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MEMORANDUM FOR ARWG

FROM: ARWG/CC

SUBJECT: FINANCIAL MANAGEMENT PROCEDURES (REVISED)

This memorandum prescribes specific financial management procedures for the Arkansas Wing Civil Air Patrol (“ARWG”) pursuant to CAPR 173-1, *Finance: FINANCIAL PROCEDURES AND ACCOUNTING*, Section 3. **Supplements and/or Operating Instructions.** It supersedes ARWG memo dated 1 October 2015. This memo does not change the requirements of CAPR 173-1, CAPR 173-3, *Finance: PAYMENT FOR MISSION SUPPORT*, or any other CAP regulation and related forms regarding financial requirements.

1. **CAPR 173-1. Section 9. Finance Committee. B. Wings. (4).** As part of its responsibility to develop an annual operating budget, the ARWG Finance Committee relies on the ARWG staff for input to develop an accurate budget as a forecasting tool. To enhance the budgeting process, the following budgetary procedures are required of the ARWG staff and project officers.
 - a. **Balanced Budget.** ARWG staff and project officers responsible for planning any ARWG activities shall prepare a zero-balanced budget, meaning expected expenses will be off-set by the expected income. Expenses requiring reimbursement to an individual should clearly indicate those items in operating budgets in order to facilitate the management of limited funds by the Arkansas Wing Commander (“ARWG/CC”) and the Arkansas Wing Director of Finance (“ARWG/FM”).
 - b. **Activities.** All ARWG sponsored activities require adherence to this budgetary policy. Such activities include cadet encampments, conferences, flight clinics, and ground academies. Even if an ARWG activity does not require expenditure of ARWG funds, a memorandum or notation in the operation plan of zero budget impact should be made and reported to the ARWG/CC and ARWG/FM. Activities requiring the expenditure of ARWG funds must be approved by the ARWG Finance Committee prior to the activity. The responsible ARWG staff or project officer should submit the activity request and associated budget information to the ARWG/CC and ARWG/FM far enough in advance to be included in the annual event planning and approval process.

- c. **Reimbursable Expenses.** The ARWG Finance Committee may authorize reasonable expenses incurred by the activity director for ARWG activities, such as travel cost, lodging, per diem at \$35, and incidental costs. Expenses incurred by other staff members and students will not be reimbursed. Expenses for a special instructor may be reimbursed if the staff officer responsible for the activity determines that the special instructor is required for the enhancement of the activity.
 - d. **Credit Cards.** If an activity director has an ARWG issued credit card, the card should be used to pay for activity expenses when possible. The use of a special activity card will reduce paper work and facilitate keeping track of paid expenses. All credit card and banking requirements, as well as all other requirement, of CAPR 173-1 must be observed.
2. **CAPR 173-1. Section 10. Internal Controls.** Regarding invoices to be paid by the Arkansas State Military Department, the Arkansas Wing Administrator (“ARWG/WA”) shall review and initial all invoices prior to forwarding the invoices to the Military Department for payment. This requirement does not apply to aircraft maintenance invoices since such invoices are under the control of CAP National Headquarters, Logistics (“NHQ/LGM”). The ARWG/WA shall consult with the ARWG/CC concerning any questions regarding the payment of invoices to be forwarded to the Military Department.
 3. **CAPR 173-1. Section 11. Banking.** No special activity accounts shall be established unless approved by the ARWG Finance Committee. As an alternative to special activity accounts, the Finance Committee may authorize advances by other means such as pre-paid credit cards dedicated to the special activity, pursuant to CAPR 173-1, Section 6.m.
 4. **CAPR 173-1. Section 20. Credit Cards and Credit Accounts.** The ARWG Finance Committee has authorized the use of ARWG credit cards and credit card limits for wing command and staff and for wing vehicles.

a. Command and Staff Credit Cards.

i. Commander	\$25,000.00
ii. Director of Finance	\$25,000.00
iii. Wing Administrator and Services Coordinator	\$25,000.00

b. Wing Vehicles Credit Cards \$150.00

c. Authorized Expenditures

- i. Wing credit cards are subject to the financial requirements of CAPR 173-1. Thus, each credit card expenditure in excess of \$1500 requires ARWG Finance Committee prior approval pursuant to CAPR 173-1, Section 9.b. (5). Likewise, some or all recurring expenses may be charged to a wing credit card without prior ARWG Finance

Committee approval if the total monthly recurring expenses do not exceed the limits set by the ARWG Finance committee pursuant to CAPR 173-1, 9.b.(5). The limits for recurring expenses for ARWG are set forth in CAPF 172, *Consolidated Finance Authorizations*, with a current limit of \$1500.

- ii. Vehicle credit cards are assigned to each ground vehicle and may be used only for fuel. The ARWG Finance Committee has set a monthly credit limit of \$150 for each credit card, but the ARWG/WA may temporarily increase the limit for good cause. The administrative requirements for the use of the vehicle credit cards are included with the credit card in each ARWG vehicle. The ARWG/WA maintains the administrative policy on the use of vehicle credit cards and will issue instructions as to their authorized use as needed.

5. **CAPR 173-1. Section 24. Travel.** This section requires all wings to establish in a written Financial Management Procedure a travel policy. As required, the ARWG establishes the following travel policy for ARWG members.

- a. **Procedure.** This procedure constitutes the instructions describing the actions required for reimbursement of expenses incurred in the performance of ARWG duties as directed by the ARWG/CC in support of authorized ARWG CAP activities. The travel undertaking in support of these duties must have the prior approval of the ARWG/CC. These instructions do not change the requirements of CAP regulations concerning reimbursement of expenses properly reported on e108's and related CAP forms.
- b. **Expenses Eligible for Reimbursement.** Reimbursement is authorized for travel, lodging, and miscellaneous expenses incurred while performing duties assigned by the ARWG/CC at a CAP activity. Reimbursement is limited to those expenses and related amounts allowed by current versions of CAPR 173-3, *Finance: PAYMENT FOR MISSION SUPPORT*, Section 1.1.4. Mission travel and per diem expenses associated with the mission. The regulation provides per diem at \$35 for a full day and travel days at 75% of the full day rate. Vehicle fuel cost is reimbursable at the actual cost. Copies of actual fuel receipts are required. Reimbursable commercial travel includes air fare, airport and other parking fees, baggage fees, taxes, and rental car cost and other ground transportation expenses. All such fees must be reasonable and normal for the location. All ARWG members are expected to use CAP vehicles and aircraft or seek the most reasonable, economical form of commercial travel taking into account both time and money. ARWG members seeking exceptions from this policy should seek the prior approval of the ARWG/CC.
- c. **Submission for Reimbursement.** Reimbursement will be provided upon submission of a request for reimbursement. The appropriate payment and travel vouchers will be provided by the ARWG/WA.
 - i. The vouchers with supporting receipts should be submitted to the ARWG/WA, who will review the request for accuracy and completeness. The ARWG/WA will return the request to the member if it is not accurate

or deficient in description and supporting documentation. ARWG follows IRS and CAP NHQ rules, regulations, and guidelines for authorized expenses and required documentation. Original receipts, as opposed to periodic credit card statements, are required. Any questions as to supporting documentation should be directed to the ARWG/WA.

- ii. If sufficient, the ARWG/WA will forward the request to ARWG/FM for approval. The ARWG/FM may forward the submission to the ARWG/CC for further review for good cause.
- iii. ARWG will process requests for reimbursement as soon as feasible to ensure that requests are paid no later than 30 days after submission of the request.
- iv. Members should submit requests for reimbursement within 45 days after the conclusion of the authorized activity or risk not being reimbursed.



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