Background Statement:

In a memorandum dated September 13, 2018, then National Commodore Richard A. Washburn provided a comprehensive statement providing guidance in respect to the use of the Federal Identification number assigned to the Auxiliary, the Auxiliary as a charity, local sales and use tax numbers, and the role of the Coast Guard Auxiliary Association, Inc. in charitable activities. COMO Washburn’s statement is provided below. If anyone seeking to make a donation to an Auxiliary unit requires receipt of a statement to be used in obtaining a tax deduction, it would be best to have the donor make the donation through the CGAuxA, Inc. and receive the necessary letter of donation.

A. Auxiliary as a charity

“The Coast Guard Auxiliary is recognized by the Internal Revenue Service as a government entity. The United States Coast Guard Auxiliary has never been a not-for-profit entity or any other type of charitable organization. No Auxiliarist or any element or unit of the Auxiliary should ever represent to anyone, vendor, contractor, financial institution, state or local governmental municipality, that the Auxiliary or any of its units is a not-for-profit or charitable entity. We are not.”

B. Coast Guard Auxiliary Association, Inc.

“In contrast, the Coast Guard Auxiliary Association, Inc. (”The Association” or CGAuxA”), to which all members of the Auxiliary belong, is a not-for-profit corporation incorporated in the District of Columbia and granted tax exempt status under Internal Revenue Code subsection 501 (c)(3). It is the only entity established by the National Board of the Coast Guard Auxiliary and authorized by the Commandant to manage all fiscal matters and fundraising efforts in support of Auxiliary activities not funded by the Coast Guard. See the Auxiliary Manual Chapter 5, section H. Without specific authorization from the President of the Association, no member of the Auxiliary is authorized to open accounts or transact business of any kind in the name of the Association.”

“Any unit which has obtained a tax-exempt certificate from any state government or local municipality based on representations that it is a not-for-profit or charitable entity must have that certificate revoked and, if the local law permits, ask that it be reissued on the basis of its status as a government entity. Your DSO-LP should be requested to handle that process.” [DSO-LP Note: All sales tax numbers or letters issued in 1SR is based on the Auxiliary being recognized as a government entity and therefore is not any issue.]

C. Auxiliary taxpayer identification number

“The applicable Commandant Instruction states that the proper Federal taxpayer identification number (sometimes called ‘employer identification number’ or ‘EIN’) issued by the IRS for all units of the Auxiliary 52-1500576, should be used on all Auxiliary unit5 accounts. See Auxiliary Manual COMDTINST M16790.1 (series) Chapter 5 subsection N.3. No unit my obtain or use any other identification number. Units that have accounts under any other number shall request that the financial institution in which those accounts are held replace that number with the
authorized number. There are not exceptions. Units encountering any resistance to the use of the authorized number from any financial institution or vendor should either select others with which to do business or seek assistance from the District’s DSO-LP to resolve the conflict.” [DSO-LP Note: Your DSO-LP, DSO-FN or COMO can supply you with a text of the letter received from the IRS setting forth the EIN number quested in this guidance to be provided to the financial institution.]

D. Communication with IRS or state taxing authorities

“Under no circumstances may an Auxiliarist acting on behalf or a unit of the Auxiliary communicate with the Internal Revenue Service for any purpose without permission from the Chief Director of the Auxiliary obtained through the chain of leadership and management. ‘Auxiliarist shall not communicate with officials of other Government agencies in the name of the Auxiliary unless the Chief Director determines that the need for such communication is consistent with Coast Guard and Auxiliary policy, and grants specific permission in advance of the communication...’ See Auxiliary Manual, Chapter 5 subsection B.1. The Chief Director has granted permission to all DSO-LPs to communicate directly with federal or state tax officials to correct any errors described in this message.”

“There are exceptions to this instruction; however, none of these exceptions authorize communication with the internal Revenue Service on behalf of a unit of the Coast Guard Auxiliary without first obtaining the required permission.”

E. Questions

“Any questions regarding this message should be directed to the District’s DSO-LP through the appropriate chain of leadership and management.” [DSO-LP note: there is a separate portion of the DSO webpage which specifically addresses the sales tax number for each state encompassed by 1SR]

12-26-19