

CC shall post signs in an area plainly visible to the mariner stating the "Collection Center accepts payments for the exact dollar amounts only" and "Please request a receipt."

Before processing each fee payment through the cash register, the cashier shall stamp a restrictive endorsement on the back of each check or money order upon receipt. The restrictive endorsement stamp, also known as a "For Deposit Only" stamp, includes a restrictive endorsement statement and specifies a bank account number to which the funds shall be credited.

To process each payment through the cash register, the cashier shall:

A. Input the identification number for each new transaction. Identification number is on both the method of payment and the documentation. For the Boat Registration Fee Collection Center the identification number is the AK number.

B. Enter the user fee code(s) and amounts to be paid from the documentation accompanying the fee payment. The cashier shall input the user fee code to be paid by touching the button corresponding to the fee being paid (a preprogrammed function button).

Note: If more than one identification number (i.e. customer is registering for more than one boat) requires input into the cash register, the cashier shall follow the above directions for each identification number. The cashier shall delay subtotaling the transaction until all AK numbers have been entered.

C. Subtotal the transaction. The cashier shall ensure the subtotal amount matches the fee payment. If the subtotal and the payment do not match, the discrepancy should be identified and corrected.

D. Input the amount of payment. Amount of payment entered should equal the amount subtotaled in C. above. If amount of payment is less than the amount of the transaction according to the cash register, see Special Procedure "Underpayments/ Rejected Payments."

E. Input method of payment (i.e., cash, check, money order or credit card). If payment is a check or money order, input the check number or money order number. Once the amount of payment equals the total amount of the transaction, the cash register drawer will open and receipts will print. The printed receipt will identify each vessel benefiting from the user fee payment and each fee being paid (user fee code and amount associated with fee). When applicable, the receipt will also show the check number or money order number.

F. Put payment in cash register drawer. Close Drawer.

G. Distribute receipts for user fee(s).

1. Top copy (White). The top copy shall be stapled to the application for registration/renewal accompanying fee payment.

2. Bottom copy (Yellow). If the customer is presenting the fee payment to the cashier, the yellow copy of the receipt will be returned to the customer. The bottom copy will be the customer's receipt. If the customer is not in the CC (i.e., a receipt is being issued for a mail-in transaction) the cashier shall staple both copies of the receipt to the application for registration/renewal. The CC is not required to mail the bottom copy of the receipt back to the customer.

H. Date stamp and initial application for registration/renewal.

I. Process the application.

J. Present or mail Certificate of Number packet to customer.

IV. Prepare Register for Deposit

At approximately the same time each day the cashier shall prepare the deposit. Deposit summaries should be prepared daily. The cashier must start and finish the deposit summary in sufficient time to allow the deposit summary to be properly reviewed.

The cashier shall perform the following duties:

A. Close the window during the time period the cash register is being totaled and zeroed out.

B. Summarize collections and complete the Daily Transaction Summary sheet prior to running the Z1 report.

C. Have the CC Supervisor run a Z1 report to show the grand totals per each type of fee and to zero all balances in the cash register. Remove and discard receipt tapes.

D. Remove the journal tape/Z1 report from the cash register.

E. Re-feed blank journal tape to re-start transactions.

F. Empty cash register. Care shall be taken to ensure all collections are removed.

G. Run an adding machine tape to total the amount of funds in the register. Compare the total on the adding machine tape to the total on the Z1 report.

H. Complete and have the CC Supervisor sign the Daily Transaction Summary sheet.

I. Place the daily collections and the adding machine tape into a sealed envelope with the Daily Transaction Summary sheet and journal tape/Z1 report attached to the outside of the envelope.

J. Deposits must be made at least twice a week. Collections held overnight shall be removed from the cash register and secured in accordance with the Coast Guard Physical Security Program COMDTINST M5530.1A.

K. If the CC supervisor is not present, the CC backup supervisor should run the daily Z1 report and sign the Daily Transaction Summary sheet. If both CC Supervisor and backup supervisor are out of the office, the daily deposit should be sealed in an envelope in the safe until their return.

V. Prepare Deposit

The cashier shall perform the following duties:

A. Complete and have the CC supervisor sign the Bank Deposit Summary sheet.

VI. Deposit Funds

The cashier is responsible for walking the deposit to bank. The cashier shall:

A. Deliver deposit to the bank at least twice a week. Date stamp each check on the date which the funds were deposited.

B. File retained copy of deposit ticket and attached information at CC.

C. Once the confirmed deposit ticket returns to the CC, the reconciler shall verify the bank's deposit and the CC deposit amounts match. Any discrepancies in deposit amounts shall be researched and cleared before information is sent to FINCEN.

D. The following is a list of what must be sent on a weekly basis to FINCEN.

1. Retained copy daily deposit slips and corresponding confirmed deposit tickets.
2. Top copy of journal tape/Z1 report.
3. Bank Deposit Summary Forms

E. Mail the above data to FINCEN:

Commanding Officer (OGR)
Attn: UF Collection Technician
USCG Finance Center
1430A Kristina Way
Chesapeake, VA 23326

F. If CC Supervisor is not present, the bank deposit should be held until their return, unless the absence is expected to last more than 7 working days. If the absence is greater than 7 working days, the CC backup supervisor should verify and sign the Bank Deposit Summary. If both CC Supervisor and backup supervisor are out of the office, the deposit should be sealed in an envelope in the safe and held until their return.

VII. Reconciliation

The primary purpose of reconciliation is to identify fees not processed or services not rendered. At least once at the end of the day, but more often if needed, the CC supervisor or in the assistant CC supervisor will compare the number of printed certificate packets completed and ready to be mailed to the number of applications indicated on the cash register's journal tape. The results of this reconciliation shall be recorded in a log, signed by the CC supervisor or assistant CC supervisor, and retained at the CC for audit purposes.

PROCEDURES FOR OVERSEAS VESSEL INSPECTION UNITS

The following procedures cover the entire processing of Overseas Vessel Inspection fee collections.

For overseas vessel inspection fees received through the U.S. Mail, express mail, or other form, the mail clerk shall perform the following duties for each fee received:

I. Complete three-part Collection Receipt form using the following guidelines:

   A. Received from. Payer and Address (if not on method of payment).
   B. Received at. Self-explanatory.
   C. The sum of. Self-explanatory.
   D. Purpose of Collection. Identify Official Number.
   E. Remittance by. Self-explanatory.
   F. Name and Title of receiving officer. Self-explanatory.

II. Enter following data in a log book to be kept in the Vessel Inspections Office:

   A. Company/ Vessel Official Number.
   B. Date Received.
   C. Amount.
   D. Check Number.
   E. Date Mailed to Lockbox.
   F. Initials of Person processing vessel inspection fees.
   G. When received from FINCEN, the date the vessel inspection fee was credited to the Coast Guard bank account.

III. Stamp restrictive endorsement on the back of the method of payment. Restrictive endorsement shall identify the bank account to which the funds should be credited.

IV. Stamp unit OPFAC and date the collection is to be mailed for deposit.

V. Write the SSN or TIN of the remitter on all checks.

VI. Photocopy method of payment.

VII. Staple top copy of Collection Receipt to photocopy of check.

Mail the vessel inspection fee, on the day received, to the following lockbox address:

Nations Bank
Coast Guard User Fees

Box 740182
Atlanta, GA 30374-0182

VIII. File photocopy.

IX. Contact FINCEN if no e-mail is returned with Nations Bank deposit date, or if deposit amounts do not match.

X. Resolve any discrepancy in deposit amounts.

XI. Prior to providing a service, ensure fee payment was received at Nations Bank.

XII. At no point in time should funds be left unsecured.

XIII. Funds shall be processed within 24 hrs. of receipt. Remaining collections and mail shall be secured in accordance with the Coast Guard Physical Security Program COMDTINST M5530.1A.

Note: For companies/customers wishing to pay via credit card, the servicing unit shall contact FINCEN (OGR) for assistance with the processing of the credit card. FINCEN will provide the servicing unit with an e-mail confirmation that the payment has been received and processed. The servicing unit will keep these e-mails on file for audit purposes. The Vessel Inspection Office will enter the following information into their log book: company/ vessel official number, date request for service received, amount charged, initials of person processing vessel inspection fees, date of FINCEN e-mail confirmation.

AUDIT POLICY

I. Introduction

The internal control review program is designed to help collection centers (CC) remain compliant with the policies and procedures contained in this instruction. It accomplishes this objective in two ways. First, included in this instruction is a complete set of checklists the CC can use to periodically conduct self-assessments of their internal control program. Second, full time internal control review personnel (referred to as Reviewers throughout this instruction) based at the Coast Guard Finance Center will use these same checklists to conduct semi-annual internal control reviews of the collection center.

II. Procedures for Conducting the Internal Control Review

A. Scheduling

All user fee collection sites will receive a thorough internal control review twice a year. Depending on the results, additional follow-on reviews may be necessary. The Reviewers will work with the applicable program managers to create a review schedule that not only evenly distributes their workload, but also takes into account programmatic factors such as the CC's busy season or other program requirements. This schedule will contain the dates for the internal control reviews for all CCs for the year.

Once a schedule has been agreed upon, the reviewers will send a letter to each unit's command and the applicable program manager telling them the dates of their internal control review. Once a quarter, the Reviewers will send a message to the CCs scheduled to receive an internal control review in the upcoming quarter. This message will serve to remind the CC and the parent command of the upcoming review, confirm the dates of the review, and ensure no conflicting activities are scheduled for those dates.

B. Preparation

Little to no preparation should be required on behalf of the CC. By following the policy and procedures contained in this instruction on a daily basis, the CC should be adequately prepared for the review.

Before their arrival at the CC, the Reviewers will conduct the following preparations. They will look at previous reviews of the CC and assess the strengths and weaknesses of the CC's internal control program at the time of the previous review. Additionally, the Reviewers will select at least five days of activity that they intend to review. The specific days chosen will be determined by random selection. In the event that the reviewer determines an unusual pattern in deposits (for example a period of unusually low dollar value for deposits), they

will have the option of adding these days to those randomly chosen. The reviewers will then look through the FINCEN records for those days and pull out all paperwork associated with the specific CCs deposit for those days. Before departing for the review, the Reviewer will look at the deposit paperwork, including the internal cash register journal tapes, deposit slip, adding machine tape, and other documentation provided by the bank and make a determination as to the level of compliance with the user fee collection procedures.

C. The Day of the Review

During the actual days of the review, it is expected that the CC, to the best extent possible, will have all personnel present. At a minimum it is expected the user fee collection clerks, alternate user fee collection clerks, their supervisors, the supervisor of the collection center and the assistant supervisor of the collection center will be present on the days of the internal control review. The collection center should plan on remaining open and servicing customers on the days of the review, however, no additional activities (all hands training, meetings, etc) which might detract from the review should be scheduled during this period.

D. Conducting the Review

Upon arrival at the CC, the Reviewer will conduct an in brief for the command of the internal control review process. The review will then be conducted in two parts. The first part will involve going through each mariner's folder for the days chosen for review and checking for compliance with the policies and procedures contained in this instruction. The second part will involve, observing the process flow at the CC for both the servicing of walk-in customers and the handling of mail. Throughout the review, the Reviewer will be asking different employees of the CC as to their duties and responsibilities relative to the user fee collection process. Throughout the review, the Reviewer will be filling out the User Fee Collection Audit Checklists.

E. Feedback

At the conclusion of the review, the Reviewer will out-brief the supervisor of the CC. This out-brief will contain a summary of the strengths and weakness of the CC's internal control program. Should the Reviewer find the CC in compliance with the policies and procedures contained in this instruction, an additional review will not be required before the next semi-annual review. If the CC is not in compliance with the policies and procedures contained in this instruction, the Reviewer will inform the CC supervisor of the delinquent areas and notify the CC supervisor that a follow-on review will be conducted.

Within two week of conducting the review, the Reviewer will send a letter to the parent command of the CC summarizing the results of the review and notifying the command if a follow-on review is necessary. The completed User Fee

Collection Audit Checklists will be included as an enclosure to this letter. A copy of this report will be retained at the Finance Center and a copy will be mailed to the appropriate program manager.

III. Validation of Existing Reimbursable Billets

As required by COMDTINST 7400.1, Guidelines for Establishing and Validating Reimbursable Billets at User Fee Collection Centers, program managers are responsible for validating the existing reimbursable billets under their program biennially. To assist the program managers in this effort, the audit team shall include in their audit report input to the program manager on this validation process. This statement would either validate the need to continue the existing reimbursable billet compliment or increase or decrease the current amount. This input would be considered a recommendation only to the program managers. The program managers still would be responsible for coordinating any changes and compiling and completing the biennial validation required by COMDTINST 7400.1. The recommendations made by the audit team for this validation may but do not have to be used by the program mangers.

Accountable Officers Designation Letter

Agreement Regarding Accountability of Employees with Cash Handling Responsibilities

An accountable officer is any government officer or employee who by reason of his or her employment is responsible for or has custody of government funds. 62 Comp. Gen. 476, 479 (1983); 59 Comp. Gen. 113, 114 (1979); B-188894, September 29, 1977. For the United States Coast Guard, the employees considered to be accountable officers are, but not limited to, mail clerks and cashiers. Alternates for those positions are also considered to be accountable officers.

Just as in private enterprise, the government loses money in many ways. It is lost; it is stolen; it is paid out improperly; it is embezzled. Sometimes the money is recovered; often it is not. If government funds are lost because of some employee's misconduct or carelessness, and if the responsible employee is not required to make up the loss, the result is that the taxpayer ends up paying twice for the same thing, or paying for nothing.

When an employee accepts a cash handling position, an accountable position, with the government, the employee must be aware that he or she may be potentially liable for losses. If the employee's particular activity as an accountable officer is governed by a regulation, his or her failure to follow the regulation may be considered negligent.

Negligence will not be imputed to an accountable officer who fails to comply with regulations where full compliance is prevented by circumstances beyond his or her control. This recognizes the fact that compliance is sometimes up to the agency and beyond the control of the individual. For example, violating a regulation which requires that funds by kept in a safe is not negligence where the agency has failed to provide the safe. B-78617, June 24, 1949.

I have read and understood the United States Coast Guard policy regarding the responsibilities of my position as an accountable officer. I agree to conduct the activities of my cash collection position with accuracy and diligence. I understand that security breaches and/or monetary losses shall be brought to the attention of my supervisor immediately. I agree to notify my supervisor if I am no longer competent to perform my duties.

_____
Print Name

_____
Signature and Date

_____
Print Social Security Number

_____
Print Name of Supervisor and Location of Position

User Fee Sheet - REC

Mariner Last Name Mariner First Name Social Security Number

Clerk	User Fee Code:	Cashier Initials:	Cash / Check/ M.O.
	Amt. to be Paid:	Date Paid:	#:
Comments:			

Clerk	User Fee Code:	Cashier Initials:	Cash / Check/ M.O.
	Amt. to be Paid:	Date Paid:	#:
Comments:			

Clerk	User Fee Code:	Cashier Initials:	Cash / Check/ M.O.
	Amt. to be Paid:	Date Paid:	#:
Comments:			

Clerk	User Fee Code:	Cashier Initials:	Cash / Check/ M.O.
	Amt. to be Paid:	Date Paid:	#:
Comments:			

Clerk	User Fee Code:	Cashier Initials:	Cash / Check/ M.O.
	Amt. to be Paid:	Date Paid:	#:
Comments:			

Date	Remarks

Confirmation Log - OPFAC: _____
Collection Center: _____

Information From Collection Summary Sheet						FINCEN Confirmation		
(A) Date Deposit Mailed	(B) Amount of Today's Deposit	(C) Amount of Cash Collected Today	(D) Amount of Cash Included in Today's Deposit	(E) Money Order Fee	(F) Balance of Cash on Hand Today	(G) Amount per FINCEN	(H) Date of Notification by E-mail	(I) Comments

Collection Summary Sheet

UNIT OPFAC: _____

DATE OF DEPOSIT: _____

 # BATCHES THIS DEPOSIT: _____

 # CHECKS THIS DEPOSIT: _____

SUMMARY SHEET PREPARED BY: _____

DAILY DEPOSIT SUMMARY

A. Vessel Documentation - Recreational _____

B. Vessel Documentation - Commercial _____

C. Marine Licensing and Documentation _____

D. Plan Review _____

E. Vessel Inspection _____

F. Miscellaneous (Subtract Money Order Fee) _____

GRAND TOTAL

For Internal Coast Guard Use Only

(Grand Total amount noted above is not altered by the following information.)

G. Amount of Cash Collected Today _____

H. Amount of Cash Included In Today's Deposit _____
(Net of Money Order Fee)

I. Foreign Bank Drafts _____

Table of REC User Fees

User Fee Code	User Fee	Fee Amount
101	Upper Level Original Evaluation Fee	$ 70
102	Upper Level Evaluation Fee	$ 70
103	Upper Level Examination Fee	$ 110
104	Upper Level Limited Examination Fee	$ 45
105	Upper Level Issuance Fee	$ 35
106	Lower Level Original Evaluation Fee	$ 65
107	Lower Level Evaluation Fee	$ 65
108	Lower Level Examination Fee	$ 80
109	Lower Level Limited Examination Fee	$ 45
110	Lower Level Issuance Fee	$ 35
111	Radio Officer Original Evaluation Fee	$ 45
112	Radio Officer Evaluation Fee	$ 45
113	Radio Officer Issuance Fee	$ 35
114	Renewal/Endorsement Evaluation Fee	$ 45
115	Renewal/Endorsement Examination Fee	$ 45
116	Renewal/Endorsement Issuance Fee	$ 35
117	Renewal/Continuity Endorsement Fee-Lic/MMD	$ 35
	Chief Purser, Purser, & Sr. Asst. Purser	
118	Certificate of Registry Original Evaluation Fee	$ 45
119	Certificate of Registry Evaluation Fee	$ 45
120	Certificate of Registry Issuance Fee	$ 35
	Jr. Asst. Purser, Medical Dr. & Prof. Nurse	
121	Certificate of Registry Renewal Evaluation Fee	$ 0
122	Certificate of Registry Issuance Fee	$ 35
123	Certificate of Registry Renewal Issuance Fee	$ 35
124	MMD with Qualified Rating Original Evaluation Fee	$ 60
125	MMD with Qualified Rating Evaluation Fee	$ 60
126	MMD Examination Fee	$ 40
127	MMD with Qualified Rating Issuance Fee	$ 35
128	MMD Entry Level Original Evaluation Fee	$ 0
129	MMD Entry Level Issuance Fee	$ 35
130	MMD Renewal - Qualified Evaluation Fee	$ 45
131	MMD Renewal - Comprehensive Renewal Exam Fee	$ 40
132	MMD Renewal - Qualified Issuance Fee	$ 35
133	MMD Renewal - Entry Level or with Lic.	$ 35
134	Issue Dup/Rep of License, Cert. of Reg., or MMD	$ 35
135	Issuance of Duplicate Discharges	$ 10
136	Continuous Discharge Book	$ 35
137	Original Discharge Book	$ 35
138	Exchange Document Code	$ 35
139	Misc	$ Varies
150	Freedom of Information Act	$ Varies

Reconciliation Tool for Evaluators/Examiners/Issuers

Evaluator/Examiner/Issuer Name: _____ **Unit OPFAC:** _____

Date: _____ **REC Name:** _____

(A) Customer Name	(B) Social Security Number	(C) User Fee Code for Service	(D) Amount of Fee Associated with User Fee Code	(E) Comments
	Total Daily Activity			

Reconciliation Worksheet - REC Name: _____
OPFAC: _____

(A) Evaluator/Examiner/Issuer Name:	(B) Date:	(C) Evaluator/Examiner/ Issuer Daily Total:

(D) Dollar Value of Evaluator/Examiner/Issuer Services: _____

(E) Amount of Today's Collection: _____

(F) Less: Amount of Cash Collected Today: _____

(G) Plus: Amt. of Cash Included in Today's Deposit: _____

(H) Total Deposit: _____

(I) Difference (D) - (E): _____

(J) Supervisor Adjustment: _____

(K) Comments: (Required if supervisor adjustments are necessary)

_____

_____

_____

_____

Signature: _____

Seventeenth District Boat Registration
Daily Transaction Summary

UNIT OPFAC: 17-71845 **DATE OF DEPOSIT:**_____

Deposit Breakdown	**Cashier #1 # Items**	**Cashier #1 Total**	**Cashier #2 # Items**	**Cashier #2 Total**
$6.00 Checks (50 max):	_____	_____	_____	_____
$6.00 Checks (Additional):	_____	_____	_____	_____
$6.00 Checks (Additional):	_____	_____	_____	_____
$12.00 Checks:	_____	_____	_____	_____
$ Misc. Amount Checks:	_____	_____	_____	_____
Check Revenue Total:	_____		_____	
	_____@ $1:_____		_____@ $1:_____	
	_____@ $5:_____		_____@ $5:_____	
	_____@ $10:_____		_____@ $10:_____	
Cash Revenue Total:	_____		_____	
Bank Deposit Total: (no Credit Card)	_____		_____	
$ Credit Card:	_____	_____	_____	_____
Cashier Total:	_____		_____	
Cashier Signature:	_____		_____	

Grand Total: _____

Summary Sheet Prepared By: _____

Reconciler Signature: _____

CGD17 Boat Registration
Bank Deposit Summary

UNIT OPFAC: 17-71845 **DATE OF DEPOSIT: _____**

Daily Report Dates: _____, 1999 Receipts (less credit card): _____

Daily Report Dates: _____, 1999 Receipts (less credit card): _____

Daily Report Dates: _____, 1999 Receipts (less credit card): _____

Daily Report Dates: _____, 1999 Receipts (less credit card): _____

Deposit Breakdown	**# Items**	**Total**
$6.00 Checks:	_____	_____
$12.00 Checks:	_____	_____
$ Misc. Amount Checks:	_____	_____
Check Total:		_____
Cash	_____@ $1:_____ _____@ $5:_____ _____@ $10:____	
Cash Total:		_____
Bank Deposit Total: **(no Credit Card):**		_____

* * * *

USER FEE COLLECTION AUDIT CHECKLIST

	Regional Exam Centers	**Audit Period:**	
Date:		**Inspectors:**	

Objective	To assess compliance with applicable procedures established by the United States Coast Guard and to evaluate the reliability of financial records and safeguards of government property.

Introduction	The USCG will assess whether each collection center is properly following the United States Coast Guard User Fee Collection Instruction (Instruction).

Gray Rows	Gray rows represent questions to be answered during the audit.
White Rows	White rows represent general directions about how to test for the question.
Quantitative Questions	Quantitative questions are those questions that have a set number of transactions to be tested with an equal number of outcomes. For instance, if the auditor is testing how many checks in the cash register have restrictive endorsements, the set number of transactions will equal the number of checks physically in the register. The auditor will observe each check, determine the number of checks that did not have the restrictive endorsement, and compare this result with the total number of checks in the register.
Qualitative Questions	Qualitative questions are questions that can be answered YES or NO using observation and inquiry.
*****	Denotes a critical question.
# Incorrect/ # Tested	Place to note both the number of situations that did not meet criteria of question and total number of situations tested. Example: 7 transactions/ 125 transactions.
Percentage Incorrect	Mark quotient of # Incorrect/ # Tested. Example: 7/125 * 100 = 5.60% incorrect.
Yes / No	Mark appropriate column to signify whether the REC conformed to the question or not. Quantitative questions must also have a yes or no marked.
Comment Reference #	Make reference to comment number that corresponds to the comment found on the last page of the checklist. Example: Comments column is annotated to say "Comment #5" for a question that did not conform to criterion. On Comments Sheet, Comment #5 explains or clarifies the results of the question. May be used for good comments also.

USER FEE COLLECTION AUDIT CHECKLIST

Directions	1. Determine number of audit sample days. All transactions for audit sample days will be tested in audit. Recommend minimum of five days. 2. Determine dates of audit sample days (i.e., June 5, August 15, September 1, etc). 3. Answer each question of audit checklist. Determine percentage of error for each quantitative question. 4. Prepare audit report. Include quantitative calculations. Document areas which require further attention based on answers to both quantitative and qualitative questions. 5. Distribute results of audit checklist to appropriate individuals.

USER FEE COLLECTION AUDIT CHECKLIST

FINCEN

The purpose of the following questions is to identify issues or problems that occur regularly with this type of collection center or with collection centers in general. The questions should be asked of FINCEN on a periodic basis, and are not part of the audit of the REC.

		Are deposit confirmations sent to the appropriate employee?					
		Obtain list of e-mail addresses the UF Collection Technician uses to send deposit confirmations. Cross-match organizational chart with e-mail address.					
		What is the frequency of user fee payments being accepted that do not meet verification criteria?					
		Review criteria from [Procedures for RECs; Verify Method of Payment] with FINCEN representative.					
		What is the frequency of returned checks with insufficient or obscured information necessary for collection?					
		Are foreign bank drafts being sent to FINCEN?					
		If applicable, are RECs properly notifying FINCEN of collections for NSF checks? (If collection is received at the REC)					
		Ask FINCEN if the REC properly handled the collection of the payment.					

USER FEE COLLECTION AUDIT CHECKLIST

FINCEN

		If applicable, is FINCEN properly notifying the REC of collections for NSF checks? (If collection is received at FINCEN)					
		Check to ensure FINCEN has properly notified the REC.					
		Are RECs properly submitting requests for refunds to FINCEN?					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	REC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Does it appear the SIP and/or ASIP is knowledgeable of and involved in the controls over user fee collections?*** [Introduction to Instruction]					
		Observe activities throughout day. Ascertain who Is responsible for the reconciliation process and whether it is done on a daily basis. Determine who is responsible for management overrides to the cash register.					
Qual		***Do personnel involved in the user fee collection process appear knowledgeable of the prevailing Instruction?*** [Introduction to Instruction]					
		Question appropriate employees about their contact with the written Instruction, and whether it is available for reference.					
Qual		***Is the physical handling of user fees limited only to the primary cashier?*** [General Instruction; Definitions]					
		Observe the processing of user fees from the time the customer enters the collection center to the time the deposit is mailed.					
Qual		***Is access to the safe limited to only those with cash handling responsibilities or those personnel deemed necessary by the CC Supervisor?*** [General Instruction; Definitions]					
		Ask the SIP or ASIP who has access to the safe.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	REC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Has the SIP/ASIP assigned to employees, in writing, the duties of cashier, mail clerk, reconciler, and appropriate alternates?*** [General Instruction; Separation of Duties; Statement of Accountability]					
		Inquire of employees about distribution of user Fee collection related duties. Match to Statement of Accountability forms.					
Qual		***On an individual employee basis, does it appear the REC separates cash handling responsibilities from service providing responsibilities?*** [General Instruction; Separation of Duties]					
		Inquire of employees whether they act as a cashier or mail clerk and as a service provider on any given day. Observe activities of all employees during audit and make a judgment as to whether on a routine basis employees engage in incompatible duties.					
Qual		***If cashier duty is rotated among REC personnel, is this tracked for audit purposes?*** [General Instruction; Separation of Duties]					
		Interview employees to determine who acts as cashier and at what frequency. Determine if any records show this rotation. Journal tape/Z1 report should show the rotation based on cashier numbers.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	REC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Are evaluators in possession of user fee payments?*** [General Instruction; Separation of Duties]					
		Examine the working space of random evaluators, looking specifically in folders for attached payments. If answer is YES, answer the next question. If answer is NO, skip next question.					
Quant		***(Skip if answer to prior question is NO.) If checks are distributed to evaluators, is there a complete and accurate accounting of the status of user fee payments distributed to evaluators?*** [General Instruction; Separation of Duties and Procedures; Identify Fee(s) to be Paid]					
		If any user fee payments are distributed to evaluators for further assessment prior to processing by the cashier through the cash register, obtain log for such payments.					
		1. Randomly trace several payments described as distributed to the appropriate evaluator. View the payment.					
		2. Randomly trace several payments seen in evaluator custody back to the log. Determine if the log properly reflects the outstanding check.					
		3. Randomly trace several checks returned from evaluator custody to journal tapes for appropriate					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	REC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
		deposits.					
Quant		***Has the SIP/ASIP properly documented that each accountable officer at the REC has read and signed a Statement of Accountability?*** [General Instruction; Statement of Accountability]					
		Obtain all signed Statement of Accountability forms; determine which employees are accountable officers; and ascertain whether each accountable officer has a signed Statement of Accountability form on hand.					
Qual		***Does the SIP/ASIP have any formal or informal procedures for handling complaints?*** [General Instruction; Special Procedures; Complaint Log]					
		Question SIP/ASIP about existence of procedures for handling complaints and follow-up actions taken, if applicable.					
Quant		***Does the SIP/ASIP initial all voided transactions on the daily journal tapes?*** [General Instruction; Special Procedures; Voided Transactions]					
		Review audit sample days' journal tapes for any voided transactions. Determine if initials are present. If present, ensure the initials are of the SIP or ASIP.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	REC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Quant		***If applicable, are files properly annotated to reflect the receipt of a NSF check and to flag all future transactions regarding the customer?*** [General Instruction; Special Procedures; Non-Sufficient Funds (NSF) Checks]					
		Examine appropriate customer files to see notes on the status of the NSF check.					
Quant		***If applicable, does the customer's records show transactions were accepted after the date of notification of the NSF check?*** [General Instruction; Special Procedures; Non- Sufficient Funds (NSF) Checks]					
		Examine customer's User Fee Sheets for activity after the date of NSF check notification.					
Quant		***If applicable, when NSF checks were subsequently cleared by FINCEN, were files properly annotated to reflect the resolution of the NSF checks?*** [General Instruction; Special Procedures; Non-Sufficient Funds (NSF) Checks]					
		If information is available from FINCEN, determine if checks resolved with FINCEN are properly annotated in the customer's record.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	REC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***If applicable, did the REC properly issue 3-part collection receipts?*** [General Instruction; Special Procedures; Manual Receipts for User Fee Collections]					
		Determine if the cash register became unavailable at any point during the audit period. Briefly examine a deposit made during period of outage.					
Qual		***Are all keys either assigned to a specific employee or secured with access limited to SIP or ASIP?*** [General Instruction; Special Procedures; Other Register Requirements]					
		Ask employees who should and should not have access to the cash register whether they have custody of any register keys.					
Qual		***Do manager and sub-manager keys reside solely with the SIP or ASIP?*** [General Instruction; Special Procedures; Other Register Requirements]					
		Ask SIP or ASIP to account for all of the manager and sub-manager keys.					
Qual		***Are instructions for the reprogramming of cash register secured with access limited to SIP or ASIP?*** [General Instruction; Special Procedures; Other Register Requirements]					
		Attempt to void a transaction that has been processed through the cash register.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	REC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Is the cashier's register key left in the register when the register is unattended?*** [General Instruction; Special Procedures; Other Register Requirements]					
		Observe the cash register throughout the day. Determine whether at any point a drawer key was in the register without the active cashier present or within clear sight of the register.					
Quant		***Does the REC run a Z2 report once a month and retain the results at REC?*** [General Instruction; Special Procedures; Other Register Requirements]					
		Observe Z2 reports for the months in which the audit sample days fall.					
Qual		***Are user fee payments left unsecured at any point during the day by any employee?*** [Procedures; Identify Fee(s) to be Paid, Process Collections, Convert Cash to Money Order, Prepare Deposit]					
		Throughout the day observe where the mail, user fee payments distributed to evaluators (if applicable) and prepared deposit are kept.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	REC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Are all collections processed on day received?*** [Procedures; Identify Fee(s) to be Paid]					
		Inquire of the mail clerk when mail is received and when it is passed to the cashier for processing. On day of audit, determine date received for mail being currently processed through register.					
Qual		***Do User Fee Sheets provide sufficient data about each transaction?*** [Procedures; Identify Fee(s) to be Paid]					
		For audit sample transactions, examine appropriate User Fee Sheets. Determine if User Fee Sheets have the proper information recorded for transaction in question (SSN or TIN, user fee code(s), date.)					
Quant		***Are SSNs or TIN annotated on each check?*** [Procedures; Verify Method of Payment]					
		Review the checks that make up the deposit made during audit. Determine if each check has a valid SSN or TIN.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	REC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Quant		***Is a restrictive endorsement stamped on the back of each check and money order before placing the payment in the cash register?*** [Procedures; Process Collections]					
		At a time prior to the preparation of the deposit, view the checks and money orders in the cash register and look for the restrictive endorsement.					
Qual		***Are receipts present on all User Fee Sheets?*** [Procedures; Process Collections]					
		Look for cash register receipt stapled to User Fee Sheet for transaction in sample.					
Qual		***If the cash register has a Misc. button, is the frequency and need reasonable?*** [Procedures; Process Collections]					
		For audit sample days, review the journal tape/Z1 report. Determine frequency of use, if any. Attempt to trace transactions (if any) to Reconciliation tools.					
Qual		***Does the REC have the following signs posted in an area visible to the mariner, "Collection Center accepts payments for the exact dollar amounts only " and "Please request a receipt."*** [Procedures; Process Collections]					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	REC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Quant		***Do service providers verify the service to be provided matches the service paid for as detailed on the User Fee Sheet and attached cash register receipt?*** [Procedures; Complete Reconciliation Tool for Services]					
		For audit sample transactions, match the User Fee Sheet and receipt data to Reconciliation Tools filled out by service providers. Determine whether the user fee codes and amounts match what is documented on Reconciliation Tools.					
Quant		***Is a Z1 report run each business deposit period?*** [Procedures; Prepare Register for Deposit]					
		Look for Z1 report for each audit sample day.					
Quant		***If applicable, is there sufficient evidence to show a money order was purchased for cash receipts in the proper amount?*** [Procedures; Convert Cash to Money Order]					
		For those audit sample days where the REC reported depositing cash, find receipt that indicates the money order purchased did equal the amount of cash to be deposited less any money order fee.					
Qual		***Are remaining collections and mail stored overnight in a secure area?*** [Procedures; Convert Cash to Money Order]					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	REC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Quant		***Are checks and money orders stamped with the REC's OPFAC and date of deposit?*** [Procedures; Prepare Deposit]					
		Observe the preparation of deposit.					
Quant		***Are deposits prepared correctly?*** [Procedures; Prepare Deposit]					
		Observe whether the white copy of the journal tape/Z1 report is stapled several times to the back of the Collection Summary Sheet. Determine whether total daily money activity is folded to face outward on the Z1 report.					
Quant		***Are Collection Summary Sheets filled out properly?*** [Procedures; Prepare Deposit]					
		Observe the preparation of the deposit. Review Collection Summary Sheets for audit sample deposit periods.					
Quant		***Does the Confirmation Log correctly reflect the collection center's deposit activity?*** [Procedures; Maintain Confirmation Log]					
		Recalculate amounts on Confirmation Log related to audit sample deposits. Compare to audit sample deposit amounts. Determine whether appropriate corrective action was taken if amounts did not match.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	REC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Do complete sets of Reconciliation Tools exist?*** [Procedures; Reconcile Cash Collected to Related Services]					
		Request all Reconciliation Tools for the audit sample days. Determine if the reconciliation dollar amounts agree with the corresponding deposit information. Examine whether sources of error in the reconciliation were researched and resolved.					
		1. For each Reconciliation Tool, match each entry to the journal tape of the corresponding deposit. Determine if the SSN and user fee codes are consistent on both documents.					
Qual		***Does the SIP/ASIP complete a reconciliation on a timely basis?*** [Procedures; Reconcile Cash Collected to Related Services]					
		Request to see all reconciliations for the audit period. Visually inspect to make a judgment on whether the reconciliations appear to be complete and done on a timely basis.					
Qual		***Are all daily forms (Collection Summary Sheets, Confirmation Logs, Reconciliation Tools, and Reconciliation Worksheets) available and kept on file?*** [Procedures; Reconcile Cash Collected to Related Services]					

USER FEE COLLECTION AUDIT CHECKLIST

Comment Reference #	Comment

USER FEE COLLECTION AUDIT CHECKLIST

	National Pollution Funds Center	**Audit Period:**	
Date:		**Inspectors:**	

Objective	To assess compliance with applicable procedures established by the United States Coast Guard and to evaluate the reliability of financial records and safeguards of government property

Introduction	The USCG will assess whether each collection center is properly following the United States Coast Guard User Fee Collection Instruction (Instruction).

Gray Rows	Gray rows represent questions to be answered during the audit.
White Rows	White rows represent general directions about how to test for the question.
Quantitative Questions	Quantitative questions are those questions that have a set number of transactions to be tested with an equal number of outcomes. For instance, if the auditor is testing how many checks in the cash register have restrictive endorsements, the set number of transactions will equal the number of checks physically in the register. The auditor will observe each check, determine the number of checks that did not have the restrictive endorsement, and compare this result with the total number of checks in the register.
Qualitative Questions	Qualitative questions are questions that can be answered YES or NO using observation and inquiry.
*****	Denotes a critical question.
# Incorrect/ # Tested	Place to note both the number of situations that did not meet criteria of question and total number of situations tested. Example: 7 transactions/ 125 transactions.
Percentage Incorrect	Mark quotient of # Incorrect/ # Tested. Example: 7/125 * 100 = 5.60% incorrect.
Yes / No	Mark appropriate column to signify whether the collection center conformed to the question or not. Quantitative questions must also have a yes or no marked.
Comment Reference #	Make reference to comment number that corresponds to the finding found on the last page of the checklist. Example: Comments column is annotated to say "Comment #5" for a question that did not conform to criterion. On Comments Sheet, Comment #5 explains or clarifies the results of the question. May be used for good comments also.

USER FEE COLLECTION AUDIT CHECKLIST

Directions	1. Determine number of audit sample days. All transactions for audit sample days will be tested in audit. Recommend minimum of five days. 2. Determine dates of audit sample days (i.e., June 5, August 15, September 1, etc). 3. Answer each question of audit checklist. Determine percentage of error for each quantitative question. 4. Prepare audit report. Include quantitative calculations. Document areas which require further attention based on answers to both quantitative and qualitative questions. 5. Distribute results of audit checklist to appropriate individuals.

USER FEE COLLECTION AUDIT CHECKLIST

FINCEN

The purpose of the following questions is to identify issues or problems that occur regularly with this type of collection center or with collection centers in general. The questions should be asked of FINCEN on a periodic basis, and are not part of the audit of the NPFC.

		Are deposit confirmations sent to the appropriate employee?					
		Obtain list of e-mail addresses that the UF Collection Technician uses to send deposit confirmations. Cross-match organizational chart with e-mail address.					
		What is the frequency of user fee payments being accepted that do not meet verification criteria?					
		Review criteria from [Procedures for the NPFC; Verify Method of Payment] with FINCEN representative.					
		What is the frequency of returned checks with insufficient information necessary for collection?					
		Are foreign bank drafts or FOIA collections being sent to FINCEN?					
		If applicable, is NVDC properly notifying FINCEN of collections for NSF checks? (If paid at NVDC)					
		Ask FINCEN if they have received payment from NVDC for checks that have previously bounced. If yes, ask if NVDC properly handled the					

		collection of the payments.					

USER FEE COLLECTION AUDIT CHECKLIST

FINCEN

		If applicable, is FINCEN properly notifying NVDC of collections for NSF checks? (If paid at FINCEN)					
		Is NVDC properly submitting requests for refunds to FINCEN?					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	NVDC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual	*	***Does it appear the Manager or designee is knowledgable of and involved in the controls over user fee collections?*** [Introduction to Instruction]					
		Observe activities throughout day. Ascertain who is responsible for the reconciliation process and whether it is done on a daily basis. Determine who is responsible for management overrides to the cash register.					
Qual		***Do personnel involved in the user fee collection process appear knowledgeable of the prevailing Instruction?*** [Introduction to Instruction]					
		Question appropriate employees about their contact with the written Instruction, and whether it is available for reference.					
Qual		***Is the physical handling of user fees limited only to the primary cashier?*** [General Instruction; Definitions]					
		Observe the processing of user fees from the time the customer enters the collection center to the time the deposit is mailed.					
Qual	*	***On an individual employee basis, does it appear NVDC separates cash handling responsibilities?*** [General Instruction; Separation of Duties]					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	NVDC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
		Inquire of employees whether they act as a cashier and as a service provider on any given day. Observe activities of all employees during audit and make a judgement as to whether on a routine basis employees engage in incompatible duties.					
Qual		***Has the Manager or designee assigned to employees, in writing, the duties of cashier, mail clerk, reconciler, and appropriate alternates?*** [General Instruction; Separation of Duties, Statement of Accountability]					
		Inquire of employees aobut distribution of user fee collection related duties. Match duties with Statement of Accountability forms.					
Quant		***Has the Manager or designee properly documented that each accountable officer at the NVDC has read and signed a Statement of Accountability?*** [General Instruction; Statement of Accountability]					
		Obtain all signed Statement of Accountability forms; determine which employees at the NVDC are accountable officers; and ascertain whether each accountable officer has a signed Statement of Accountability form on hand at the time of the audit.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	NVDC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Does the Manager or designee have any formal or informal procedures for handling complaints?*** [General Instruction; Special Procedures; Complaint Log]					
		Question Manager or designee about existence of procedures for handling complaints and follow-up actions taken, if applicable.					
Quant		***Does the Manager or designee initial all voided transactions on the daily journal tapes?*** [General Instruction; Special Procedures; Voided Transactions]					
		Review audit sample days' journal tapes for any voided transactions. Determine if initials are present. If present, ensure the initials are of the Manager or designee.					
Quant		***If applicable, are files properly annotated to reflect the receipt of a NSF check and to flag all future transactions regardign the customer?*** [General Instruction; Special Procedures; Non-SufficientFunds (NSF) Checks]					
		Examine appropriate customer files to see notes on the status of the NSF check.					
Quant		***If applicable, does the customer's records show transactions were accepted after the date of notification of the NSF check?*** [General Instruction; Special Procedures; Non-Sufficient					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	NVDC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
		Funds (NSF) Checks]					
		Examine customer's User Fee Sheets or other documentation for activity after the date of NSF check notification.					
Quant		***If applicable, when NSF checks were subsequently cleared by FINCEN, were files properly annotated to reflect the resolution of the NSF checks?*** [General Instruction; Special Procedures; Non-Sufficient Funds (NSF) Checks]					
		If information is available from FINCEN, determine if checks resolved with FINCEN are properly annotated in the customer's record.					
Qual		***If applicable, did the NVDC property issue 3-part collection receipts?*** [General Instruction; Special Procedures; Manual Receipts for User Fee Collections]					
		Determine if the cash register became unavailable at any point during the audit period. Briefly examine a deposit made during period of outage.					
Qual		***Are all keys either assigned to a specific employee or secured with access limited to Manager or designee?*** [General Instruction; Special Procedures; Other Cash Register Requirements]					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	NVDC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
		Observe the cash register throughout the day. Determine whether at any point a drawer key was in the register without the active cashier present or within clear sight of the register.					
Quant		***Does NVDC run a Z2 report once a month and retain the results locally?*** [General Instruction; Special Procedures; Other Register Requirements]					
		Observe Z2 reports for the months in which the audit sample days fall.					
Qual		***Are all collections processed on day received?*** [Procedures; Identify Fee(s) to be Paid]					
		Inquire of the mail clerk when mail is received and when it is passed to the cashier for processing. On day of audit, determine date received for mail being currently processed through registers.					
Qual		***Are user fee payments left unsecured at any point during the day by any employee?*** [Procedures; Identify Fee(s) to be Paid, Process Collections, Convert Cash to Money Order, Prepare Deposit]					
		Throughout the day observe where the mail and prepared deposit are kept.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	NVDC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Is a system in place to tie checks back to the SSN or TIN of the remitter?*** [Procedures; Verify Method of Payment]					
		Question personnel about their system.					
Quant		***Is a restrictive endorsement stamped on the back of each check and money order before placing the payment in the cash register?*** [Procedures; Process Collections]					
		At a time prior to the preparation of the deposit, view the checks and money orders in the cash register and look for the restrictive endorsement.					
Qual		***Are receipts present on vessel's documentation?*** [Procedures; Process Collections]					
		Look for cash register receipt stapled to documentation for transactions in sample.					
Quant		***Do service providers verify the service to be provided matches funds collected as detailed on the attached cash register receipt?*** [Procedures; Complete Reconciliation Tool for Services]					
		Question service providers about whether the receipt information is compared to the services to be provided.					
Quant		***Is a Z1 report run each business deposit period?*** [Procedures; Prepare Register for Deposit]					
		Look for Z1 report for each audit sample day.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	NVDC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Quant		***If applicable, is there sufficient evidence to show a money order was purchased for cash receipts in the proper amount?[***Procedures; Convert Cash to Money Order]					
		For those audit sample days where NVDC reported depositing cash, find receipt that indicates the money order purchased did equal the amount of cash to be deposited less any money order fee.					
Qual		***Are remaining collections and mail stored overnight in a secure area?*** [Procedures; Convert Cash to Money Order]					
Quant		***Are checks and money orders stamped with NVDC's OPFAC and date of deposit?*** [Procedures; Prepare Deposit]					
		Observe the preparation of deposit.					
Quant		***Are deposits prepared correctly?*** [Procedures; Prepare Deposit]					
		Observe whether a copy of journal tape/Z1 report is stapled several times to the back of the Collection Summary Sheet. Determine whether total daily money activity is folded to face outward on the Z1 report.					
Quant		***Are Collection Summary Sheets filled out properly?*** [Procedures; Prepare Deposit]					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	NVDC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
		Observe the preparation of the deposit. Review Collection Summary Sheets for audit sample deposit periods.					
Qual		***Are all daily forms (Collection Summary Sheets, Confirmation Logs) available and kept on file?*** [Procedures; Prepare Deposit; Maintain Confirmation Log]					
Quant		***Does the confirmation log correctly reflect the collection center's deposit activity?*** [Procedures; Maintain Confirmation Log]					
		Recalculate amounts on confirmation log related to audit sample deposity. Compare to audit sample deposit amounts. Determine whether appropriate corrective action was taken if amounts did not match.					

USER FEE COLLECTION AUDIT CHECKLIST

Comment Reference #	Comment

USER FEE COLLECTION AUDIT CHECKLIST

	National Pollution Funds Center	**Audit Period:**	
Date:		**Inspectors:**	

Objective	To assess compliance with applicable procedures established by the United States Coast Guard and to evaluate the reliability of financial records and safeguards of government property

Introduction	The USCG will assess whether each collection center is properly following the United States Coast Guard User Fee Collection Instruction (Instruction).

Gray Rows	Gray rows represent questions to be answered during the audit.
White Rows	White rows represent general directions about how to test for the question.
Quantitative Questions	Quantitative questions are those questions that have a set number of transactions to be tested with an equal number of outcomes. For instance, if the auditor is testing how many checks in the cash register have restrictive endorsements, the set number of transactions will equal the number of checks physically in the register. The auditor will observe each check, determine the number of checks that did not have the restrictive endorsement, and compare this result with the total number of checks in the register.
Qualitative Questions	Qualitative questions are questions that can be answered YES or NO using observation and inquiry.
*****	Denotes a critical question.
# Incorrect/ # Tested	Place to note both the number of situations that did not meet criteria of question and total number of situations tested. Example: 7 transactions/ 125 transactions.
Percentage Incorrect	Mark quotient of # Incorrect/ # Tested. Example: 7/125 * 100 = 5.60% incorrect.
Yes / No	Mark appropriate column to signify whether the collection center conformed to the question or not. Quantitative questions must also have a yes or no marked.
Comment Reference #	Make reference to comment number that corresponds to the finding found on the last page of the checklist. Example: Comments column is annotated to say "Comment #5" for a question that did not conform to criterion. On Comments Sheet, Comment #5 explains or clarifies the results of the question. May be used for good comments also.

USER FEE COLLECTION AUDIT CHECKLIST

Directions	1. Determine number of audit sample days. All transactions for audit sample days will be tested in audit. Recommend minimum of five days. 2. Determine dates of audit sample days (i.e., June 5, August 15, September 1, etc). 3. Answer each question of audit checklist. Determine percentage of error for each quantitative question. 4. Prepare audit report. Include quantitative calculations. Document areas which require further attention based on answers to both quantitative and qualitative questions. 5. Distribute results of audit checklist to appropriate individuals.

USER FEE COLLECTION AUDIT CHECKLIST

FINCEN

The purpose of the following questions is to identify issues or problems that occur regularly with this type of collection center or with collection centers in general. The questions should be asked of FINCEN on a periodic basis, and are not part of the audit of the NPFC.

		Are deposit confirmations sent to the appropriate employee?					
		Obtain list of e-mail addresses the UF Collection Technician uses to send deposit confirmations. Cross-match organizational chart with e-mail address.					
		What is the frequency of user fee payments being accepted that do not meet verification criteria?					
		Review criteria from [Procedures for NPFC; Verify Method of Payment] with FINCEN representative.					
		What is the frequency of returned checks with insufficient information necessary for collection?					
		Are foreign bank drafts or FOIA collections being to the incorrect lockboxes?					
		Is NPFC properly submitting requests for refunds to FINCEN?					
		Is NPFC properly notifying FINCEN of collections for NSF checks? (If paid at NPFC)					

USER FEE COLLECTION AUDIT CHECKLIST

FINCEN

		Is FINCEN properly notifying NPFC of collections for NSF checks? (If paid at FINCEN)					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	NPFC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Does it appear that the Division Chief and/or Assistant Division Chief is involved in the controls over user fee collections?*** [Introduction to Instruction]					
		Observe activities throughout day. Ascertain who is responsible for the reconciliation process and whether it is done on a daily basis.					
Qual		***Do personnel involved in the user fee collection process appear knowledgeable of the prevailing Instruction?*** [Introduction to Instruction]					
		Question appropriate employees about their contact with the written Instruction, and whether it is available for reference.					
Qual		***Is the access to the safe limited to only those with cash handling responsibilities or those personnel deemed necessary by the CC Supervisor?*** [General Instruction; Definitions]					
		Ask the supervisor or assistant supervisor who has access to the safe.					
Qual		***Has the Division Chief/Assistant Division Chief assigned to employees, in writing, the duties of cashier, mail clerk, reconciler, and appropriate alternates?*** [General Instruction; Separation of Duties; Statement of Accountability]					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	NPFC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
		Inquire of employees about distribution of user fee collection related duties.					
Qual		***On an individual employee basis, does it appear NPFC separates cash handling responsibilities from service providing responsibilities?*** [General Instruction; Separation of Duties]					
		Inquire of employees whether they act as a cashier or mail clerk and as a service provider on any given day. Observe activities of all employees during audit and make a judgment as to whether on a routine basis employees engage in incompatible duties.					
Quant		***Has the Division Chief/Assistant Division Chief properly documented that each accountable officer at the NPFC has read and signed a Statement of Accountability?*** [General Instruction; Statement of Accountability]					
		Obtain all signed Statement of Accountability forms; determine which employees at NPFC are accountable officers; and ascertain whether each accountable officer has a signed Statement of Accountability form on hand at the time of the audit.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	NPFC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Does the Division Chief/Assistant Division Chief have any formal or informal procedures for handling complaints?*** [General Instruction; Special Procedures; Complaint Log]					
		Question Supervisor/Assistant Supervisor about existence of procedures, complaints, and follow-up of complaints, if applicable.					
Quant		***If applicable, are files properly annotated to reflect the receipt of a NSF check and to flag all future transactions regarding the customer?*** [General Instruction; Special Procedures; Non-Sufficient Funds (NSF) Checks]					
		Examine appropriate customer files to see notes on the status of the NSF check.					
Quant		***If applicable, does the customer's records show that transactions were accepted after the date of notification of the NSF check?*** [General Instruction; Special Procedures; Non-Sufficient Funds (NSF) Checks]					
		Examine customer's user fee sheets for activity after the date of NSF check notification.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	NPFC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Quant		***If applicable, where NSF checks subsequently cleared by FINCEN files properly annotated to reflect the resolution of the NSF checks?*** [General Instruction; Special Procedures; Non-Sufficient Funds (NSF) Checks]					
		If information is available from FINCEN, determine if checks resolved with FINCEN are properly annotated in the customer's record.					
Qual		***Is the physical handling of user fees limited only to mail clerks A and B and cashiers A and B?*** [Procedures; Identify Fee(s) to be Paid, Verify Method of Payment, Process Collections, Prepare Deposit]					
		Observe the daily routine of processing collections.					
Qual		***Are collections processed on day received?*** [Procedures; Identify Fee(s) to be Paid]					
		Inquire of the mail clerk when mail is received and when it is passed to the cashier for processing.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	NPFC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Are user fee payments left unsecured at any point during the day by any employee?*** [Procedures; Identify Fee(s) to be Paid, Process Collections]					
		Throughout the day observe where the mail, user fee payments distributed to evaluators (if applicable) and prepared deposit are kept.					
Quant		***Does the Assistant Division Chief initial the correspondence accompanying each acceptable user fee payment?*** [Procedures; Verify Method Payment]					
		Examine files/correspondence that have passed through the Assistant Division Chief's office. Determine if his or her initials appear on the correspondence to signify acceptance of user fee payment and permission to process the request.					
Quant		***Are SSNs or TINs annotated on each check?*** Procedures; Verify Method of Payment]					
		Review the checks that make up the deposit made during audit. Determine if each check has a valid SSN or TIN.					
Qual		***Does the correspondence accompanying user fee payments (or User Fee Sheets) provide sufficient data about each transaction?*** [Procedures; Process Collections]					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	NPFC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
		For audit sample transactions, examine appropriate user fee sheets. Determine if correspondence and/or User Fee Sheets have the proper information recorded for transaction in question.					
Quant		***If applicable, is there sufficient evidence to show a money order was purchased for cash receipts in the proper amount?*** [Procedures; Convert Cash to Money Order]					
		For those audit sample days where the NPFC reported depositing cash, find receipt that indicates the money order purchased did equal the amount of cash to be deposited less any money order fee.					
Qual		***Are remaining collections and mail stored overnight in a secure area?*** [Procedures; Convert Cash to Money Order]					
Quant		***Are checks and money orders stamped with the NPFC's OPFAC, date of deposit, restrictive endorsement?*** [Procedures; Process Collections, Prepare Deposit]					
		Observe the preparation of deposit.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	NPFC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Is the Reconciliation Tool a complete record of the COFR transactions at the NPFC?*** [Procedures; Process Collections, Complete Reconciliation Tool for Services]					
		Request to view the Reconciliation Tool for the audit sample days. Determine if the tool contains a complete listing of both the activities of the examiners and the deposits for the Vessel Certification Division.					
Qual		***Does Cashier A or Cashier B have the ability to modify the Reconciliation Tool?*** [Procedures; Complete Reconciliation Tool for Services]					
		Ask each cashier if they know how to modify the Reconciliation Tool? If possible, attempt to modify the Tool from a cashier's computer.					
		Do service providers verify the cost of the service to be provided matches the funds provided as indicated on the payment information of the documents? Do they verify that the mail clerk B has initiated the accompanying correspondence? [Procedures; Process Collections, Complete Reconciliation Tool for Services]					
		Ask and observe service providers.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	NPFC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Are the deposits prepared properly?*** [Procedures; Prepare Deposit]					
		Observe Cashier B preparing deposit. Determine if all of the procedures are followed in the Prepare Deposit section of the Procedures.					
Quant		***Are Collection Summary Sheets filled out properly?*** [Procedures; Prepare Deposit]					
		Observe the preparation of the deposit. Review Collection Summary Sheets for audit sample deposit periods.					
Quant		***Does the Confirmation Log correctly reflect the collection center's deposit activity?*** [Procedures; Maintain Confirmation Log]					
		Recalculate amounts on Confirmation Log related to audit sample deposits. Compare to audit sample deposit amounts. Remember NPFC does not accept cash by law.					
Qual		***Do the examiners have the ability to modify the CV Remittance Sheet?*** [Procedures; Reconcile Collections to Related Services]					
		Ask examiners if they know how to modify the CV Remittance Sheet.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	NPFC Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Does the Division Chief/Assistant Division Chief complete a reconciliation on a timely basis?*** [Procedures; Reconcile Collections to Related Services]					
		Request to see all reconciliations for the audit period. Visually inspect to make a judgment on whether the reconciliations appear to be complete and done on a timely basis.					

USER FEE COLLECTION AUDIT CHECKLIST

Comment Reference #	Comment

USER FEE COLLECTION AUDIT CHECKLIST

	Boat Registration Fee Collection Ctr.	**Audit Period:**	
Date:		**Inspectors:**	

Objective	To assess compliance with applicable procedures established by the United States Coast Guard and to evaluate the reliability of financial records and safeguards of government property

Introduction	The USCG will assess whether each collection center is properly following the United States Coast Guard User Fee Collection Instruction (Instruction).

Gray Rows	Gray rows represent questions to be answered during the audit.
White Rows	White rows represent general directions about how to test for the question.
Quantitative Questions	Quantitative questions are those questions that have a set number of transactions to be tested with an equal number of outcomes. For instance, if the auditor is testing how many checks in the cash register have restrictive endorsements, the set number of transactions will equal the number of checks physically in the register. The auditor will observe each check, determine the number of checks that did not have the restrictive endorsement, and compare this result with the total number of checks in the register.
Qualitative Questions	Qualitative questions are questions that can be answered YES or NO using observation and inquiry.
*****	Denotes a critical question.
# Incorrect/ # Tested	Place to note both the number of situations that did not meet criteria of question and total number of situations tested. Example: 7 transactions/ 125 transactions.
Percentage Incorrect	Mark quotient of # Incorrect/ # Tested. Example: 7/125 * 100 = 5.60% incorrect.
Yes / No	Mark appropriate column to signify whether the collection center conformed to the question or not. Quantitative questions must also have a yes or no marked.
Comment Reference #	Make reference to comment number that corresponds to the finding found on the last page of the checklist. Example: Comments column is annotated to say "Comment #5" for a question that did not conform to criterion. On Comments Sheet, Comment #5 explains or clarifies the results of the question. May be used for good comments also.

USER FEE COLLECTION AUDIT CHECKLIST

Directions	1. Determine number of audit sample days. All transactions for audit sample days will be tested in audit. Recommend minimum of five days. 2. Determine dates of audit sample days (i.e., June 5, August 15, September 1, etc). 3. Answer each question of audit checklist. Determine percentage of error for each quantitative question. 4. Prepare audit report. Include quantitative calculations. Document areas which require further attention based on answers to both quantitative and qualitative questions. 5. Distribute results of audit checklist to appropriate individuals.

USER FEE COLLECTION AUDIT CHECKLIST

FINCEN

The purpose of the following questions is to identify issues or problems that occur regularly with this type of collection center or with collection centers in general. The questions should be asked of FINCEN on a periodic basis, and are <u>not</u> part of the audit of the CC.

		What is the frequency of user fee payments being accepted that do not meet verification criteria?					
		Review criteria from [Procedures for the Boat Registration Fee Collection Center; Verify Method of Payment] with FINCEN representative.					
		What is the frequency of checks returned with insufficient or obscured information necessary for collection?					
		Are foreign bank drafts not being sent to FINCEN?					
		Is the CC properly notifying FINCEN of collections for NSF checks? (If paid at the CC)					
		Ask FINCEN if they have received payment from the CC for checks that have previously bounced. If yes, ask if the CC properly handled the collection of the payments.					
		Is FINCEN properly notifying the CC of collections for NSF checks? (If paid at FINCEN)					
		Is the CC properly submitting requests for					

USER FEE COLLECTION AUDIT CHECKLIST

FINCEN

		refunds to FINCEN?					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	Boat Registration Fee Collection Center	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Does it appear the Supervisor (and designee, if applicable) is knowledgeable of and involved in the controls over user fee collections?*** [Introduction to Instruction]					
		Observe activities throughout day. Ascertain who is responsible for the reconciliation process and whether it is done on a daily basis. Determine who is responsible for management overrides to the cash register.					
Qual		***Do personnel involved in the user fee collection process appear knowledgeable of the prevailing Instruction?*** [Introduction to Instruction]					
		Question appropriate employees about their contact with the written Instruction, and whether it is available for reference.					
Qual		***Is access to the safe limited to only those necessary?*** [General Instruction; Definitions]					
		Ask the Supervisor or designee who has access to the safe.					
Qual		***Is the physical handling of user fees limited only to the primary cashier?*** [General Instruction; Definitions]					
		Observe the processing of user fees from the time the customer enters the collection center to the time the deposit is mailed.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	Boat Registration Fee Collection Center	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Has the Supervisor or designee assigned in writing to employees the duties of cashier, mail clerk, reconciler, and appropriate alternates?*** [General Instruction; Separation of Duties, Statement of Accountability]					
		Inquire of employees about distribution of user fee collection related duties.					
Qual		***Are evaluators in possession of user fee payments?*** [General Instruction; Separation of Duties]					
		Examine the working space of random evaluators, looking specifically in folders for attached payments. If answer is YES, answer the next question. If answer is NO, skip next question.					
Quant		***Skip if answer to prior question is NO.) If checks are distributed to evaluators, is there a complete and accurate accounting of the status of user fee payments distributed to evaluators?*** [General Instruction; Separation of Duties and Procedures; Identify Fee(s) to be Paid]					
		If any user fee payments are distributed to evaluators for further assessment prior to processing by the cashier through the cash register, obtain log for such payments.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	Boat Registration Fee Collection Center	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
		1. Randomly trace several payments described as distributed to the appropriate evaluator. View the payment.					
		2. Randomly trace several payments seen in evaluator custody back to the log. Determine if the log properly reflects the outstanding check.					
		3. Randomly trace several checks returned from evaluator custody to journal tapes for appropriate deposits.					
Quant		***Has the Supervisor or designee properly documented that each accountable officer at the CC has read and signed a Statement of Accountability?*** [General Instruction; Statement of Accountability]					
		Obtain all signed Statement of Accountability forms; determine which employees at the CC are accountable officers; and ascertain whether each accountable officer has a signed Statement of Accountability form on hand at the time of the audit.					
Qual		***Does the Supervisor or designee have any formal or informal procedures for handling complaints?*** [General Instruction; Special Procedures; Complaint Log]					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	Boat Registration Fee Collection Center	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
		Question Supervisor and/or designee about existence of procedures for handling complaints and follow-up actions taken, if applicable.					
Quant		***Does the Supervisor or designee initial all voided transactions on the daily journal tapes?*** [General Instruction; Special Procedures; Voided Transactions]					
		Review audit sample days' journal tapes for any voided transactions. Determine if initials are present. If present, ensure the initials are of the Supervisor or designee.					
Quant		***If applicable, are files properly annotated to reflect the receipt of a NSF check and to flag all future transactions regarding the customer?*** [General Instruction; Special Procedures; Non-Sufficient Funds (NSF) Checks]					
		Examine appropriate customer files to see notes on the status of the NSF check.					
Quant		***If applicable, does the customer's records show transactions were accepted after the date of notification of the NSF check?*** [General Instruction; Special Procedures; Non-Sufficient Funds (NSF) Checks]					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	Boat Registration Fee Collection Center	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
		Examine customer's registration/renewal applications for activity after the date of NSF check notification.					
Quant		***If applicable, when NSF checks were subsequently cleared by FINCEN, were files properly annotated to reflect the resolution of the NSF checks?*** [General Instruction; Special Procedures; Non-Sufficient Funds (NSF) Checks]					
		If information is available from FINCEN, determine if checks resolved with FINCEN are properly annotated in the customer's record.					
Qual		***Are all keys either assigned to a specific employee or secured with access limited to Supervisor or designee?*** [General Instruction; Special Procedures; Other Register Requirements]					
		Ask employees who should and should not have access to the cash register whether they have custody of any register keys.					
Qual		***Do manager and sub-manager keys reside solely with the Supervisor or designee?*** [General Instruction; Special Procedures; Other Register Requirements]					
		Ask Supervisor or designee to account for all of the manager and sub-manager keys.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	Boat Registration Fee Collection Center	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Are instructions for the reprogramming of cash register secured with access limited to Supervisor or designee?*** [General Instruction; Special Procedures; Other Register Requirements]					
		Attempt to void a transaction that has been processed through the cash register.					
Qual		***Is the cashier's key left in the register when the register is unattended?*** [General Instruction; Special Procedures; Other Register Requirements]					
		Observe the cash register throughout the day. Determine whether at any point a drawer key was in the register without the active cashier present or within clear sight of the register.					
Quant		***Does the CC run a Z2 report once a month and retain the results at the CC?*** [General Instruction; Special Procedures; Other Register Requirements]					
		Observe Z2 reports for the months in which the audit sample days fall.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	Boat Registration Fee Collection Center	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Are user fee payments left unsecured at any point during the day by any employee?*** [Procedures; Identify Fee(s) to be Paid, Process Collections, Prepare Deposit]					
		Throughout the day observe where the mail, processed user fee payments, and prepared deposit are kept					
Qual		***Do registration/renewal applications provide sufficient data about each transaction?*** [Procedures; Identify Fee(s) to be Paid]					
		For audit sample transactions, examine appropriate registration/renewal applications. Determine if registration/renewal applications have the proper information recorded for transaction in question (SSN or TIN, AK number, user fee code(s), date.)					
Qual		I***f applicable, did the Rec. Fee Collection Center properly issue 3-part collection receipts?*** [General Instruction; Special Procedures; Manual Receipts for User Fee Collections]					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	Boat Registration Fee Collection Center	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
		Determine if the cash register became unavailable at any point during the audit period. Briefly examine a deposit made during period of outage.					
Quant		***Are SSNs or TINs annotated on each check accepted for payment of a user fee?*** [Procedures; Verify Method of Payment]					
		Review the checks that make up the deposit made during audit. Determine if each check has a valid SSN or TIN.					
Qual		***Is the cashier entering all payments into the cash register?*** [Procedures; Identify Fees to be Paid]					
Qual		***Are remaining collections and mail stored overnight in a secure area?*** [Procedures; Convert Cash to Money Order]					
Qual		***Are deposit summaries prepared daily?*** [Procedures; Prepare Register for Deposit]					
Qual		***Is the Daily Transaction Summary completed prior to running the Z1 report?*** [Procedures; Preparing Register for Deposit]					
Qual		***Is the CC Supervisor running the Z1 report?*** [Procedures; Preparing Register for Deposit]					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	Boat Registration Fee Collection Center	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***If the cash register has a Misc. button, is the frequency and need reasonable?*** [Procedures; Process Collections]					
		For audit sample days, review the journal tape/Z1 report. Determine frequency of use, if any. Attempt to trace transactions (if any) to Reconciliation Tools.					
Qual		***Does the Rec. Fee Collection Center have the following signs posted in an area visible to the mariner, "Collection Center accepts payments for the exact dollar amounts only " and "Please request a receipt."*** [Procedures; Process Collections]					
Qual		***Are receipts present on all registration/renewal applications?*** [Procedures; Process Collections]					
		Look for cash register receipt stapled to user fee sheet for transaction in sample.					
Quant		***Is a restrictive endorsement stamped on the back of each check and money order before placing the payment in the cash register?*** [Procedures; Process Collections]					
		At a time prior to the preparation of the deposit, view the checks and money orders in the cash register and look for the restrictive endorsement.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	Boat Registration Fee Collection Center	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Quant		***Is a Z1 report run each business deposit period?*** [Procedures; Prepare Register for Deposit]					
		Look for Z1 report for each audit sample day.					
Qual		***Are remaining collections and mail stored overnight in accordance with the Coast Guard Physical Security Program COMDTINST M5530.1A?*** [Procedures; Prepare Register for Deposit]					
Quant		***Are deposits prepared correctly?*** [Procedures; Prepare Deposit]					
Quant		***Is all appropriate information sent to FINCEN on a weekly basis?*** [Procedures; Mail Deposit]					
		Review copy of packet of information sent to FINCEN.					
Quant		***Is a reconciliation being completed at least once a day?*** [Procedures; Reconcile Cash Collected to Related Services]					

USER FEE COLLECTION AUDIT CHECKLIST

Comment Reference #	Comment

USER FEE COLLECTION AUDIT CHECKLIST

	Overseas Vessel Inspection Unit (OVIU)	**Audit Period:**	
Date:		**Inspectors:**	

Objective	To assess compliance with applicable procedures established by the United States Coast Guard and to evaluate the reliability of financial records and safeguards of government property

Introduction	The USCG will assess whether each collection center is properly following the United States Coast Guard User Fee Collection Instruction (Instruction).

Gray Rows	Gray rows represent questions to be answered during the audit.
White Rows	White rows represent general directions about how to test for the question.
Quantitative Questions	Quantitative questions are those questions that have a set number of transactions to be tested with an equal number of outcomes. For instance, if the auditor is testing how many checks in the cash register have restrictive endorsements, the set number of transactions will equal the number of checks physically in the register. The auditor will observe each check, determine the number of checks that did not have the restrictive endorsement, and compare this result with the total number of checks in the register.
Qualitative Questions	Qualitative questions are questions that can be answered YES or NO using observation and inquiry.
*****	Denotes a critical question.
# Incorrect/ # Tested	Place to note both the number of situations that did not meet criteria of question and total number of situations tested. Example: 7 transactions/ 125 transactions.
Percentage Incorrect	Mark quotient of # Incorrect/ # Tested. Example: 7/125 * 100 = 5.60% incorrect.
Yes / No	Mark appropriate column to signify whether the collection center conformed to the question or not. Quantitative questions must also have a yes or no marked.
Comment Reference #	Make reference to comment number that corresponds to the comment found on the last page of the checklist. Example: Comments column is annotated to say "Comment #5" for a question that did not conform to criterion. On Comments Sheet, Comment #5 explains or clarifies the results of the question. May be used for good comments also.

USER FEE COLLECTION AUDIT CHECKLIST

Directions	1. Determine number of audit sample days. All transactions for audit sample days will be tested in audit. Recommend minimum of five days. 2. Determine dates of audit sample days (i.e., June 5, August 15, September 1, etc). 3. Answer each question of audit checklist. Determine percentage of error for each quantitative question. 4. Prepare audit report. Include quantitative calculations. Document areas which require further attention based on answers to both quantitative and qualitative questions. 5. Distribute results of audit checklist to appropriate individuals.

USER FEE COLLECTION AUDIT CHECKLIST

FINCEN

The purpose of the following questions is to identify issues or problems that occur regularly with this type of collection center or with collection centers in general. The questions should be asked of FINCEN on a periodic basis, and are not part of the audit of the OVIU office.

		What is the frequency of user fee payments being accepted that do not meet verification criteria?					
		Review criteria from Procedures for OVIU Offices, Verify Method of Payment section, with FINCEN representative.					
		If applicable, is the CC properly notifying FINCEN of collections for NSF checks? (If paid at the CC)					
		If applicable, is the FINCEN properly notifying the CC of collections for NSF checks? (If paid at the FINCEN)					
		What is the frequency of returned checks with insufficient or obscured information necessary for collection?					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	OVIU Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Does the OVIU Supervisor appear knowledgeable of and involved in the controls over user fee collections?*** [Introduction to Instruction]					
		Discuss with OVIU Supervisor the procedures for OVIU collections, and his or her involvement in the collection process.					
Qual		***Do personnel involved in the user fee collection process appear knowledgeable of the prevailing Instruction?*** [Introduction to Instruction]					
		Question appropriate employees about their contact with the written Instruction, and whether it is available for reference.					
Qual		***Is the physical handling of user fees limited only to the mail clerk?*** [General Instruction; Definitions, Separation of Duties]					
		Observe the processing of user fees.					
Quant		***Has the OVIU Supervisor assigned in writing OVIU employees the duty of mail clerk and an alternate?*** |[General Instruction; Separation of Duties, Statement of Accountability]					
		Inquire of employees about distribution of user fee collection related duties.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	OVIU Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Quant		***Has the OVIU Supervisor properly documented that each accountable officer at the OVIU Office has read and signed a Statement of Accountability?*** [General Instruction; Statement of Accountability]					
		Obtain all signed Statement of Accountability forms; determine which employees at the OVIU Office are accountable officers; and ascertain whether each accountable officer has a signed Statement of Accountability form on hand at the time of the audit.					
Qual		***Does the OVIU Supervisor have any formal or informal procedures for handling complaints?*** [General Instruction; Special Procedures; Complaint Log]					
		Question OVIU Supervisor/assistant supervisor about existence of procedures for handling complaints and follow-up actions taken, if applicable.					
Quant		***If applicable, does the customer's records show transactions were accepted after the date of notification of the NSF check?*** [General Instruction; Special Procedures; Non-Sufficient Funds (NSF) Checks]					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	OVIU Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
		Examine customer's user fee sheets for activity after the date of NSF check notification.					
Quant		***If applicable, are files properly annotated to reflect the receipt of a NSF check and to flag all future transactions regarding the customer?*** [General Instruction; Special Procedures; Non-Sufficient Funds (NSF) Checks]					
		Examine appropriate customer files to see notes on the status of the NSF check.					
Quant		***If applicable, when NSF checks were subsequently cleared by FINCEN, were files properly annotated to reflect the resolution of the NSF checks?*** [General Instruction; Special Procedures; Non-Sufficient Funds (NSF) Checks]					
		If information is available from FINCEN, determine if checks resolved with FINCEN are properly annotated in the customer's record.					
Quant		***Are all collections processed within 24 hours of receipt?*** [Procedures]					
Quant		***Did the OVIU Office properly issue 3-part collection receipts?*** [Procedures]					
Quant		***Is the OVIU Office log book a complete listing all user fee payments received at the OVIU Office?*** [Procedures]					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	OVIU Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
		Examine log book to determine whether all the appropriate information is recorded for each user fee payment.					
Qual		***Are user fee payments left unsecured at any point during the day by any employee?*** [Procedures]					
		Throughout the day observe where the mail, user fee payments distributed to evaluators (if applicable) and prepared deposit are kept.					
Quant		***Are SSNs or TINs annotated on each check?*** [Procedures]					
		Review the checks that make up the deposit made during audit. Determine if each check has a valid SSN or TIN.					
Quant		***Are checks stamped with the OVIU Office's restrictive endorsement stamp?*** [Procedures]					
Quant		***Are checks and money orders stamped with the OVIU Office's OPFAC and date of deposit?*** [Procedures]					
		Observe the preparation of deposit.					
Qual		***Are receipts present on all photocopies of user fee payments?*** [Procedures]					
		Look for copy of collection receipt stapled to photocopy of user fee payment for transactions in sample.					

USER FEE COLLECTION AUDIT CHECKLIST

Quant /Qual	*	OVIU Audit Checklist	# Incorrect/ # Tested	Percentage Incorrect	Yes (Y)	No (N)	Comment Reference #
Qual		***Is OVIU Office verifying deposits made to Nations Bank are promptly posted to account?*** [Procedures]					
Qual		***Are discrepancies in deposit amounts resolved?*** [Procedures]					
Qual		***Are all daily forms (copies of collection receipts, log book, copies of checks and money orders) available and kept on file?*** [Procedures]					
Qual		***Are remaining collections and mail properly secured when held overnight?*** [Procedures]					
		Observe where the mail and user fee payments are kept at the end of the day.					
Qual		***Are copies of credit card confirmation e-mails from FINCEN available and kept on file?*** [Procedures]					
Qual		***Is the required information being kept in a log book for processing service requests paid for via credit card?*** [Procedures]					

USER FEE COLLECTION AUDIT CHECKLIST

Comment Reference #	Comment

Standard Form 1048
September 1973
I TFRM 4-2000
1048-106

MEMORANDUM

PUBLIC VOUCHER FOR REFUNDS

Voucher No._____

Schedule No._____

U. S. _____
(Department or Establishment, Bureau or Office)

Location: _____

Appropriation or Fund: _____

PAID BY

To

Address

Deposit received from the above-named depositor on _____, 19____

for _____

has been applied as herein stated and the balance indicated is returned herewith:

Amount of deposit _____ $_____

Applied as explained in "Remarks" below _____ _____

_____ _____

Balance authorized to be refunded _____ $_____

Remarks:

Refund by
- Check No. _____
- Cash, $_____ on _____
- Other method, $_____, _____ (Describe)

0

*U.S.GPO:1989-241-175/90164