



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
FINANCIAL MANAGEMENT AND COMPTROLLER
109 ARMY PENTAGON
WASHINGTON DC 20310-0109


SAFM-FO

JUL 09 2019

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Fiscal Year 2019 – Policy Execution Procedures (PEP) for Nonappropriated Fund Instrumentalities (NAFIs) Finance and Accounting Policy Implementation

1. This PEP establishes finance and accounting policy implementation for Army NAFIs in accordance with the enclosed document (Policy Execution Procedures, Chapter 32, dated June 2019).
2. This memorandum certifies that this PEP is effective immediately.
3. The point of contact for this action is Mr. Johns, D., Staff Accountant, DASA-FOP, duval.johns.civ@mail.mil and can be reached at (571) 256-6458.



Wesley C. Miller
Deputy Assistant Secretary of the Army
(Financial Operations)

Encl
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SUBJECT: Fiscal Year 2019 PEP: NAFI Accounting Procedures

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**SUMMARY OF MAJOR CHANGES TO
POLICY EXECUTION PROCEDURES, CHAPTER 32
“ACCOUNTING PROCEDURES FOR ARMY
NONAPPROPRIATED FUND INSTRUMENTALITIES ”**

All changes are denoted by blue font

Substantive revisions are denoted by a ★ preceding the section,
Paragraph, table or figure that includes the revision

Hyperlinks are denoted by *underlined, bold, italic, blue font*

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
320309	Added new General Ledger Accounts (GLACs) and new GLAC titles: GLACs 122, 253, 254, 276, 546, 563, 564, 565, 575, 630, 631, 675, 706, 707, 761, 762, 765.	Update
Attachment 2	Added GLAC descriptions for GLACs 122, 253, 254, 276, 546, 563, 564, 565, 575, 630, 631, 675, 706, 707, 761, 762, 765.	Update
320309	Rescinded GLACs and GLAC titles: GLACs 189, 193, 205, 225, 226, 227, 248, 251, 556, 622, 752, 756, 848, 849.	Update
Attachment 2	Rescinded GLAC descriptions for GLACs 189, 193, 205, 225, 226, 227, 248, 251, 556, 622, 752, 756, 848, 849.	Updated
320309 & Attachment 2	Changed the title of GLAC 742 from “Furniture and Equipment Expense “ to “Capital Items –UFM” (use restricted to the APF Support Departments GL, GF, GH and GJ).	Update

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Foreword

This chapter of the Policy Execution Procedure is for use by all nonappropriated fund accounting offices which use systems developed by the Department of Army. The chapter contains policies and procedures specific to those systems. General or non-system specific policies and procedures have been excluded from this chapter. For example, the requirement that nonappropriated fund instrumentalities (NAFIs) conform to generally accepted accounting principles is not system specific and applies to all DoD NAFIs. Therefore, it is excluded from this chapter.

This chapter supersedes all previously published policies and procedures. All NAF Financial Management Operating Guidance Memoranda shall be issued by the Army's executive agent for NAF Accounting Policy and Systems in coordination with Defense Finance and Accounting Services (DFAS) Nonappropriated Fund Financial Services (NFS).

**ACCOUNTING PROCEDURES FOR NONAPPROPRIATED
FUND INSTRUMENTALITIES**

3201. GENERAL INFORMATION.

320101. PURPOSE. This chapter prescribes a uniform system of accounting for Army NAFIs that is like a commercial system. It has standard financial statement formats to allow the operating results of NAFIs to be compared with each other and can be adapted to all NAFIs authorized by AR 215-1. This chapter applies to both manual and automated NAF accounting systems. The Nonappropriated Fund Information Standard System (NAFISS) is the only automated system authorized for Army NAF accounting outside IMCOM-Europe. NAFISS consists of seven subsystems: Mutual Data (MD), General Ledger (GL), Accounts Payable (AP), Accounts Receivable (AR), Inventory/ Stock Record (SR), Fixed Assets (FA), and Budget (BG). The MD, GL, FA, and BG subsystems are mandatory for using NAFISS. The AP, AR, and SR subsystems are optional. Great Plains is the standard NAF accounting system for IMCOM-Europe and consists of the following subsystems: General Ledger, Accounts Receivable, Accounts Payable, Fixed Assets, and Budget.

320102. REFERENCES. Required and related publications and prescribed and referenced forms are listed in Attachment 1.

320103. RESPONSIBILITIES.

32010301. Garrison Commanders. Garrison commanders will:

- A. Fulfill the responsibilities required in 320201.
- B. Make sure that adequate internal controls are set up to preserve the integrity of each fund.
- C. Determine disposition of assets of dissolved CAOs (per 320207).
- D. Appoint an official, usually a member of the garrison Financial Management Division (FMD), as point of contact between fund managers and the servicing CAO.

32010302. Central Accounting Office. The central accounting office will do the accounting and supply those services needed to support its serviced NAFIs (see 320204).

32010303. Central Accounting Officer. The central accounting officer will perform those functions listed in 32020201.

32010304. Fund Managers Functions. Fund managers of serviced NAFIs will:

A. Administer their own funds, except for formal accounting and reporting functions. They may consult with the CAO in interpreting their financial statements; however, fund managers will be solely responsible for actions taken based on interpretation of financial data supplied by the CAO.

B. Provide the CAO with each month's ending inventory and conduct physical inventories as required.

C. Requisition purchases of merchandise and supplies.

D. Approve the establishment of change funds and petty cash funds. (See 32040109 and 32040111.)

32010305. Misrepresentation of Financial Data. All revenue and expenses are to be accurately reported under the appropriate program code within the correct MWR category. Revenues and expenses pertaining to a particular program and/or activity must be matched within the appropriate department, location, and program code. When financial data is not properly reported due to the lack of clear guidance, the manager or accountant cannot be faulted for using his best judgment. However, deliberate manipulation or misrepresentation of financial data may constitute violation of 10 United States Code, Section 2783, which affords nonappropriated funds (NAFs) the same protection and requires the same penalties for substantial violations of regulations as those under provisions of Federal Law that governs the misuse of appropriations. Examples of misrepresentation include:

A. Deliberately reporting activities in an unrelated program code, particularly in the wrong MWR category that could lead to unauthorized funding.

B. Willfully transferring expenses to another activity to make one activity “look better.”

C. Combining separate operations to report net operations to mislead or to misrepresent the financial results of activities.

D. Purposely not “matching” all income and expenses of an activity in the same period or in the same department/location/program.

3202. THE CENTRAL ACCOUNTING OFFICE

320201. ESTABLISHMENT OF A CENTRAL ACCOUNTING OFFICE.

32020101. Central Accounting Office. Each garrison, community, or region will have a central accounting office (CAO) to do the accounting for all of its NAFIs. The CAO will give timely, standard accounting and reporting services. The CAO will service each NAFI unless an exception to policy is granted.

32020102. Organization and Funding. The CAO will be set up as a division of the Directorate of Resource Management (DRM) and funded and accounted for as part of the DRM except NAF Financial Services (NFS) at Texarkana, Texas. NFS is part of NAF Directorate, DFAS, Texarkana.

32020103. Services Provided. The CAO provides services that are normally provided by a commercial accounting office.

32020104. The Central Accounting Officer. The central accounting officer has the responsibility to account for the funds of the serviced activities and for funds entrusted to the CAO. The central accounting officer may be-

- A. A GS-510 accountant paid from appropriated funds (APF).
- B. A commissioned or warrant officer.
- C. A NAF-510 NAF accountant.

32020105. Appropriated Fund Support.

A. Authorized APF Support. Appropriated fund support in addition to the salary of the central accounting officer is authorized under AR 215-1. The support can only be provided in the form of appropriated fund employees, appropriated funded supplies and materials, or through a contract issued by the appropriated fund procurement office. Allowable appropriated fund support is calculated as follows: Total NAF CAO costs (excluding the central accounting officer position and NAF data automation costs), APF support-40%, NAF support-60%. If the CAO has GS employees other than the central accounting officer, 60% of the value of these GS salaries must be subtracted from the total allowable support. The 60% will be prorated among all NAFIs based on how total CAO costs are prorated, if they are prorated. APF support may be given to the extent funds and appropriated-fund civilian or military positions are available for positions specifically authorized.

B. ADP Cost. The CAO is authorized appropriated fund support for 65 percent of the CAO Automated Data Processing (ADP) cost. Refer to AR 215-1, app D, for details.

32020106. Emergency Checking Account. When the garrison is serviced by the consolidated CO, an emergency checking account may be set up for a garrison by the CAO. The disbursing agent should be the DAO. If there is no DAO, the garrison commander may appoint a disbursing agent. The emergency checking account (GLAC 113) will be set up with a CAO check. (See A040108 for account restrictions.)

320202. CAO AND NAFI ADMINISTRATION. In the general administration of CAOs and NAFIs, responsibilities involve specific tasks. Later chapters further detail such procedures for various types of funds. The basic administrative tasks are outlined below-

32020201. Central Accounting Officer Duties. The central accounting officer will:

A. Sign checks in payment of valid obligations of serviced funds after verifying bank account balances are sufficient for payment. The CAO can delegate check signing authority to an alternate.

B. On request from the NAFI and/or program manager, perform budget variance analysis and provide results to fund managers.

C. Prepare reports related to or included with the financial statements, coordinating data with fund and/or program managers.

D. Develop a fair method for prorating the CAO operating cost to serviced NAFIs.

E. Submit all requests for fund equity adjustments through command channels to DFAS-Indianapolis for approval.

F. Ensure all routine interfund transfers and authorized debts between funds are liquidated within 30 days of the transactions unless interfund transfers including loans of more than 30 days are authorized by AR 215-1.

G. Provide change fund balances and petty cash fund balances and usage information to fund managers not less than once a year. Fund managers will determine if amounts appear to be either excessive or inadequate and will authorize increases or decreases in balances as appropriate.

H. Meet with NAFI management at least monthly to discuss the financial reports and/or to give technical advice when the CAO is located on the installation served.

I. Prepare the CAO annual budget to include providing accounting and other costs data for inclusion in the appropriated fund budgets.

J. Direct day-to-day operations of the CAO. This is usually carried out through subordinate accountants, accounting technicians, and clerical personnel.

K. Advise subordinates on classification of transactions.

L. Plan and schedule accounting operations and computer processing.

M. Prepare requests to higher headquarters to change accounting policy or systems.

N. Advise the NAFI fund and/or program managers on the financial aspects of operations on their request.

O. Ensure the CAO and serviced NAFIs comply with DFAS accounting policies and procedures and apply generally accepted accounting principles on a consistent basis.

P. If requested by fund management, provide a quarterly financial analysis of each fund's financial statement using tools and techniques discussed in chapter 11. However, management analysis is the responsibility of the NAFI manager. (See AR 215-1).

Q. Ensure accounting functions are performed efficiently and at the lowest cost to serviced NAFIs.

R. Make disbursements only as permitted in chapter 5.

S. When notified of a change of NAFI managers, request that-

1. Reconciliations of all assets, inventories, and liabilities are prepared, reviewed by both the outgoing and incoming NAFI managers. Both NAFI managers will verify the validity of the reconciliations and the financial statements. (See Figure 2-1)

2. Incoming and outgoing NAFI managers each receive a copy of the certification of fund transfer, completed inventory statement, completed inventory listings, a copy of the appointment orders for the new manager, and all recommendations and command responses.

3. Transfer of accountability is performed at end of month if possible. If performed during the month, prior month financial statements will be used for the transfer.

T. Footnote financial statements where appropriate to disclose the occurrence of Fund Equity Adjustments or similar changes.

32020202. Duties of CAO Personnel. Central accounting office personnel will:

A. Maintain all books of original entry (journals and registers), the general ledger, and related subsidiary ledgers, including fixed asset records.

B. Prepare all disbursement vouchers and checks after assuring availability of funds.

C. Prepare required periodic financial reports (The CAO gives the fund manager ratios and percentages and narrative analysis thereof. The CAO also gives variances in relation to established standards or approved budget goals upon request).

D. Prepare other information when required by management or higher authority on a temporary basis with a goal of standardization. The CAO may provide technical advice, but will not prepare other NAFI budgets.

E. Prepare financial reports for all serviced funds in order to close the general ledger no later than the 10th work day of the following month except for fiscal year-end when the general ledger will be closed no later than the 14th workday of the following month. A major departure in NAFI performance from the previous periods should be discussed with the NAFI managers prior to closing the general ledger.

F. Prepare an annual operating budget for the CAO and a schedule that shows the estimated amounts to be assessed each serviced NAFI. The CAO also prepares comparative financial statements of the CAO operations. The CAO analyzes costs in relation to prior year costs and projected (budgetary) costs.

G. Reconcile the bank accounts of serviced NAFIs monthly. Review daily account balances shown on monthly bank statements to ensure that insurance and collateral are sufficient.

H. Compute the cost of operating the CAO for each NAFI and collect monies due.

I. Maintain DA Forms 1991 (Stock Record Cards), when NAFI management determines it is feasible and cost effective.

J. Arrange for an independent inventory observer to observe the required fixed asset and resalable merchandise inventories. NAF Financial Services at Texarkana, Texas will request that the installation NAFI management arrange the inventory for those NAFIs it serves.

K. Review transmittal letters and attached documents for completeness and accuracy. Review daily activity reports to ensure accuracy and receipt of proper supporting documentation.

L. When automatic upstreaming by the Family Morale, Welfare, Recreation (FMWR) Investment and Banking Office is not possible, obtain daily cash deposit data from each fund's local depository bank and make fund transfers to the central bank. CAOs may use alternative methods to determine deposit data and account balances available for transfer to the central bank. When the accounting is not performed on the installation, the CAO may delegate the function, in writing, to NAFI personnel on site.

M. Notify NAFI managers of missing or delayed fund deposit documentation.

N. Prepare reports concerning local bank deposits per AR 215-1.

O. Date-stamp all incoming documents.

32020203. NAFI Manager Tasks. NAFI managers-

A. Make bank transfers of funds when authorized in writing by the CAO to do so.

B. Collect monies and make bank deposits, and furnish the CAO with all required documentation of cash receipts and deposits. (See chap 4 for requirements.)

C. Take month-end physical resale merchandise inventories and send documents to the CAO within 2 working days.

D. Take action to collect dishonored checks and delinquent accounts receivable.

E. Maintain change funds and ensure that checks are cashed only for members or other authorized persons.

F. Ensure invoices mailed by vendors are sent directly to the CAO, except invoices for NAF insurance programs described in AR 215-1.

G. Furnish the CAO with minutes of council meetings, where a council exists. They furnish approved budget and other information to the CAO, as required, for accounting and reporting purposes.

H. Maintain petty cash funds and ensure vouchers are prepared to support all disbursements from such funds. Petty cash must be replenished at the end of each month. Negative submissions are required.

I. Submit a formal written request for any cash advance, including for travel and tour events, to the CAO. (This request will show the amount of the advance. It will include an agreed-upon time period (e.g., 24, 72 hrs) for submission of proper receipts and documents.)

J. Send daily activity reports, purchase orders, receiving reports, delivery tickets, and other required supporting documents to the CAO.

1. Sequentially-numbered daily transmittal letters (TLs) will be used. Transmittal letters confirm receipt of all documents. The correct submission of a TL ensures timely delivery of each document as it is received in the CAO. Separate TLs will be prepared for DARs, accounts payable documents, and payroll documents. Each month's business will begin with number "1" and each TL that follows will be numbered consecutively, with no skipped numbers or duplicated numbers within that fund's/location's series. The point of contact (POC) and the POC's phone number will appear on each TL. The installation and fund or location names and/or codes must be on each TL. Multiple months' business will not be combined on one TL. A TL must accompany every document sent to the CAO. A master TL is recommended but not required.

2. All documents will be sent within 2 working days of receipt or issue.

320203. ELECTRONIC MEDIA. If electronic media is used to transmit DARs to the CAO, original documents do not have to be sent to the CAO unless the CAO asks for the documents. Electronic Document Management (EDM) is an imaging and workflow system that permits the CAO to work with documents more efficiently by providing electronic capture, storage, and the displaying of documents submitted by the activities. The use of EDM is an authorized means of submitting documents. Scanned documents by other means are acceptable. However, the original documents must be kept on file for four years after the close of the fiscal year.

320204. ACCOUNTING POLICY FOR A CAO. Total CAO operating costs will be prorated to serviced funds based on percentage of workload for each fund. The expense will be recorded on the serviced funds' books each month and income will be recorded on the CAO's books. The CAO will not charge itself for maintaining accounting records. The portion to be charged to each serviced fund will be based on the number of documents processed for that fund, relative time spent on that fund, or by another equitable prorating method. Volume of sales and number of personnel employed by a fund are not considered workload factors for this purpose. Costs that can be directly traced to a particular fund will be charged to that fund.

320205. FINANCIAL STATEMENTS OF THE CAO. CAOs will prepare an income statement each month. The statement will summarize the results of financial operations and financial condition of the CAO, to aid CAO management in the control and planning functions.

320206. CAO COST PERCENTAGE. The CAO cost percentage measures NAF CAO expenses as a percentage of the total revenue of serviced NAFIs. The CAO cost percentage is heavily influenced by the work environment. Some of the factors affecting it are labor costs, changes in NAFI revenue, and the complexity of the serviced NAFIs. The CAO cost percentage is an important indicator, but it doesn't measure quality of CAO services. The DFAS-established CAO gross cost goal is not to exceed 2.0% of total NAFI revenue. Gross CAO costs include all NAF expenses including the salary and benefits of Central Accounting Officers paid from NAF.

320207. DISSOLVING A CAO. A CAO will be dissolved when the installation is inactivated or abandoned or the NAF entities can be more effectively serviced by a CAO at another location. Approval to dissolve a CAO must be requested from DFAS-Indianapolis. When a CAO is dissolved, all NAF-purchased assets will be transferred to NAF Financial Services at net book value. APF-purchased assets will be transferred to the local installation.

3203. THE NAF ACCOUNTING CLASSIFICATION CODE SYSTEM

320301. SCOPE OF THE SYSTEM. A uniform system for coding transactions has been developed to insure consistency in financial management procedures as well as flexibility in application to either manual or mechanized accounting records in the NAF area.

320302. ACCOUNTING CLASSIFICATION CODE. The NAF accounting classification code is a 12-position code. This code shows the major command, the installation, the NAFI, the program code, the location, the department, and the general ledger account related to the transaction. It is made up of six parts, in the following order:

32030201. A two-position Command and Installation code.

32030202. A one-position NAFI code.

32030203. A two-position program code.

32030204. A two-position location code.

32030205. A two-position department code.

32030206. A three-digit general ledger account code (GLAC).

320303. MASTER CHART OF ACCOUNTS. This chapter has the master chart of accounts to be used by commands having the following types of NAFIs: resale and revenue producing; military general welfare and recreation; supplemental mission services; and civilian employees' general welfare and recreation. Each NAFI should select those accounts applicable to its operations. Requests for additions to the chart of accounts should be submitted through command channels to DFAS-Indianapolis.

320304. MAJOR COMMAND AND INSTALLATION CODE. This two-position alphabetic code shows the command and installation, military community, or other area within the command. AR 215-1, Table F-1 lists the standard codes.

320305. NAFI CODE. This one-position code shows the NAFI. AR 215-1, Table F-2 lists the NAFI codes.

320306. PROGRAM CODES. The program code is a two-position code that immediately follows the NAFI code. (For NAFISS input, use "00" instead of the program code. See the NAFISS user's manuals for the detailed instructions). Program codes show the various business activities within a NAFI. AR 215-1, Table F-3 lists Standard program codes.

320307. LOCATION CODES. The location code is a two-position code that immediately follows the program code. Facilities/annexes within a program code will be named by a unique location code. The location codes are assigned locally.

320308. DEPARTMENT CODES. The department code is a two-position code that immediately follows the location code. This code shows the activities of a NAFI for which income and expenses are recorded and reported on the NAFI Income Statement and links the income or expense transactions to the proper department. Department codes are restricted for use. Requests for additional department codes will be sent to the proponent for AR 215-1 for approval. An information copy of the request will be sent to DFAS-IN. AR 215-1; Table F-4 lists standard department codes.

★320309. GLACs. The GLAC is a three digit numeric code that immediately follows the department code. The GLAC shows the general ledger account. The GLACs are listed below in numerical sequence. For their descriptions, see Attachment 2 in this chapter.

ASSETS**Current Assets****Cash**

- 101-US Cash.
- 102-Foreign Currency Cash.
- 103-US Payroll Cash.
- 104-Foreign Currency Payroll Cash.
- 105-Cash Change Fund.
- 106-Foreign Currency Conversion Fund.
- 107-US Petty Cash.
- 108-Foreign Currency Petty Cash.
- 109-Bingo Petty Cash.
- 110-Commercial Credit Card Compensating Balance.
- 111-Local Bank Compensating Balance.
- 112-Foreign Currency Change Fund.

Investments

- 115-NAF Centralized Investment Program.
- 116-Savings Account.
- 117-Marketable Securities.

Receivables

- 119-Advances Receivable.
- 120-ARM Income Receivable.
- 121-Member Receivables.
- ★ 122-Donations Receivable
- 123-Concessionaire Receivables.
- 124-Returned Checks Receivable.
- 125-AAFES Receivable.
- 126-Loans Receivable.
- 127-Claims Receivable.
- 128-Deposits Receivable.
- 129-Guest Ledger Receivables.
- 130-Accrued Interest Receivable.
- 131-Inter NAFI Receivable IMPAC.
- 132-Dividends Receivable.
- 133-Reserve Component Dividends Receivable.
- 134-Allowance for Doubtful Accounts.
- 135-Inter NAFI Receivables-Within IMA Region or MACOM.
- 136-Inter NAFI Receivables-Outside IMA Region or MACOM.
- 137-USA/MFP Income Receivable.
- 138-Layaway Receivables.

139-Commercial Credit Card Receivable.

140-Miscellaneous Other Receivables.

Inventories

141-Warehouse/Storeroom Inventory.

142-Sales Outlet Merchandise Inventory.

143-Inventory In Transit.

144-Work in Progress Inventory.

Prepaid Expenses

151-Prepaid Supplies and Equipment.

152-Prepaid Taxes and Licenses.

153-Prepaid Insurance.

154-Prepaid Maintenance and Repair.

155-Prepaid Tableware, Kitchenware, Linens, and Uniforms.

156-Prepaid Bingo Prizes.

157-Prepaid Rent.

158-Prepaid Guest Supplies

159-Prepaid Items in Transit.

160-Miscellaneous Other Prepaid Expenses.

Fixed Assets

161-Buildings.

162-Accumulated Depreciation-Buildings.

163-Furniture, Fixtures, and Equipment.

164-Accumulated Depreciation-Furniture, Fixtures, and Equipment.

165-Vehicles, Aircraft, and Boats.

166-Accumulated Depreciation-Vehicles, Aircraft, and Boats.

167-Breeding Livestock.

168-Accumulated Depreciation-Breeding Livestock.

169-Building Improvements.

170-Accumulated Depreciation-Building Improvements.

171-Land Improvements.

172-Accumulated Depreciation-Land Improvements.

173-Maintenance and Repair of Facilities.

174-Accumulated Depreciation – Maintenance and Repair of Facilities.

175-Government Titled Buildings and Improvements.

176-Accumulated Depreciation-Government Titled Buildings and Improvements.

177-Other Government Titled Fixed Assets.

178-Accumulated Depreciation-Other Government Titled Fixed Assets.

179-Minor Construction in Progress.

180-Fixed Assets in Transit.

181-APF Authorized Fixed Assets.

182-Accumulated Depreciation-APF Authorized Fixed Assets.

Other Assets

- 185-Long-term Loans Receivable.
- 186-Artifacts.
- 187-Capital Commitments.
- 188-Employee Separation Allowance Sinking Fund.
- ★189-RESCINDED FY 08
- 190-ALF/CWF/PRF Sinking Fund.
- ★193-RESCINDED FY 08.
- 195-Payroll Deposit Receivable.
- 196-Local Payments for NAF Major Construction.
- 199-Miscellaneous Other Assets.

LIABILITIES

Current Liabilities

Payables

- 201-Accounts Payable.
- 202-Deposits Payable.
- 203-Loans Payable.
- 204-Current Term Capital Lease Liability.
- ★205-RESCINDED FY 08.
- 206-Dividends Payable.
- 207-Reserve Component Dividends Payable.
- 208-Vending Machine Revenue Sharing Payable.
- 209-Unclaimed Wages Payable.
- 210-Federal Withholding Taxes Payable.
- 211-State Withholding Taxes Payable.
- 212-Local Withholding Taxes Payable.
- 213-FICA Taxes Payable.
- 214-Health and Life Insurance Premiums Payable.
- 215-Employee Group Retirement Insurance Premiums Payable.
- 216-Employee Supplemental Insurance Premiums Payable.
- 217-Employee Garnishment Withholdings Payable.
- 218-Savings Bond Deductions Payable.
- 219-Charitable Deductions Payable.
- 220-Employee Savings Allotment Deductions Payable.
- 221-Employee Union Dues Deductions Payable.
- 222-Employee Meals Deductions Payable.
- 223-Inter NAFI Payable IMPAC.
- 224-Foreign Withholding Taxes Payable.
- ★225-RESCINDED FY 08.
- ★226-RESCINDED FY 08.
- ★227-RESCINDED FY 08.
- 228-Manual Pay Reimbursements Payable.
- 229-401k Deductions Payable.
- 230-Tips and Service Charges Payable.

- 231-Inter NAFI Payables-Within IMCOM Region or MACOM.
- 232-Inter NAFI Payables-Outside IMCOM Region or Payable.
- 233-US Unemployment Insurance Payable.
- 234-ARM Distribution Payable.
- 235-Demand Deposits Payable.
- 236-Claims Payable.
- 237-Construction Contracts Payable.
- 238-Surcharge Payable.
- 239-Thrift Savings Plan Payable.
- 240-Miscellaneous Other Payables.

Accruals

- 241-Interest Payable.
- 242-Salaries and Wages Payable.
- 243-Annual Leave Payable.
- 244-Payroll Taxes Payable.
- 245-Employee Bonuses Payable.
- 246-Other Employee Benefits Payable.
- 247-US Employee Compensatory Time Payable.
- ★248-RESCINDED – FY 09
- 249-APF US Reimbursed Payroll Payable.
- 250-Bingo Cash Jackpot Payable.
- ★251-RESCINDED – FY 09
- 252-APF Foreign National Reimbursed Payroll Payable.
- ★253-Flexible Spending Accounts (FSA) Payable
- ★254-Donations Payable
- 256-Audit Expense Payable.
- 257-Maintenance Expense Payable.
- 260-Miscellaneous Other Accruals.

Unearned Income

- 261-Special Event Advance Ticket Sales.
- 262-Dues and Assessments Advance Payments.
- 263-Advance Payments on Account.
- 264-Unearned Income-IMCOM/Central-UFM.
- 265-Unearned Income-Local MOA-UFM.
- 266-Deferred Income-Family Readiness Groups (ACS Only).
- ★276-Deferred Income – UFM – Special
- 267-Miscellaneous Other Unearned Income.

Long-term Liabilities

- 268-Long-term Loans Payable.
- 270-US Employee Allowances Payable.
- 271-Foreign National Employee Allowances Payable.

- 272-Reserve for Claims.
- 273-Long Term Capital Lease Liability.
- 275-Miscellaneous Other Long-term Liabilities.
- 288-Superfund Clearing Account.
- 289-Location Clearing Account.

EQUITY

- 291-Contributed Capital.
- 292-Retained Earnings.

INCOME & EXPENSES

Operating Income

Sales

- 301-Cash Sales.
- 302-Credit Sales.
- 303-Layaway Sales.
- 304-Sales Returns and Allowances.
- 305-Customer Discounts.
- 306-Employee Discounts.
- 307-Intrafund Sales.

Cost of Goods Sold

- 401-Purchases.
- 402-Warehouse/Storeroom Requisitions.
- 403-Transfers from Other Funds.
- 404-Transfers from Other Locations/Departments.
- 411-Purchase Returns and Allowances.
- 412-Warehouse/Storeroom Issues.
- 413-Transfers to Other Funds.
- 414-Transfers to Other Locations/Departments.
- 416-Other Inventory Reductions.
- 432-Cost of Goods Sold, Inventory Overages.
- 452-Cost of Goods Sold, Promotions Expense.
- 453-Cost of Goods Sold, Customer Rejected Goods.
- 454-Cost of Goods Sold, Resale Merchandise Spoilage, Breakage, and Obsolescence.
- 455-Cost of Goods Sold, Warehouse/Storeroom Spoilage, Breakage, and Obsolescence.
- 456-Cost of Goods Sold, Inventory Shortage.

Other Operating Income

- 501-Service/Recreation Activity Income.
- 502-Concession Income.
- 503-Special Events Income.
- 504-Rental and Usage Fees Income.

- 505-TV and Radio Rights Income.
- 506-Program and Brochure Income.
- 507-Guaranteed Participation Income.
- 508-UFM Income-IMCOM/Central-Payroll.
- 509-Dues and Assessments Income.
- 510-Foreign Government Reimbursements Income.
- 511-Cash Overage Income.
- 512-Inventory Overage Income.
- 513-Public/Private Venture Income.
- 514-Unofficial Travel Surcharge Income.
- 515-Vendor Reimbursement Income.
- 516-Forfeited Layaway Sales Income.
- 517-Late Charge Assessment Income.
- 518-POV Registration Fee Income.
- 519-Operator License Fee Income.
- 520-Reregistration Fee Income.
- 521-Nonoperational Vehicle Fee Income.
- 522-Weapons Registration Fee Income.
- 523-Returned Check Service Charge Income.
- 524-ARM Profit Distribution Income.
- 525-ARM Expense Reimbursement Income.
- 526-UFM Income-IMCOM/Central-Non-Payroll.
- 527-Service Charge Income.
- 528-Warehouse Price Variance Income.
- 529-Fishing Income.
- 530-Hunting Income.
- 531-Greens Fee Income.
- 532-Driving Range Income.
- 533-Golf Cart Income.
- 534-Instruction Fee Income.
- 535-Lane Fees Income.
- 536-Shoe Rental Income.
- 537-Local Telephone Income.
- 538-Recyclable Material Income (Grant/Distribution)
- 539-Amusement Machine Income (Non-Concessionaire).
- 540-Recyclable Material Income (MWR Operation).
- 541-Commercial Travel Office Commission Income.
- 542-APF Contract Income.
- 543-USDA Income.
- 545-AAFES Dividend Income.
- ★546-Insurance Premiums Income
- 547-Income from Allocation of Expenses.
- 548-Coupon and Special Offer Discounts.
- 549-AAFES Other Income.
- 550-Consignment Income.
- 551-Communications Services Income.

- 553-Commercial Sponsorship Income.
- 554-Food Purchase Rebate.
- 555-Garnishment Processing Revenue.
- ★556-RESCINDED FY 09
- 557-Advertising Revenue Income.
- 558-Abandoned Automobile Income.
- 559-VTO Concession Fee Income.
- 560-FMWR Sponsored Promotions.
- 561-UFM/USA/MFP Income-Local MOA-Payroll.
- 562-UFM/USA/MFP Income-Local MOA-Non-Payroll.
- ★563-UFM Income – Special – Payroll
- ★564-UFM Income – Special – Non-Payroll
- ★565-Athletic Hosting Reimbursements
- ★575-Cadet Athlete At-Home Meal Reimbursement
- 598-Intrafund Transaction Revenue.
- 599-Miscellaneous Other Operating Income.

Expenses

Labor

- 601-Salaries and Wages-US Employees.
- 602-Salaries and Wages-Foreign National Employees.
- 603-Annual Leave-US Employees.
- 604-Annual Leave-Foreign National Employees.
- 605-Sick Leave-US Employees.
- 606-Sick Leave-Foreign National Employees.
- 607-Workers' Compensation Insurance-US Employees.
- 608-Workers' Compensation Insurance-Foreign National Employees.
- 609-Retroactive Wage Increases-US Employees.
- 610-Retroactive Wage Increases-Foreign National Employees.
- 611-Employer's Share of FICA.
- 612-Employer's Share of Employee Group Health and Life Insurance Plans.
- 613-Employer's Share of Employee Retirement Plans.
- 614-Foreign Unemployment Insurance Taxes.
- 615-Foreign Medical Insurance Taxes.
- 616-Foreign Welfare and Pension Taxes.
- 617-US Employee Bonuses and Awards.
- 618-Foreign National Employee Bonuses and Awards.
- 619-Foreign National Employee Separation Pay.
- 620-US Unemployment Insurance Expense.
- 621-US Employee Compensatory Time Expense.
- ★622-RESCINDED FY 09
- 623-Home Leave Expense.
- 624-Other Benefits-US Employees.
- 625-Other Benefits-Foreign National Employees.
- 626-Employer Share of 401k Expense.

627-Employer Share of Thrift Savings Plan Expense.

628-US Employee Severance Pay.

629-Post-Retirement Medical Benefits Assessment.

★630-Post Allowance Expense

★631-FSA Administration Fee Expense

648-APF Foreign National Reimbursed Payroll.

649-APF US Reimbursed Payroll.

650-Capitalized Labor Costs.

Other Operating Expenses

651-Manager's Expense.

652-Promotions Expense.

653-Customer Rejected Goods Expense.

654-Resale Merchandise Spoilage, Breakage, and Obsolescence Expense.

655-Warehouse/Storeroom Spoilage, Breakage, and Obsolescence Expense.

656-Inventory Shortage Expense.

657-Facilities Maintenance and Repair Expense.

658-Equipment Maintenance and Repair Expense.

659-Vehicle Maintenance and Repair Expense.

660-Training Expense.

661-Bad Debt Expense.

662-Discount Lost Expense.

663-Bank Service Charge Expense.

664-Vehicle Operating Expense.

665-Printing Expense.

666-Vehicle License Plate Expense.

667-Vehicle Decal Expense.

668-Guest Supplies Expense.

669-Door Prize and Promotion Expense.

670-Sports Activities Expense.

671-Awards and Trophies Expense.

672-Sports Officials Expense.

673-Recruiting Expense.

674-Scouting Expense.

★675-Cadet Athlete At-Home Meal Expense

676-Sports Visiting Team Billeting and Meals Expense.

677-Program and Brochure Expense.

678-Volunteer Service Expense.

679-Condolences/Memorials Expense.

680-Warehouse Price Variance Expense.

681-Commissions Paid Expense.

682-Civilian Personnel Services Expense.

683-Administrative Support Branch Expense.

684-Central Procurement Office Expense.

685-Central Accounting Office Expense.

686-Contract Services Expense.

- 688-Common Service Fund Expense.
- 689-Payroll Service Expense.
- 690-Data Processing Expense.
- 691-CDS/YA Meals and Snack Expense.
- 692-Training Travel Expense.
- 693-Claims Expense.
- 694-Studies and Analysis Expense.
- 695-Annuity Expense.
- 696-Grant Expense.
- 697-Dividend Expense.
- 698-Vending Machine Income Sharing Expense.
- 699-Major Construction Expense.
- ★706-Guaranteed Participation Expense
- ★707-West Point AAA Outside Services Expense
 - 726-Supplies Expense.
 - 727-Laundry and Dry Cleaning Expense.
 - 728-Ice Expense.
 - 729-Utilities Expense.
 - 730-Communications Expense.
 - 731-Freight Expense.
 - 732-Operational Travel Expense.
 - 733-Insurance Premiums Expense.
 - 734-Building and Contents Insurance Expense.
 - 735-Advertising Expense.
 - 736-Taxes and Licenses Expense.
 - 737-Tort Claims Expense.
 - 738-Audit Expense.
 - 739-Cash Shortage Expense.
 - 740-Interest Expense-Prompt Payment Act.
 - 741-Deposits Lost Expense.
- ★742-Capital Items – UFM (APF Support Depts. Only: GL, GF, GH and GJ).
 - 743-Commercial Credit Card Expense.
 - 744-General Entertainment Expense.
 - 745-Special Events Entertainment Expense.
 - 746-Rental Expense.
 - 747-Flowers and Decorations Expense.
 - 748-Official Hosting and Representation Expense.
 - 749-Tableware, Kitchenware, Linen, and Uniforms Expense.
 - 750-Bingo Prize Expense.
 - 751-Collection Agency Expense.
- ★752-RESCINDED FY 08
 - 753-ARM Distribution Expense
 - 754-PCS Expense.
 - 755-Interest Expense.
- ★756-RESCINDED FY 09
 - 757-Commercial Communication Expense.

- 758-Lodging Fund Surcharge Expense.
- 759-Cable/Pay TV Expense.
- 760-401k Administrative Surcharge Expense.
- ★761-Expendable Furniture & Equipment Expense
- ★762-Mass Transit Subsidy Expense
- ★765-Athletic Hosting Expense
- 798-Intrafund Transaction Expense.
- 799-Miscellaneous Operating Expense.

Other Income

- 801-Interest Income.
- 803-Gain or Loss on Disposal of Other Fund-Owned Property.
- 805-ALF Payment for Guest House Investment Income.
- 806-Nonoperating Sources of Revenue.
- 807-Contributions and Donation from Charitable Sources.
- 808-NAF to APF Conversion Income.
- 809-AMWRF Dividends.
- 825-Miscellaneous Other Income.

Other Expenses

- 826-Interest Expense.
- 827-Loss or Gain on Disposal of Fixed Assets.
- 828-Loss or Gain on Foreign Currency Transactions.
- 830-Isolated Unit Dividend Expense.
- 831-Reserve Component Dividend Expense.
- 832-Loss Due to Closure - Business Based.
- 833-APF to NAF Conversion Expense.
- 834-Capital Reinvestment Assessment.
- ★848-RESCINDED FY 09.
- ★849-RESCINDED FY 09.
- 850-Miscellaneous Other Expenses.

Depreciation Expenses

- 851-Buildings Depreciation Expense.
- 852-Building Improvements Depreciation Expense.
- 853-Furniture, Fixtures, and Equipment Depreciation Expense.
- 854-Vehicles, Aircraft, and Boats Depreciation Expense.
- 855-Land Improvements Depreciation Expense.
- 856-Breeding Livestock Depreciation Expense.
- 857-Other Government Titled Fixed Assets Depreciation Expense.
- 858-Government Titled Buildings and Improvements Depreciation Expense.
- 859-Maintenance and Repair of Facilities Depreciation Expense.
- 860-APF Authorized Fixed Asset Depreciation Expense.

Extraordinary Items

- 890-Loss Due to-BRAC/Re-stationing.

891-Extraordinary Expense.

892-Extraordinary Income.

Income and Expense Summary

900-Income and Expense Summary.

Asset, liability, and equity accounts (GLACs 101-292) normally have a department code of "00". In NAFISS GLACs 151, 155, 156, and 900 will always have a department code of G1. GLAC 141 will always have a department code of W1. GLACs 142, 143, and 144 will have the applicable department code assigned.

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3204. ASSETS320401. CASH AND INVESTMENTS32040101. Cash Receipts.

A. Safeguarding and Depositing. Cash receipts will be safeguarded and deposited by the NAFI in accordance with AR 215-1. The bank deposit slip, properly identified with the NAFI and activity, will be prepared in triplicate. A copy will be kept by the activity preparing it; the bank will keep a copy; and a bank-receipted copy will be sent to the CAO. The copy sent to the CAO will normally be attached to the daily activity report (DAR), but local conditions or procedures may make it necessary for the deposit slip to be separated and sent to the CAO ahead of the DAR. Balances will be upstreamed from the local bank to the Central Bank on a regular basis by the automatic upstream, except when delegated to on-site NAFI personnel as outlined in A020202. L.

B. Receipt Voucher. DA Form 1992 (Nonappropriated Fund Receipt Voucher) or other sequentially numbered receipt document will be used to receipt for cash when the transaction is not recorded in cash registers or on sales slips. A record will be made of the person and section to whom all books of DA Forms 1992 are issued. The original of completed forms will be given to the person from whom the collection was made; the duplicate attached to the DAR and sent to the CAO; and the triplicate will remain in the book in numerical sequence. The person making the collection will sign the receipt; the signature must appear on all copies. If a receipt is spoiled, mark "VOID" across the face of all copies. Attach the original and duplicate to the DAR. Financial Management Division (FMD) or other designated representative of the NAFI Manager will maintain records to ensure that all receipts are accounted for.

C. Incoming Mail. Someone in the control section will open all incoming mail in the CAO. When checks are received, DA Forms 1992 will be prepared. The checks will be stamped "FOR DEPOSIT ONLY" on the back, immediately. The duplicate DA Form 1992 should go to the person remitting the check, however, unless requested by the remitter, it will not be mailed to him or her. It will remain in the book with the triplicate. The original will be attached to the DAR. A deposit will be made as soon as possible. Normally the CAO will not receive cash, but if it happens, a deposit should be made as soon as possible. Where large volumes of checks are received daily at the CAO, instruments other than the DA 1992 may be used as long as strong internal controls are in place and there is a record of all checks received.

D. Daily Cashier's Record. DA Forms 4082 (Daily Cashier's Record) will be prepared by all departments of the fund. Register readings and change fund controls will be in accordance with 215-1. Cash register tapes and copies of all receipt vouchers, sales slips, guest checks, cash collection sheets, and other documents will be attached to the DA Form 4082 as supporting documentation. Sales slips should be segregated for posting of charges to members' accounts.

E. Vending or Amusement Machine Collections. DA Form 4083-R (Vending or Amusement Machine Collections) or an equivalent local form will be prepared each time cash is removed from fund-controlled vending or amusement machines. It will be signed by the

person representing the command plus the fund or vendor representative. The DA Form 4083 will be turned in with the cash and eventually attached to the daily activity report going to the CAO.

32040102. Consolidated Daily Activity Report.

A. Daily Activity Report. The consolidated daily activity report (DAR) is a summary of all the cashiers' and other operating reports of each department by location. DA Form 4082 and bank deposit slips prepared in each activity for the day will be sent to the CAO with the consolidated daily activity report. Discrepancies between the consolidated daily activity report and the supporting documentation will be resolved before submission to the CAO. All NAFIs, locations or departments will prepare a consolidated daily activity report for each day of operation. However, if the weekly volume of business is \$500 or less, activity reports may be prepared weekly rather than daily. Even if activity reports are sent weekly, a report is required on the last business day of each month. If no business has occurred since the last report, a negative report will be submitted. All deposits made during the week will be consolidated on the weekly activity report.

B. Content of Report. There is no DA prescribed format for the daily activity report. However, it must contain at least the following information: date of report, day(s) covered by the report, location code, general ledger account code (GLAC), department code, all revenue received in the period covered, cash overages and shortages, name and signature of person preparing form, and name and signature of person verifying the data.

C. Automation. Several automated point of sale (POS) systems have been established for reporting the financial activity of NAF operations at Army garrisons. These include RECTRAC!, GOLFTRAC, CYMS, Geac, and FOODTRAC!. The proper setup and use of these systems will standardize the NAF DAR and will eventually allow electronic submission of the DAR to a CAO. Guidance for the use of these systems can be found on the FMWR website at this link: <https://www.mwrportal.army.mil>

32040103. Foreign Currency Transactions. Transactions in foreign currency will be recorded at the equivalent dollar rate. The rate of exchange to the US Dollar will be shown on the document evidencing the transaction. A subsidiary ledger will be kept in the foreign currency so that there is a running balance of the amount of foreign currency on hand. This is usually done in the disbursing section. Local procedures for a theater of operations, including rates of exchange, are established by the theater command. The procedures prescribed are generally applicable to NAF and must be followed. Gain or loss on use of foreign currency will be determined and recorded at the end of each month. Amounts such as the changes in the dollar value of foreign currency will be determined and recorded at the end of each month. Amounts such as the changes in the dollar value of foreign currency petty cash funds need be changed only at the end of the fiscal year unless significant. Foreign currency petty cash and change funds should be authorized and accountable as an amount of the foreign currency, e.g., the foreign currency petty cash fund should be stated as 100,000 units of foreign currency; not \$100 worth of foreign currency. The CAO can then adjust the dollar value when necessary on journal voucher. Operating departments (for example, bar, dining room, snack bar) authorized to accept foreign currencies in payment for goods and services may record any currency gain or loss in that department. The gain or loss must be recorded in GLAC

828 (Loss or Gain on Foreign Currency Transactions). The calculation of the gain or loss must be based on the difference between the monthly NAF exchange rate published by the OSFAO (AE AFC-FOD) and the exchange rate charged to customers. Gains or losses on foreign currency that result from the monthly revaluation of accounting records or from the courtesy sales of foreign currencies to customers will continue to be recorded at the fund administration level. Activities accepting foreign currency as payment for goods or services must return change in the same foreign currency. Change may not be returned in dollars. Activities accepting foreign currency payments must maintain a separate change fund and foreign currency accountability for each cashier accepting the foreign currency. Current assets (for example, cash, petty cash, change funds) and current liabilities in a foreign currency will be revalued at the end of each accounting period. The exchange rate to be used in the revaluation is the published exchange rate that will be in effect for the following month.

32040104. Checking accounts.

A. Separate Checking Account. Each NAFI must have a separate checking account. Under no circumstances will cash of one NAFI be used to pay obligations of another. The CAO will not sign a check in excess of the checking account balance.

B. Monthly Bank Statements. The bank will be requested to mail or deliver monthly bank statements directly to the CAO. The CAO will reconcile each bank statement to the accounting records monthly. Use of DA Form 5353-R (Bank Reconciliation Worksheet) is optional. The CAO will also check the bank statement for any electronic transfers of funds they weren't aware of. Unidentified items of \$1 or less may be adjusted without further research.

C. Checks Outstanding. When checks are outstanding for 4 months after the issue date, a follow-up will be required. A stop payment order will be issued for all checks outstanding over 6 months unless the bank has a stale date policy, the check has a stale date printed on it, or the service charge for a stop payment order is more than the check amount.

D. Bank Account Signatory. The person appointed as a bank account signatory will sign the forms prescribed by the bank and send them to the bank.

E. Cash In Bank-Payroll.

1. Unclaimed Checks. Payroll checks that have been unclaimed for one month past issue date will be marked "Void" and will be returned to the Payroll Branch of NAF Financial Services (NFS) for proper cancellation. When NFS transfers the unclaimed wages back to the employing garrison, the amount will be recorded in GLAC 825.

2. Outstanding Checks. When checks are outstanding for 6 months after the issue date, a stop payment order will be issued. The offsetting increase in payroll cash will be credited to GLAC 825. The stop payment order need not be made if either-

- a. The servicing bank has a stale date policy: or

b. The service charge is greater than the check amount. In the case of NFS check, the amount will be reimbursed to the participating NAFI.

F. Signing Checks. The only people authorized to sign checks or withdraw funds from the Garrison Operating Entity bank account are authorized personnel within the CAO and personnel outside the CAO who are authorized in writing by the CAO to do so. Dual signatures are required when separation of duties is not possible and when the amount of the check exceeds the signer's fidelity bond limit.

32040105. Blank Check Stock.

A. Pre-numbered and Storage. Checks will be sequentially pre-numbered by the printer and imprinted with the words "an instrumentality of the United States". Blank check stock will be inventoried upon receipt, stored in a locked, fire-resistant safe with a combination three-tumbler lock, and issued for each day's business using a signed register. The safe must not be easily movable or accessible to check writing personnel.

B. Stock Pile. Blank check stock on hand should never fall below a 90-day supply. A separate record is required for each bank account. The CAO may designate someone to perform the duties of keeping the records and controlling the blank check stock, but it cannot be one of the check writers or signers.

1. The CAO or designee will sign on receipt of new stock from the bank or printer; the check writer will sign for blank stock issued; and the CAO or designee will sign for any blank stock returned by the check writer. The form must be completed and signed at the time the checks are received, issued, or returned.

2. The following is an alternate method which is useful when a CAO has several bank accounts:

a. A form similar to a stock record will be maintained for each bank account.

b. Another form is prepared listing all checks issued at the beginning of the day. The person receiving the blank checks will sign the form acknowledging receipt.

c. At the end of the day, the unused checks will be noted on another issue form and the person designated by the CAO will sign the form acknowledging receipt. The checks will be returned to stock. The number of checks used will be posted to the stock record at least weekly and at the end of the month.

32040106. Check Signing Equipment. There are three components to check-signing equipment: a signature plate, a key to the machine, and the machine itself.

A. The signature plate must be in the custody of the signatory. When not in use, the plates will be stored in a container with a lock.

B. The key to the machine must be in the possession of the signatory. A designated representative will be authorized to sign checks during the signatory's absence. When the signatory is to be absent, the designee is given the lock and machine keys and signature plate for which he signs a receipt.

C. A duplicate machine key and the key or combination to the container holding the plates will be placed in a sealed envelope and stored in a safe that does not contain the plates.

D. A log will be maintained to record machine usage. Whenever the machine is operated, the signatory or authorized operator will enter the beginning and ending readings, date, and their initials on the log.

E. When a change of signatory occurs, destroy the signature plates with the destruction witnessed by two other persons. A certificate of destruction will be prepared and signed by the two witnesses and the successor signatory.

32040107. Disbursements.

A. Each of the following steps in the disbursement procedure will be done by a different person:

1. Authorization of payments.
2. Preparation of checks.
3. Signing of checks.
4. Reconciliation of bank accounts.
5. Blank check storage and reconciliation.

B. Spoiled checks will be made non-negotiable by cutting off the signature block and writing "VOID" across the face of the check. Voided checks will be filed in the canceled check file.

C. Checks will be signed by authorized signatories. Blank checks will not be signed before preparation.

D. Alternate signatories should be appointed so that checks can be signed on a timely basis.

E. The normal method of delivery of checks is by mail, however, they are frequently picked up in person. The person delivering checks must ensure that the person picking up a check is the payee or has been designated to pick up the check.

32040108. Emergency Checking Account. This type of checking account will be set up by installations served by the consolidated CAO, according to A020107. These accounts will be set up at the Central Bank, separate from the main checking account. The account will be recorded under GLAC 113-Emergency Checking Account. Any such accounts will be subject to the following restrictions:

A. The disbursing officer will maintain adequate internal control procedures for cash. (Refer to AR 215-1, Chapter 11).

B. The account will be limited to emergency use only. (Examples are last minute changes of entertainment groups that require one check be voided and a replacement issued, club cash door prize drawings, and unforeseen petty cash replenishment requirements.) Discrepancies and evidence of misuse of a special account should be reported to the garrison commander at once.

C. The account balance will not exceed \$5000 per NAFI. The amount of the cash advances to the NAFI will be reviewed quarterly by the CAO to ensure cash is not in excess of emergency needs. Additional cash requirements should be submitted through command channels to DFAS for approval.

D. The local installation DAO disbursing agent will maintain control and signature authority over the account.

E. The fund manager will supply the DAO disbursing agent with the proper supporting documents. Within 48 hour of the transaction, the disbursing agent will transmit the supporting documents to the CAO.

F. The account will be replenished by mail deposit or wire transfer, as required. Suspenses and cash replenishment requirements will be accomplished by the CAO and the serviced garrison by the end of each month. Funds will be transferred from the main checking account to replenish the emergency account.

G. Bank statements will be mailed directly from the bank to the servicing CAO for reconciliation.

32040109. Change Funds. These funds will be used to make change and cash checks. Cash received from operation may be used to replenish the fund at the end of the day as long as daily income is deposited in total and all checks cashed from these funds are deposited daily. In no case will the custodian exchange dollars for foreign currency.

32040110. Foreign Currency Conversion Funds. These funds will be used to convert dollars to foreign currency as a service to members and customers. The fund will not be used

to convert foreign currency to dollars. The dollars collected will be deposited daily or when the fund is replenished and a check issued by the CAO to purchase or obtain foreign currency. The deposit slips should be kept and presented to the CAO when the fund is replenished. Conversion fund rates will be based on the monthly conversion rate established by the theater commander. As a minimum, reimbursement should be requested on the last business day of the month.

32040111. Petty Cash Funds. Petty cash is used for handling minor disbursements. A fixed amount, designated as petty cash, is advanced to an appointed individual. Payments are made by the appointed individual and a petty cash voucher is completed to support each transaction. Periodically, a summary is prepared and sent to the CAO. The petty cash vouchers must be submitted to the CAO at the end of each accounting month. The CAO issues a check payable to the petty cash fund custodian to reimburse the petty cash fund and the vouchers are charged to the appropriate expense accounts. The following policies and procedures apply to petty cash:

A. The NAFI fund manager will appoint individuals to act as petty cash agents. Authorization document will specify by name who is the petty cash fund custodian. Each appointment will be covered by position bond.

B. The amount of a petty cash fund will not exceed one month's requirements.

C. Any one transaction will not exceed \$500. Transactions will not be fragmented to circumvent this limitation. Violations will require commanders' approval prior to replenishment of the petty cash fund by the CAO.

D. If cash is given as bingo prizes, a separate petty cash fund will be used for bingo. Bingo petty cash transactions will not exceed \$1,000 for any one transaction. Transactions will not be fragmented to circumvent this limitation.

E. In foreign locations, an activity may have one petty cash fund in the local foreign currency as well as one in dollars. If an activity gives cash bingo prizes both in dollars and foreign currency, two bingo petty cash funds will be established.

F. There is no limit on the number of petty cash funds a NAFI or Location Code may be authorized, but any one petty cash agent will have as a maximum one non-bingo fund in dollars, one non-bingo fund in foreign currency, one bingo fund in dollars, and one bingo fund in foreign currency.

G. Petty cash funds will not be used for cashing checks, paying salaries and wages, travel payments, or travel advances. Occasional reimbursement for local mileage expense or purchases of gasoline for use in NAFI or privately owned vehicles, while on NAFI business, is authorized. Local travel payments must be supported by a local travel voucher, DD 1164.

H. Each petty cash fund will be reimbursed at least monthly at the end of the month.

I. The CAO will expedite replenishment of petty cash funds.

J. DA Form 1994 (Petty Cash Voucher) will be used to evidence each petty cash transaction. They will be numbered sequentially and controlled by maintaining a record showing to whom they were issued. Original DA Forms 1994, including those voided, will be accounted for by the person responsible and sent to the CAO when seeking reimbursement. The IMWRF manager or designated representative will sign the approval block of DA Form 1993 prior to forwarding to the CAO for replenishment. When the disbursement is made from the petty cash fund, all receipts and other supporting papers will be stamped "PAID" by the petty cash fund agent. DA Form 1993 (Petty Cash Summary Voucher) will be used to summarize the DA Forms 1994 and serve as a cover voucher when seeking reimbursement from the CAO. The DA Form 1993 is an envelope form and the applicable DA Forms 1994 and supporting documents will be enclosed in the DA Form 1993.

K. Normally, NAFIs are not charged any sales taxes, however, in some cases it is more expedient to pay the tax than apply for exemption. Sales taxes up to \$10 on a transaction may be paid from petty cash, provided the petty cash agent includes a statement that attempts were made to gain exemption.

L. Use of petty cash for making purchases through money orders or COD should be avoided when possible since this is a circumvention of normal procurement procedures. Petty cash funds are to be used for payment of incidental expenses for which payment by check is not feasible.

32040112. Customer Refunds. NAFI activities may issue cash refunds directly from the cash drawer. Refunds of more than \$50 will normally be made by check, but the local command may decide the maximum amount the various NAFI activities can refund to customers. Refunds for charge sales will be made as a credit to the charge account. Refunds for credit card sales will be made by credit memo. Cash and check sales may be refunded without a holding period. Proof of original sale/purchase must accompany any request for refund.

32040113. Securities and Investments.

A. A DA Form 4084-R (Investment Register) will be maintained as a subsidiary record to GLACs 115, 116, and 117. This record will be reconciled to the control account each month.

B. Adjustments are required to show gain or loss to the value of securities at time of sale. This is done by a debit or credit to the control account for the change in value; an offsetting credit or debit is made to miscellaneous income or expense account. If required, a statement may be prepared at year end, comparing current market value with cost.

320402. RECEIVABLES.

32040201. Subsidiary Records. The CAO will keep subsidiary records for each member, customer, concessionaire, or other person or activity that owes the NAFI. Aging of accounts receivable will be done and given to the NAFI fund manager.

32040202. Lodging. The CAO will not keep detailed accounts receivable subsidiary records for lodging operations if:

A. The fund gives a copy of all daily check-in and check-out folios to the CAO including voided folios.

B. The folios are pre-numbered.

C. At month end, the fund gives the CAO a list by folio number of all guests still in the facility and the amount due from each guest.

D. The CAO will post the total of daily room charges and cash collections from the daily activity reports. All unpaid guest charges will be recorded in GLAC 129, Guest Ledger Receivables. Do not transfer the amount of unpaid charges after the customer checks out of the lodging facility to GLAC 121, Member Receivables.

E. At month end the CAO will account for all folio numbers and reconcile the general ledger account balance with the fund's list of accounts receivable.

F. This paragraph applies to NAF operations using the Geac system. If a fund uses Geac, the CAO will not keep the detailed accounts receivable subsidiary or receive copies of daily check-in and check-out folios. The CAO will receive the Geac reports identified below to substantiate transactions recorded on the DAR.

1. The CAO will record room charge income on a daily basis. The CAO will receive the following Geac reports on a daily basis from the fund to support the room charge income recorded on the DAR: Daily Revenue Report, Guest Ledger Summary Report, A/R Summary Report, A/R Aging, Deposit Master List, and Daily Cash Out Report, Bank Transaction Report, Credit Balance Report, Bank Night Audit Status Report, and A/R Daily Activity Report. The following worksheets need to be attached to the DAR: LCA & ABF Surcharge Worksheet and the Geac/UX System Balance Sheet. The Daily Revenue Report categories will be recorded as follows: Total Room Charges in GLAC 501, Total Telephone Charges in GLAC 537, Total Food and Beverage in GLAC 301, and Total Rental Income in GLAC 504. The fund must identify the GLAC for the items listed on the Miscellaneous Postings report.

2. The CAO will record customer credit card payments as a debit to GLAC 101, GLAC 110, GLAC 111, and/or GLAC 139 for all applicable commercial credit cards and a credit to GLAC 129, if the credit slips are redeemed by the credit card company. These payments are shown on the Geac Bank Transaction Report. The CAO will receive a copy of this report on a daily basis to support the amounts recorded in GLAC 110 and/or GLAC 139 on the DAR. The fund must identify the credit card payments on this report. This report also shows adjustments

to amounts due from guests who have checked out with an unpaid balance. The fund must also identify these adjustments and the GLACs they are to be recorded in.

3. The Geac Daily Cash Out report lists all cash received from in-house guests. The CAO will receive a copy of this report on a daily basis to support the amounts recorded in GLAC 101, GLAC 102 and/or GLAC 111 on the DAR. The total amount of payments on this report will be credited to GLAC 129. The Bank Transaction report lists all credit cards received from in-house guests and GLAC 110 and/or GLAC 139 will be debited. The total amount of payments on this report will be credited to GLAC 129. The Detail Ticket report lists the amounts received from each guest and the type of payment received.

4. The Geac refunds are listed on the Daily Revenue report under the heading “refunds”. The CAO will receive a copy of this report on a daily basis to support the DAR.

5. The Geac Guest Ledger Summary Report is the detailed subsidiary ledger for in-house guests. This report is produced on a daily basis and shows the charges, payments, and outstanding balance for each guest. The Credit Balance report is submitted daily with the DAR to show all credit balances. The CAO will use the report produced for the last day of the month to substantiate the balance in GLAC 129. The total of the credit balances on this report will be recorded as unearned income, debit GLAC 129 and credit GLAC 263. This entry will be reversed at the beginning of the next month.

6. The Geac Accounts Receivable Balances report is produced on request and shows the amounts due from customers who checked out with an unpaid balance. This report includes the amounts due from credit card companies. The CAO will receive a copy of this report for the last day of the month to substantiate the balance in GLACs 129 and 139.

32040203. Uncollectible Accounts. A receivable (GLACs 121-140) may be considered uncollectible when there is little chance of collecting it. Accounts, for which no collection has been made in the past year, will be considered uncollectible. If a receivable is deemed to be collectable, but collection will be delayed, the CAO should document the collection process and justification for not writing off a valid receivable. Receivables from other federal government entities will not be written off unless there is no chance of collecting the balance. The fact that an account is considered uncollectible does not prevent continued collection efforts by the fund manager. The CAO will write off monthly all accounts on which no collection has been made in the past year and let the NAFI fund manager and garrison commander know of them. This action does not prevent Financial Management Division (FMD) from continuing efforts to collect delinquent accounts. A fund manager may choose the direct write-off method or the allowance method of accounting for uncollectible accounts. If the method is changed, the approval of the garrison commander or equivalent is required. GLAC 661 should be recorded directly to the operating program where the related revenue transaction was originally recorded.

A. Under the direct write-off method, accounts receivable considered uncollectible will be written off by debiting GLAC 661 and crediting the applicable receivable account.

B. Under the allowance method, which should be used only when the NAFI expects uncollectible accounts to total \$300 or more during a fiscal year, an estimated bad debt amount is recorded as a debit to GLAC 661 and a credit to GLAC 134 each month. When a specific account is written off, debit GLAC 134 and credit the applicable receivable account. The following procedures will be used to establish and continue allowances for doubtful accounts:

1. To establish an allowance, find the average of the actual bad debt expenses each year for the past three years. Divide this by twelve to arrive at a monthly figure. Record this amount each month during the fiscal year as a debit to GLAC 661 and a credit to GLAC 134.

2. After the initial year, use prior year records (at least three years) to arrive at an estimated amount that should be recorded for the year. Divide this by twelve to arrive at the amount to record in the allowance account at the end of month (debit GLAC 661 and credit GLAC 134).

3. Alternate methods may be used to arrive at the allowance entry, however, it must be able to stand up to scrutiny. Most intermediate accounting text books and accounting handbooks give various methods of computation.

C. Garrison Operating Entities may take part in the Air Force's commercial debt collection contract. FMD will provide the necessary information for accounting entries on a DAR to the CAO. No accounting entries are required when the receivables are transferred to the contractor. The contractor will keep a 25% commission and forward the remainder to the garrison. The following entry will be used when FMD receives the monthly check from the contractor, which includes interest income and unidentified payments and specifies the amount the contractor kept for his commission.

DR 101-US Cash
DR 751-Collection Agency Expense
 CR 1XX-Various Receivables
 CR 801-Interest Income
 CR 825-Miscellaneous Other Non-operating Income

To record monthly check received from contractor. Contractor's register of collection and deposit ticket serve as supporting documentation.

D. The above instructions do not preclude the CAO from writing off receivables which are over 1 year old. If the contractor makes collection on accounts previously written off, the CAO will reverse the entry used to write off the receivable.

E. For funds using the Geac system, the general ledger write-off entry cannot be recorded by the CAO until the accounts are deleted from the Geac system by the fund personnel. The fund should report account deletions through the Geac system on a daily activity report and attach a copy of the CAO write-off letter verifying which accounts were written off so that the CAO

can record the write-off entry in the same accounting month the accounts are deleted from the Geac system.

32040204. IRS Tax Refund Offset Program. Army NAFIs may participate in the U.S. Treasury Department's income tax refund offset program. AMWRF/FMWR will purchase the receivables from NAFIs at a discounted rate and try to collect from the IRS. The following are accounting entries to record the purchase of uncollectible accounts receivable by AMWRF/FMWR. When a letter of acceptance is received by IMWRF, FMD will notify the CAO. The supporting document for the accounting entries is the letter of acceptance from FMWR.

A. Accounting entries for Garrison Operating Entities.

DR 661-Bad Debt Expense or
DR 134-Allowance for Doubtful Accounts
DR 136-Inter-NAFI Receivables-Outside IMCOM Region
CR 1XX-(Various Receivables)

To establish receivable for sale of uncollectible accounts receivables to AMWRF/FMWR and expense bad debts.

1. When CAO is notified that cash was transferred to the Garrison Operating Entity's account, record the following entry. Letter of acceptance will specify date of cash transfer.

DR 101-US Cash
CR 136-Inter-NAFI Receivables-Outside IMCOM Region

To record receipt of cash from sale of uncollectible receivables.

2. In cases where the receivables were previously written off, record the following entry when the letter of acceptance from FMWR is received.

DR 136-Inter-NAFI Receivables-Outside IMCOM Region or MACOM
CR 661-Bad Debt Expense

To establish receivable for sale of uncollectible receivables to AMWRF/FMWR. Accounts were previously written off.

B. Accounting entries for AMWRF.

DR 799-Miscellaneous Operating Expense
CR 232-Inter-NAFI Receivables-Outside IMCOM Region

To record purchase of receivable (at cost) and establish liability to IMWRF.

DR 232-Inter-NAFI Receivables-Outside IMCOM Region

CR 101-US Cash Account

To record payment to IMWRF for receivable.

1. When the debtor responds to notification of pending action by submitting a partial payment.

DR 101-US Cash Account

CR 599-Miscellaneous Other Operating Income

To record receipt of partial payment on uncollectible receivable purchased from IMWRF.

2. When IRS collected offset against the debtor's federal tax refund.

DR 101-US Cash Account

CR 599-Miscellaneous Other Operating Income

To record receipt of IRS offset.

3. When IRS subsequently approves spousal claim.

DR 599-Miscellaneous Other Operating Income

CR 201-Accounts Payable

To reduce income previously reported as a result of IRS offset and establish liability to DFAS for amount IRS withheld for injured spousal claim.

DR 201-Accounts Payable

CR 101-US Cash Account

To record payment to DFAS for amount IRS withheld for spousal claim.

32040205. Dishonored (Returned) Checks. Arrangements will be made with the bank to have dishonored checks returned directly to the CAO. Upon receipt of returned checks, they will be photocopied (front and back), suspenses will be established, the original checks will be forwarded to the fund manager by transmittal, journal entries will be made, and subsidiary ledgers will be posted. The fund manager or his designee(s) will take collection action. The subsidiary ledger for dishonored checks will be reconciled each month with GLAC 124. The policy and procedures about uncollectible accounts apply to dishonored checks. When served by NFS at Texarkana, TX, checks may be returned by the bank directly to the fund manager with a debit memorandum furnished the CAO. This could expedite recovery from the drawer of the dishonored check. CAO will maintain a subsidiary by name, amount, and date of bank debit.

32040206. Claims Receivable.

A. Destruction or loss of capitalized assets due to fire, theft, or other causes for which an insurance claim is submitted will be recorded by removing the asset and its accumulated depreciation, from accounting records and recording its book value, less the insurance deductible, as claims receivable (GLAC 127). The deductible should be recorded in GLAC 827 Loss or Gain on Disposal of Fixed Assets. When the insurance claim is settled, the receivable will be removed and the difference, if any, will be recorded as a loss or gain on disposal of fixed assets (GLAC 827). Fund managers will notify the CAO if a loss of NAF resources will result in a risk management program claim. Fund managers will provide a copy of the memorandum notifying the Family Morale Welfare Recreation Command of the potential claim with supporting documentation as notification. The CAO will establish GLAC 127 (Claims Receivable) on receipt of the documentation. The receivable will be in the amount of the claim minus any deductible. The following are instructions to account for claims

1. Fixed-Asset Claims.

a. CAOs will record the deductible for a fixed asset that has been lost or destroyed in GLAC 827 (Loss or Gain on Disposal of Fixed Assets). Concurrent with the write-off of the fixed asset and the recording of the claims receivable, any gain or loss will be recorded in GLAC 827.

b. The deductible will be recorded in GLAC 827 if a fixed asset is damaged but will be repaired. Funds received in settlement of the claim will be applied to the repair costs first. The remaining funds will be recorded in GLAC 827.

c. The entire settlement amount will be recorded in GLAC 827, program code RP, if a fixed asset is damaged but will not be repaired.

2. Claims Other Than Fixed Assets.

a. CAOs will record the deductible in GLAC 803 (Gain or Loss on Disposal of Other Fund-Owned Property) for assets other than cash. A loss on an asset claim will also be recorded in GLAC 803. For claims involving loss of cash, the deductible will be recorded in GLAC 739 (Cash Shortage Expense). Any loss on a cash claim will also be recorded in GLAC 739.

b. CAOs will offset the gain against the replacement or repair cost with any remaining funds recorded in GLAC 803 (Gain or Loss on Disposal of Other Fund-Owned Property) for gains on a claim. The claim will be recorded in GLAC 803 if there is not replacement or repair costs of the entire amount. These instructions also apply to items that will not be repaired or replaced.

c. The offset to GLAC 127 for repair or replacement costs will generally be GLAC 240 (Miscellaneous Other Payables) for entries in (a) and (b) above. Repair or replacement costs will be offset against GLAC 240 as they are incurred.

B. Loss of cash for which an insurance claim is submitted will be recorded by a debit to GLAC 127, and a credit to GLAC 101 and/or GLAC 111 for the amount of the loss. If a deductible is involved, the amount will be charged to GLAC 799 Miscellaneous Operating Expense and the debit to GLAC 127 reduced. When the insurance claim is settled, the receivable will be removed and the difference, if any, recorded as a cash shortage (GLAC 739).

C. Loss of merchandise for which an insurance claim is submitted will be recorded as a debit to GLAC 127 and a credit to GLAC 416 Other Inventory Reductions. This will remove the inventory from the cost of goods sold section. If a deductible is involved, the amount will be charged to GLAC 799 Miscellaneous Operating Expense and the debit to GLAC 127 reduced. When the insurance claim is settled, the receivable will be removed and the difference, if any, recorded as a debit to GLAC 799 Miscellaneous Operating Expense, if a loss, or GLAC 599 Miscellaneous Other Operating Income, if a gain.

D. Normally, insurance claims for expensed items, e.g., supplies, will not be recorded as receivables. If significant, the expense will be reversed and debited to GLAC 127. If a deductible is involved, the amount will be charged to GLAC 799 Miscellaneous Operating Expense and the debit to GLAC 127 reduced. When the insurance claim is settled, the receivable will be removed and the difference, if any, recorded as a debit to GLAC 799 Miscellaneous Operating Expense, if a loss, or GLAC 599 Miscellaneous Other Operating Income, if a gain.

32040207. Accounting For Credit Card Transactions. The CAO is responsible for verifying credit card sales drafts and summary tickets with the DAR; reconciling the credit card company settlements with the original charges, less the discounts; and recording credit card transactions.

A. If commercial credit card expense is recorded when the settlement is received:

1. The following entry will be made on the DAR for credit card sales drafts and summary tickets:

DR 110-Commercial Credit Card Compensating Balance (usually MasterCard, Visa) and/or
DR 139-Commercial Credit Card Receivable (American Express, Discover; can also contain
MasterCard/Visa if a separate credit card bank account is not used for these types of major
credit cards)
CR 302-Credit Sales or applicable 500 series GLAC

2. For credit issued to customer for return of merchandise, the following entry will be made:

DR 304-Sales Returns and Allowances or applicable 500 series GLAC
CR 110-Commercial Credit Card Compensating Balance or
CR 139-Commercial Credit Card Receivable

3. The settlement (payment) from the credit card company will be recorded as follows:

a. If a check/credit is received locally and deposited/transferred into a local bank:

- DR 111-Local Bank Compensating Balance
- DR 743-Commercial Credit Card Expense
- CR 139-Commercial Credit Card Receivable

b. If a credit card account is set up and deposits are made via a credit card processing company, the monthly discount entry is made from a monthly summary report:

- DR 743-Commercial Credit Card Expense
- CR 110-Commercial Credit Card Compensating Balance

c. If payment is received at the central bank via electronic funds transfer:

- DR 101-U.S. Cash Account
- DR 743-Commercial Credit Card Expense
- CR 139-Commercial Credit Card Receivable

4. After receiving sales drafts rejected by the credit card company, If the NAFI cannot identify the customer within 90 days, the following entry will be made:

- DR 661-Bad Debt Expense or
- DR 134-Allowance for Doubtful Accounts
- CR 110-Commercial Credit Card Compensating Balance or
- CR 139-Commercial Credit Card Receivable

B. If commercial credit card expense is recorded at the time of the charge sale:

1. The following entry will be made at the time of the sale:

- DR 110-Commercial Credit Card Compensating Balance (net amount that will be credited to bank account) or
- DR 139-Commercial Credit Card Receivable (net amount that will be received)
- DR 743-Commercial Credit Card Expense
- CR 302-Credit Sales or applicable 500 series GLAC

2. For credit issued to customer for return of merchandise, the following entry will be made:

DR 304-Sales Returns and Allowances or applicable 500 series GLAC
CR 110-Commercial Credit Card Compensating Balance
CR 139-Commercial Credit Card Receivable
CR 743-Commercial Credit Card Expense

3. The settlement (payment) from the credit card company will be recorded as follows:

a. If a check/credit is received locally and deposited/transferred into a local bank:

DR 111-Local Bank Compensating Balance
CR 139-Commercial Credit Card Receivable

b. If payment is received at the central bank via electronic funds transfer:

DR 101 U.S. Cash Account
CR 139-Commercial Credit Card Receivable

4. After receiving sales drafts rejected by the credit card company, If the NAFI cannot identify the customer within 90 days, the CAO will make the following entry:

DR 661-Bad Debt Expense or 134 - Allowance for Doubtful Accounts
CR 110-Commercial Credit Card Compensating Balance
CR 139-Commercial Credit Card Receivable

32040208. Delinquent Accounts Receivable. Accounts receivable become delinquent 30 days after billing. NAFIs should take action to collect accounts receivable within the 30 day time frame or shortly after. Delinquent fees may be assessed on the 31st day (the first day the accounts receivable is delinquent). Refer to AR 215-1 for guidance on delinquent fees. Delinquent fees should be recorded as NAFI administration income under GLAC 517-Late Charge Assessment Income.

320403. MERCHANDISE INVENTORY AND PREPAID ITEMS

32040301. General. In this section, the word storeroom is not used; merchandise is either in a warehouse or in a sales department. Generally, merchandise is controlled in one of two ways:

A. Perpetual Records. By maintaining a perpetual record of each item (stock records). Periodically a physical inventory is taken and the stock records are adjusted to agree with the physical inventory. This method is used for warehouses with limited access to the stock and in certain retail outlets, e.g., golf pro shops. One person is responsible for the merchandise even though other persons (his or her subordinates) may have access to the merchandise. In this chapter, the term

warehouse implies that stock records are maintained. If stock records are maintained, the procedures for warehouses will apply, even in a retail sales department.

B. Sales Accountability. By control of the items based on sales accountability. The sales accountability method works on the principal that periodic physical inventories make it possible to anticipate the dollar amount of sales that should be recorded and make it possible to fix accountability for differences between anticipated and actual sales as to department, period of time, and personnel.

32040302. Policy.

A. Inventory Stock Records. DA Form 1991 or an approved mechanized system will be used to maintain warehouse perpetual inventory stock records.

B. Maintenance of Stock Records. Stock Records will be kept by NAFI administrative personnel. Warehouse personnel will not keep stock records, but this does not prevent them from keeping bin cards. The NAFI administrative personnel will enter the end-of-month inventory (quantities on hand) from stock records or a physical inventory on a listing from an approved automated system. The completed end-of-month inventory balance will be sent to the CAO. A copy of the listing will be sent to the NAFI fund manager for approval. The CAO will not prepare financial statements until automated listings are approved and provided by the NAFI fund manager.

C. Physical Inventories. Physical inventories are required as of the last business day of each month for merchandise in sales outlets under sales accountability, i.e., when stock records are not kept. Normally, shortages and overages cannot be ascertained since perpetual inventory records are not kept.

D. Required Semi-annually. Physical resale inventories are required semi-annually as of the last business day of March and September for merchandise on which stock records are maintained. Shortages and overages will be recorded in accounting records separately, i.e., a net amount will not be recorded. The overages and shortages must also be posted to the stock records. If the net difference is 5 percent of the total stock record merchandise value or exceeds \$2,500, physical inventories of the merchandise being maintained on stock records must be taken as of the last business day of each month until the difference is within the prescribed parameters. (See AR 215-1 concerning investigation requirements for losses of \$500 or more.)

E. NAFISS. For those garrisons using NAFISS, the inventory stock record subsystems will provide mechanized forms for inventory control. Garrisons using a manual inventory control system will use DA Form 1759 to record the physical inventories required by this regulation.

F. Forms for Issuance. DD Form 1149 (Requisition, Invoice, and Shipping Document), DA Form 3161 (Request for Issue or Turn-in), DA Form 4080 (Transfer Between Activities or TBA), or a similar form which includes basically the same information as these forms will be used to issue inventory from the warehouse.

G. Procurement From Government. When requisitions are submitted to appropriated fund activities and other NAFIs, the form prescribed by the issuing organization will be used as a procurement instrument unless otherwise prescribed in AR 215-4.

H. Receiving Report. A legible copy of the procurement instrument (if form design includes receiving functions) or DD Form 250 will normally be used as a receiving report. For items that are delivered several times a month under blanket purchase agreements, e.g., bread, milk, eggs, and fresh vegetables, a copy of the vendor's delivery ticket may be used as a receiving report. All receiving reports must be signed by an authorized person whose specimen signature is on file in the CAO.

I. Transfers. DA Form 4080 will be used to record transfers between departments. When blank DA Forms 4080 are received by a NAFL, the NAFL should number them sequentially. A record will be made of the person and section to whom all blank DA Forms 4080 are issued. Only an original will be prepared. Photocopies will be made if additional copies are required. The original should be sent to the CAO. The Financial Management Division or other designated representative of the NAFL Manager will keep a control log or a suitable alternative method to determine if all DA Forms 4080 are sent to the CAO.

1. Common situations requiring the use of DA Forms 4080 are:

a. Merchandise purchased for resale is used in a department for samples or display and cannot be sold afterwards.

b. Items issued to one department are used by another, e.g., lemons issued to the dining room are used in the bar.

c. Items for resale in one location code are needed by another location code as supplies, e.g., tools on sale in the Arts and Crafts Resale Store are purchased by the officer's club swimming pool.

d. Items are returned to the warehouse.

e. Supplies are purchased by the post restaurant NAFL from the NCO club at cost.

f. Employees of one department perform work in another department (transfer of labor costs).

2. Accounting Entries. When items are transferred between different activities within a Garrison Operating Entity, the accounting treatment depends on whether the items are resale items and whether they are transferred at cost or at a higher mutually agreed-upon price.

a. If there are no additional costs involved in transferring the item from the one activity to the other, such as when lemons issued to a dining room are needed in

the bar, then the transfer will normally be done at cost and will be recorded as a debit to GLAC 404 on the receiving activity (in this case, the bar) and a credit to GLAC 414 on the issuing activity (the dining room). If the item was a supply, such as paper napkins, the debit would be to GLAC 726 on the bar and the credit would be to GLAC 726 on the dining room. If the item was a resale item in the issuing activity, but would be used as a supply item in the receiving activity, the entry would be a debit to GLAC 726 on the receiving side and a credit to GLAC 416 on the issuing side.

b. When goods or services are sold between activities within an MWR operating entity, it is important that the selling departments be able to recover their cost to provide the goods or services. When an activity sells items from a resale inventory to another activity within the same fund, the selling activity will record a credit to GLAC 307 – Intrafund Transaction Sales for a mutually agreed-upon price and the buying activity will record a debit to GLAC 798 – Intrafund Transaction Expense for the same amount. An example would be when the club sells hot dogs, at a price higher than at cost, to a youth activity. This accounting treatment recognizes the additional costs associated with cooking and packaging the food and prevents an adverse impact on the cost of goods sold percentage of the selling activity.

c. When an activity sells services or goods that are not from a resale inventory to another activity within the same fund, the selling activity will record a credit to GLAC 598 – Intrafund Transaction Revenue for a mutually agreed-upon price and the buying activity will record a debit to GLAC 798 – Intrafund Transaction Expense for the same amount. An example would be when the outdoor recreation activity rents ski equipment to youth services.

d. The guidance in paragraph c. above does not apply to volunteer child care expenses. See paragraph A0703 and the description for GLAC 678.

J. Record At Cost. Merchandise will be recorded in accounting records at cost. Cost is the purchase price less trade and cash discounts. Discounts lost and excise taxes paid will not be included in the cost of merchandise. They will be recorded in GLACs 662 and 736, respectively. Freight, drayage, insurance, and handling charges will be included in the cost of merchandise if they can be identified to specific items. If they cannot be identified to specific items they will be recorded in GLAC 731.

K. Method. Use the moving average method or the first-in, first-out method to arrive at unit prices.

L. Use Of Fair Market Value. When the fair market value of merchandise, as determined by an independent appraisal, is materially less than its cost, the merchandise may be devalued upon the approval of the garrison commander. All devaluations will be expenses of the current period; they will not be treated as fund equity adjustments. The loss will be charged to GLAC 654 or 655.

M. Reconciliation. The CAO must ensure that the balance in GLACs 141, 142, 143, and 144 on the balance sheet equal the ending inventories on the income statements.

32040303. Physical Inventories.

A. NAFI personnel will conduct required physical inventories of merchandise per table 4-2. See A040303E for information concerning using the Gross Profit method as an alternative to monthly inventory. A person or persons selected by the FMD or other garrison representative will observe the physical inventory at least annually. Special physical inventories of the warehouse are exempted from this requirement. One of the semi-annual physical inventories will be observed. Since it is frequently impractical to perform physical inventories of all of the departments of a NAFI and the warehouse at one time, physical inventories may be scheduled and conducted by location code. Physical inventories of location codes with similar missions should be conducted at the same time, e.g., all club activities at one time. The observer(s) will come from the duty roster maintained by the garrison adjutant when possible.

B. The NAFI manager or designated representative schedules the annual physical inventories and briefs the independent observers. (See fig 4-1.) The activity maintaining the stock records reconciles the physical inventory to the stock records and makes necessary adjustments to the stock records. If the stock records are kept by NAFI personnel, differences will be reported to the CAO. The CAO will adjust the accounting records.

C. Approximately 60 days before a physical inventory must be observed, the NAFI manager will arrange for the observers. If a request for observers goes to the garrison adjutant, the desired ranks of the observers should be specified.

D. Following are the policies and procedures about physical inventories of merchandise. Briefings for observers will include these policies and procedures.

1. The organization keeping the stock records will prepare the inventory lists. These lists will be given to the inventory team who will conduct the physical count.

2. Inventory lists will be prepared in the same sequence in which the merchandise is stored or arranged for display, or in stock record number sequence.

3. Cutoff dates for sales, issues, returns, adjustments, and transfers between departments must be established so that inventory lists will accurately reflect items of inventory.

a. Merchandise delivered during the inventory will not be counted unless the purchase and payable or payment have been or will be recorded in the general ledger as of the inventory cutoff date.

b. Merchandise sold during the inventory will be included in the inventory count, unless the related sale and receivable or cash received have been or will be recorded in the general ledger as of the inventory cutoff date.

c. Inventories will be conducted separately for each department.

d. Inventories of merchandise held on consignment and returnable containers will be prepared and conducted separately from department-owned merchandise. Inventory lists will be prepared for each owner of the goods.

4. Team members will work in pairs. One person will inspect and count the items; the other will enter the count on the list.

5. Team members should make identification by stock number, if possible.

6. The inventory team will verify that the merchandise is usable/salable.

7. When the physical count of the warehouse is completed, it will be reconciled with the stock records. Differences between the physical count and the stock records will be brought to the attention of the inventory team and the warehouse supervisor. Attempts will be made to locate the missing merchandise.

8. Necessary adjustments will be made to the stock records and the accounting records.

9. All observers must sign the briefing statement and furnish a report to the CAO concerning how the inventory was performed. (See fig. 4-2.)

10. The observers will not be released until the inventory is satisfactorily completed.

11. An accurate physical inventory is extremely important. It is imperative that all concerned be aware of this importance.

E. NAFIs may use the gross profit method of inventory valuation instead of monthly inventories at some sales outlets.

1. To use the gross profit method, the sales outlet must be able to demonstrate a consistent gross profit percentage over the previous 12 months. If the sales outlet resales like items on a continuous basis, the location can take a wall-to-wall physical inventory at the end of each quarter and estimate the ending inventory for the other two months in the quarter. The estimate is based on the dollar value of merchandise receipts, sales and the gross profit percentage. The NAFI can continue to use this method in the following quarter as long as the actual inventory valuation at the end of the quarter does not deviate more than three percent from the estimate using the gross profit method.

2. To use the gross profit method of inventory valuation, you must first determine the cost of goods percentage of sales. To do this, subtract the gross profit percentage from one (that is, 1.00 less .42 gross profit = .58 or 58% cost of goods sold). Once you determine the cost of goods percentage, multiply the sales figure by the cost of goods percentage to determine

the estimated cost of the goods which were sold during the period (that is, sales of \$517 x 58% = \$300 cost of goods sold). To arrive at an estimated ending inventory, subtract the estimated cost of goods sold (\$300) from the cost of goods available for sale (beginning inventory plus purchases, plus/minus adjustments).

32040304. Prepaid Expenses. The accounting principle of materiality should be considered before employing the prepaid concept.

A. Prepaid Supplies and Other Tangible Assets. As a general rule, no amounts will be set up as prepaid and amortized if the monthly amortization will be less than \$20.

1. When Prepaid Supplies and Equipment, Prepaid Tableware, Kitchenware, Linens, and Uniforms, and Prepaid Bingo Prizes are kept, they will be accounted for on stock records in the same manner as merchandise. An inventory will be submitted to the CAO at the end of each month. As an alternative, supplies and equipment which do not fit the criteria for fixed asset depreciation may be amortized over the time period they provide benefit to the NAFI. However, the amortization may not exceed 12 months.

2. Bulk purchase initial stock of china, glassware, linens, etc. purchased for the opening of a new facility or in conjunction with the complete renovation of a facility may be recorded in a prepaid account and amortized over a period not to exceed 12 months.

3. The cost of resurfacing bowling lanes can be amortized for a period not to exceed 24 months. If experience indicates that the resurfacing normally does not last 2 years, then the resurfacing costs should be amortized over a shorter period of time.

B. Other Prepaid Expenses. In the normal course of operations, payments are made in advance for a number of expenses which are to be used in later months. The prepayment of rent, insurance premiums, and interest are such expenses. These items will be expensed in the month to which they apply. If advance payments of \$240 or more are made that will span later months and will result in a monthly expense of \$20 or more, these payments should be recorded as prepaid expenses and amortized over the applicable period, although amortization is not mandatory. Larger amounts may be expensed immediately if it does not materially distort net income for the reporting period. Advance payments should not be set up as prepaid and amortized if the monthly amortization would be less than \$20.

C. Subsidiary Records. A subsidiary record, such as an amortization schedule, will be maintained to aid in the prorating of expenses for supplies, maintenance, insurance (RIMP), licenses, taxes, or other expenses requiring advance payments. Charges will be computed and prorated over each month of the period covered by the advance payment. The unexpired portion of each prepaid item will be reconciled to the correct general ledger control account each month.

32040305. US Department of Agriculture (USDA) Commodities. Food received from USDA or related agencies should not be recorded in the financial records maintained by the CAO. These food products are provided to the NAFI free of charge and the NAFI gives the food to

school children free of charge. If the NAFI receives cash from the USDA or other agencies, the receipt of cash must be recorded in the financial records.

32040306. Commercial Sponsorship. When the NAFI receives merchandise or other non-cash items from commercial firms, no accounting entries are required. The only time commercial sponsorship items are entered in the financial records is when a sponsor provides cash to the NAFI.

320404. FIXED ASSETS

32040401. General. Fixed asset accounting records substantiate the fixed assets and accumulated depreciation accounts on the balance sheet, serve as accountability records, and are utilized in computing depreciation. As there are no tax considerations, the purpose of depreciation of NAFI-owned property is to charge operations with the cost of a fixed asset over its estimated useful life. AR 215-1 contains policy on NAFI property and fixed assets.

32040402. Policies and Definitions.

A. Fixed Assets. Nonappropriated fund fixed assets are defined as tangible properties purchased by or donated to a NAFI that have an expected life of two or more years and cost \$2,500 or more. Examples are land improvements; buildings; building alterations, renovations, and improvements; furniture, fixtures, and equipment; vehicles, aircraft, and boats; and breeding livestock. Unless otherwise stated below, fixed assets are recorded at cost plus any expenditures necessary to place those assets into readiness for use, i.e., garrison, freight, testing, legal fees to establish title, and any other costs of putting the asset in the condition and location for use. Purchase discounts should be applied to reduce the costs, however, interest charges should not be capitalized. Assets which meet the requirements for capitalization must be included in the capital purchase and minor construction (CPMC) budget and must be capitalized. Purchases of assets that do not meet the criteria above or other specific capitalization criteria in this regulation are expendable items and may not be capitalized. Examples of expendable items common to MWR are uniforms, china, glassware, linens, etc. purchased for the opening of a new facility or in conjunction with the complete renovation of a facility, while not considered fixed assets or CPMC, may be amortized over a period not to exceed twelve months.

B. Quantity Purchases. Like items purchased in a quantity in excess of one at a total cost of \$2,500 or more, with a minimum unit cost of \$100, and meeting other criteria for fixed assets, may be treated as fixed assets at the discretion of the fund manager. This decision is made at the time the CPMC budget is prepared or revised; not at the time of purchase. For the items in this paragraph, the budget treatment of the purchase will control the accounting treatment. If the assets were budgeted as CPMC, they will be capitalized; otherwise they will be expensed. The term “like items” is defined to mean identical items.

C. Repairs and Maintenance. Expenditures for repairs and maintenance which do not prolong the useful life of property beyond that anticipated when it was purchased or constructed should be charged as expenses at the time they take place. Expenditures of \$2,500 or more which prolong the useful life of property two years or more beyond that anticipated when it

was purchased or constructed should be capitalized. Expenditures of \$2,500 or more which are required to maintain structural integrity or replace deteriorated items should be capitalized. Examples are roof repair/replacement, heating and cooling repair/replacement, and paint/wallpaper/carpeting, Attachments or alterations which increase the usefulness of a building or change it in some way, even though not increasing its life, should be capitalized and depreciated over the estimated remaining useful life of the building. The decision of whether to capitalize is made at the time the capital budget is prepared or revised; not at the time of purchase. When a renovation or repair is replaced by a subsequent renovation or repair, a disposal of the earlier renovation should be recorded and its book value, if any, should be expensed to GLAC 827-Loss or Gain on Disposal of Fixed Assets.

D. Self-Construction. If fixed assets are built or manufactured by the NAFI, all costs incurred, including labor, should be capitalized. Capitalized labor costs will be recorded as a debit to GLAC 179 Minor Construction in Progress and a credit to GLAC 650 Capitalized Labor Costs.

E. Trade-In. When property is traded-in at the time of purchase, the new asset will be recorded at the amount of the monetary consideration paid plus the book value of the old asset. Set up a liability for the amount to be paid to the vendor. The acquisition cost and accumulated depreciation of the asset relinquished will be removed from the record.

F. Basket Purchases. If assets are purchased in groups (frequently called a basket purchase) without costs of individual assets being known, the total purchase cost must be allocated among the individual assets on the basis of their respective fair values.

G. Donated Fixed Assets. Fixed assets acquired by donation, i.e., at no cost to the NAFI, will be recorded in the appropriate fixed asset account with a contra credit to GLAC 291-Contributed Capital, at current estimated value. This includes fixed assets purchased for a NAFI by IMCOM or another fund, such as FMWR or the Army Lodging Fund. Costs incurred in the acceptance of the asset, e.g., installation costs, transportation expenses, legal fees, should be capitalized but should not be recorded in GLAC 291. It is the responsibility of the fund manager to furnish the current estimated value. The fixed assets will be depreciated over the expected useful life per table 4-1.

H. Property Control Records. Use of DA Form 4078 (Property Control and Depreciation Record) and DA Form 4079 (Depreciation Expense Control (Furniture, Fixtures, and Equipment)) are mandatory unless the Fixed Asset subsystem of NAFISS or other approved mechanized system is in use. If an approved mechanized system is in use, the mechanized system will be the property control records. Each fixed asset must be recorded on a property control record, manual or mechanized. Fixed assets will remain on property control records, whether fully depreciated or not, until disposition is made by the fund manager. Special property records may also be maintained, if desired by the fund manager, for items considered sensitive by the fund manager that would not otherwise be recorded on property control records. Unless the fund manager has notified the CAO in writing of any general policies in this area, items will be added or deleted only at the specific request of the fund manager or his designee. At least monthly, the CAO will furnish the fund manager a list of the recorded items described above so that he or she is aware of items that

are being carried on property control records not recorded in an asset account. The fund manager can add to or delete from this list as he or she desires. These items are not subject to the physical inventories described in this chapter. These items are recorded in NAFISS as subledger code "E".

I. Depreciation. Use of the straight-line method of depreciation is mandatory except for aircraft. Salvage value will not be considered, i.e., the total cost of the asset will be depreciated. Depreciation of fixed assets will begin the month after receipt and continue through the month of 100 percent depreciation. When a fixed asset that is not fully depreciated is removed from property control records, a full month's depreciation will be recorded. Depreciation expense should be recorded in the using department code.

J. Government-Titled Fixed Assets. An unusual aspect of NAF accounting is that some assets, particularly buildings, are purchased using NAF and the NAFI has exclusive use, but title rests with the government. Special asset accounts (GLACs 175 and 177) and special Accumulated Depreciation accounts (GLACs 176 and 178) have been prescribed for recording these assets.

K. Fixed Assets In Transit. On occasion, title to fixed assets may pass to the NAFI and payment made before the NAFI has physical possession of the property. Typically, this happens when property destined for a NAFI overseas is delivered to an Army port for over-water transportation by government means. The CAO makes payment based on the receipt at the port and records it in the Fixed Assets in Transit account. When the NAFI actually receives the property, the cost will be removed from the Fixed Assets in Transit account and placed in the appropriate fixed assets account.

L. Minor Construction Costs (Projects costing \$500,000 or less). Most construction contracts allow for progress payments during the construction period. As payments are made they will be recorded in the Minor Construction in Progress account (GLAC 179). When the construction project is completed and ready for occupancy or accepted and occupied by the NAFI, the amount previously recorded will be reversed from GLAC 179 and recorded in the appropriate fixed asset account. Depreciation will begin the following month. Any time that progress payments are being made, the fund manager will notify the CAO in writing when the project is complete and ready for occupancy. Final payment cannot be used as criteria as payment is sometimes held back.

M. Appropriated Fund Property. The CAO is not responsible for property records for property purchased using appropriated funds.

N. Major Construction. The Army Morale, Welfare, and Recreation Fund (AMWRF) will pay for all major construction, projects costing over \$750,000, less any amounts funded locally. AR 215-1 describes the funding programs for NAF construction. The AMWRF will pay the district engineer or civilian contractor directly as invoices are received and as authorized by the contracting officer. The Garrison Operating Entity will be notified of the project cost upon project completion.

1. When FMWR withdraws funds from the Garrison Operating Entity for major construction projects, FMWR will send a message specifying the amount of the

withdrawal. The entry necessary at the time the cash is withdrawn from the Garrison Operating Entity is a debit to GLAC 196-Local Payments for NAF Major Construction and a credit to GLAC 101 U.S. Cash.

2. When construction is completed and beneficial occupancy has occurred, FMWR will notify the Garrison Operating Entity and the supporting CAO of the amount paid for the project. The CAO will debit the proper fixed asset GLAC for the amount of the project. The credit will be to GLAC 196 for the amount previously debited to this account for the project and GLAC 291 for the remainder. Depreciation will begin the month after the contracting officer's representative or the engineers determine that the facility is ready for "beneficial occupancy" or the month after the facility is put into use, whichever occurs first. If the final cost of the project is not known at this time, base the monthly depreciation on the best estimate of cost and adjust later, if necessary.

3. If the AMWRC reimburses an IMWRF for the purchase of furniture, fixtures, and equipment (FFE) associated with and approved for a NAF Major Construction project, the funding provided by FMWR will be recorded as follows:

a. If the furniture, fixtures, and equipment qualify as fixed assets, as explained in 32040402A and 32040402B, the funding from AMWRC will be recorded as a credit to GLAC 291-Contributed Capital. The assets will be capitalized (usually as a debit to GLAC 163-Furniture, Fixtures, and Equipment) and will be depreciated over their useful lives.

b. If the furniture, fixtures, and equipment do not qualify as fixed assets, as explained in 32040402A and 32040402B, they are considered expendable equipment and any funding from FMWR will be recorded as a debit to GLAC 742-Furniture and Equipment Expense and a credit to GLAC 809-AMWRF Dividends.

4. When major construction projects are cancelled before construction begins, the cost of preparatory work, such as studies, designs, etc., should be expensed in GLAC 850-Miscellaneous Other Expenses. The expensing should occur in the month the project is cancelled.

O. Fixed Assets At Closing Garrisons.

1. Fixed assets which were not transferred to another garrison will be expensed to remove the remaining book value from the books. If the assets were in usable condition and in use at the time of closure, the assets will be removed from the books and the net book value will be debited to GLAC 890-Loss Due to -BRAC/Re-stationing. If the assets were not in use, record the loss to GLAC 827-Loss or Gain on Disposal of Fixed Assets because the loss is not attributable to the closure.

2. When assets with a net book value are transferred:

a. Remove the asset account and corresponding depreciation account from the books. Record the net book value as a debit to GLAC 291-Contributed Capital. The losing CAO will provide the gaining CAO with the net book value of the transferred fixed assets.

b. The gaining garrison will debit the applicable fixed asset account with the net book value and credit GLAC 291. The gaining Fund CAO will load the fixed assets on the books at the net book value and continue depreciation over the estimated remaining useful life.

P. Leases. Leases may be used for equipment or for real property and are categorized as either a capital lease or an operating lease.

1. Capital Leases. A capital lease is based on the concept that a lease transfers substantially all of the benefits and risk as to the ownership of equipment to the lessee. The lease is recorded as an asset by the lessee and is amortized in a manner similar to depreciating assets if one of the following conditions is met:

a. The lease transfers ownership of the asset to the lessee at the end of the lease term.

b. The lease contains a purchase option.

c. The lease term is equal to 75% or more of the estimated economic life of the leased property. However, if the beginning of the lease term falls within the last 25% of the total estimated economic life of the leased property, including earlier years of use, this criterion shall not be used for purposes of classifying the lease.

d. The present value at the beginning of the lease term of the minimum lease payments, excluding that portion of payments representing executory costs such as insurance, maintenance, and taxes to be paid by the lessor, including profit thereon, equals or exceeds 90% of the excess of the fair value of the leased property to the lessor at the inception of the lease over any related investment tax credit retained by the lessor and expected to be realized by the lessor.

2. Operating Leases. If none of the above conditions is met, the lease is an operating lease. Payments on an operating lease shall be charged to expense over the lease term as it becomes payable. If payments are not made on a straight-line basis, the expense nevertheless shall be recognized on a straight-line basis unless another systematic and rational basis is more representative of the time pattern in which benefits are derived from the leased property, in which case that basis shall be used.

3. Disclosures. If either capital or operating leases are material, then information concerning the leases should be disclosed in the NAFI financial statements or the footnotes.

Q. Assets Transferred Between NAFIs. When assets are transferred between NAFIs without monetary consideration, the assets should be recorded on the books of the gaining

NAFI at the net book value the assets had on the books of the losing NAFI. The offsetting entry is to GLAC 292 Retained Earnings on both the gaining and the losing NAFI. The assets will be depreciated over their remaining useful lives. A footnote to the financial statements for GLAC 292 will be made, as well as a note to the fixed asset records, describing the transaction.

R. Startup Costs. When a location or facility is created, the NAFI will often spend a substantial amount on the initial buys of fixtures, supplies, and small equipment. This initial startup costs may be set up as a prepaid item and amortized over a maximum of 12 months. However, if the cost is relatively small, the NAFI should record the expenses at the time of purchase.

32040403. Transactions. The various fixed asset accounting transactions can be grouped into acquisition, administration, disposition, and depreciation. Physical inventories take a significant amount of the CAO's time and may produce many accounting transactions.

A. Acquisition. Receiving reports are prepared by NAFI personnel evidencing acquisition of fixed assets. If all data required for maintenance of property control records is not included with the receiving report, the CAO will request it from the NAFI manager.

B. Administration. Documentation must be prepared by the fund manager whenever any data on the subsidiary records is changed even though no general ledger entries are required, e.g., fixed assets are transferred from one location to another.

C. Disposition. Documents are prepared by the fund manager upon disposition of fixed assets. Disposal means that the fund manager has physical control of the item and disposes of it in accordance with AR 215-1. A "write-off" of a fixed asset means that the NAFI manager does not have physical control of the item, i.e., a shortage. The only documentation needed by the CAO to "write off" an asset is evidence that the property is missing.

1. Transfer to Defense Reutilization and Marketing Office (DRMO). When property is transferred to the DRMO, it will be evidenced on the form required by the DRMO (usually DD Form 1348 (DOD Single Line Requisition System Document)). The NAFI manager will furnish the CAO a copy of the document which will be used to support the entry. Any remaining book value will be charged to GLAC 827-Loss or Gain on Disposal of Fixed Assets. Any cash proceeds from disposal received at a later date will be recorded in GLAC 827 if the fixed asset can be identified; if not, the proceeds will be recorded in GLAC 825-Miscellaneous Other Non-operating Income.

2. Write-off. The fund manager should report shortages of fixed assets to the CAO, in writing, upon discovery. Properly completed physical inventory documentation is considered notification in writing. As soon as notified, the CAO will remove shortages from the property control records; however, this does not constitute relief from property accountability. Relief can only be granted as specified in AR 215-1, therefore the CAO will report the shortages to the NAFI Manager's commander by letter. The letter should be hand-carried where possible and acknowledgement of receipt should be obtained. The letter to the Commander will also have the accounting entries made to remove ("write-off") the shortages from the property control records. A copy of the letter will be sent to the NAFI manager. If the property is found later, the item will be

put back on property control records, the accounting entries previously made will be reversed, and an adjusting entry will be made to bring depreciation up to date.

3. Sale. When property is sold by the NAFI, cash or accounts receivable will be debited; the appropriate accumulated depreciation debited; the appropriate fixed asset account credited; and gain or loss on disposal of fixed asset debited or credited, as applicable. The NAFI manager must give the CAO the documents. If NAFI-purchased or owned property is transferred to the Government and later sold, proceeds from the sale go to the Government; not the NAFI. See AR 215-1.

4. Trade-in. When old property is traded-in at time of purchase, the fund custodian will send documentary evidence. The old asset will be removed from property control records and the new asset recorded as described above.

Table 4-1, Depreciation Periods

Description	Life Expectancy
Buildings	15-40 years
Building Improvements	5-30 years
Furniture, Fixtures, and Equipment	2-10 years
Vehicles, Aircraft, and Boats	2-7 years
Computer Hardware and Software	2-3 years
Land Improvements	5-25 years

D. Depreciation. Depreciation is a systematic method of charging operations with the cost of a fixed asset over its estimated useful life. Estimates of the useful life of assets are seldom accurate since obsolescence or other factors may abbreviate or elongate its usefulness. Because of the uncertainty, the guideline life expectancies shown in Table 4-1 are to be used for establishing the maximum expectancy for each category listed.. Since salvage values are almost impossible to predict and restrictions are placed on disposal of military property, salvage values will be ignored in depreciation computations for NAFI-owned fixed assets. Although there are several depreciation methods in general use, Army NAFIs will use only the straight-line method except that aircraft may be depreciated based on hours flown (see below). Under the straight-line method, the cost of the fixed asset is spread in equal periodic portions over its estimated useful life. Monthly depreciation is calculated simply by dividing the total depreciable value of the fixed asset by the estimated months of life. An asset will not be depreciated in the month in which it is placed in use. If an asset is not fully depreciated, a full month's depreciation will be recorded when disposition is made. If the fund manager desires, aircraft may be depreciated based on hours flown. The estimated flying-hours the aircraft is expected to last are divided into the cost to arrive at depreciation per hour. Each month the fund manager must report to the CAO the number of hours flown so that depreciation may be calculated and recorded. This must be done manually. NAFISS supports only straight-line depreciation.

E. Adjustments. Generally accepted accounting principles dictate that once an accounting principle is adopted it should not be changed in accounting for events and transactions of a similar type. Further, consistency facilitates analysis and understanding of comparative accounting data. If it is determined that a change in the estimated life of an asset is proper, the necessary adjustment to depreciation must be posted to the expense account; not Retained Earnings. By the same token, a large loss on the disposal or write-off of a fixed asset will be posted to the Loss on Disposal of Fixed Assets account; not Retained Earnings.

F. Fully-Depreciated Fixed Assets. Fully-depreciated fixed assets can only be removed from the accounting records when such action has been fully coordinated with the garrison/NAF entity fund management.

Table 4-2, Types and Frequencies of Physical Inventories

Type	Description	Frequency	Comments
Saleable merchandise, in any warehouse or storeroom.	This is a single account for saleable merchandise held in a warehouse or storeroom.	Monthly by fund employees or NAFI employees. Annually, observed by independent observation team.	Variances between inventory and stock records will be researched, costed, and documented by the inventory team.
Resale merchandise in sales outlets.	These accounts are for resale merchandise in sales outlets. Separate accounts are maintained by location/department codes. Sales outlets include bars, snack bars, package stores, and restaurants.	Monthly in sales outlets. Inventories will be conducted by NAFI employees under the direct supervision of the fund custodian or a designated representative. Annually, observed by an independent observation team.	Same as above.
Supplies	Supplies purchased in large quantities are maintained in a warehouse or storeroom until issued to using activities. This includes consumable supplies used in operations that are not normally for resale (china, glassware, silverware, linen, utensils).	Monthly by NAFI employees. Annually, observed by an independent inventory team.	Supplies issued but not consumed will be controlled by management review even though they were expensed at time of issue. Variances will be documented as above and reconciled by the inventory team.
Fixed assets	Includes furniture, fixtures, and equipment; vehicles and flying club aircraft	Annually. The inventory must be taken at the location level. The initial inventory will be taken by an inventory team appointed by the NAFI managers. The next year it will be taken by an inventory team appointed by the NAFI managers under the observation of independent observation team(s). Independent observation team members will observe the inventory every other year thereafter.	A memorandum will be prepared to support any difference between the physical inventory and the property control record. Shortages will be investigated per AR 215-1.
Expensed equipment (hand receipt/annex number).	All expensed equipment issued by DA Form 2062.	Annually, by DA Form 2062 holders. Also, upon change of DA Form 2062 holders.	A joint inventory is required when there is a change of DA Form 2062 holders.
Sensitive items (Note 3).	All items classified as sensitive.	Annually, by NAFI personnel.	A joint inventory is required when there is a transfer of responsibility.
Transfer of accountability.	All categories described above.	On each change of NAFI manager. Can be done by an independent inventory team.	Variances will be documented as described above. Certificate of transfer will be executed between relieving and successor fund managers. (See AR 215-1)

Notes:

- Those NAF entities that have had only small dollar value of inventory adjustments over a representative period may request an exception to the monthly inventory requirement. Send request through command channels to the Defense Finance and Accounting Service-Indianapolis Center, Nonappropriated Funds Division, ATTN: DFAS-JN/UVTX, 8899 East 56th Street, Indianapolis, IN 46249-1056. The request must be supported by a schedule showing percentages of adjustments, overages, and shortages relating to the value of the inventory. Before approving any request, DFAS will coordinate with the Family Morale Welfare Recreation Command or the Army Civilian Welfare Fund, as appropriate.
- If inventory stock records are kept, the monthly physical inventory requirement is changed to semi-annually; however, if there is a variance between the semi-annual physical inventory and the stock records in excess of 5 percent or \$2,500 of the inventory value, the requirement for a physical inventory will revert to monthly until the cause is determined and corrective action taken.
- Does not apply to bar and food sensitive items.

32040404. Physical Inventories.

A. Annual Physical Inventory. A physical inventory of all NAFI-owned fixed assets will be conducted at least annually, per table 4-2. Since it is frequently impractical to perform a physical inventory of all of the fixed assets of a NAFI at one time, physical inventories may be scheduled and conducted by Location Code. Recommend that inventories of location codes with similar missions be conducted at the same time, e.g., all club activities at one time; all bowling activities at one time. A person or persons selected by the local DMWR, CAO, FMD or other garrison representative will observe the inventory per table 4-2. NAF Financial Services does not observe inventories nor select observers. The observer(s) will come from one or more of the following sources:

1. The CAO, including employees maintaining fixed asset records, if on site.
2. The duty roster maintained by the installation adjutant.
3. Fund employees (NAF or GS) as long as the observers are employees from another program within the fund. For example, club employees may observe inventories at the outdoor recreation facilities. This will not solve the inventory observer problem for all funds, but it should help most garrison operating entities. The preferred method is to have lodging employees observe garrison operating entities inventories and vice versa, but this may not be practical on some garrisons.

B. Scheduling of Annual Inventories. The DMWR/CAO/FMD, as applicable, schedules the annual inventories, briefs the persons performing the inventory, briefs the independent observers, and furnishes a listing of the assets (without quantities) to the persons performing the inventory. If the garrison is served by NAF Financial Services, the local garrison will schedule the inventory and conduct the briefing. When the inventory is completed, the CAO reconciles the inventory to the property control records, and makes necessary adjustments to the property control records and other accounting records. The NAFI manager, the persons conducting the inventory, and the observer(s) sign a statement that the inventory has been properly conducted and that it is correct (see fig 4-3). The local CAO or NFS will inform the commander, by letter, of the results of the inventory (shortages, overages, accounting entries made, or that there were no discrepancies). The letter will be hand delivered, when practical, and an acknowledgement of receipt obtained. The commander will determine any actions to be taken regarding possible investigations.

C. Coordination With NAFI Manager. Approximately 60 days prior to a scheduled fixed asset inventory, the DMWR/CAO/FMD, as applicable, will coordinate with the NAFI manager for appointment of the inventory team. The appointment should be in writing and signed by the NAFI Manager, the DMWR and the FMD. The local DMWR/CAO/FMD, as applicable, can also arrange for the observer(s). If a request for observer(s) goes to the garrison adjutant, the desired rank(s) of the observer(s) should be specified. The use of CAO employees as observers must be carefully considered. While the person who maintains the fixed asset records may be well qualified to act as an observer, the CAO must ensure that he or she can perform the

observation objectively. If there is any objection from the NAFI manager, CAO personnel should not be used.

D. Policies and Procedures. The following are policies and procedures for physical inventories of fixed assets. These items will be included in briefings for the inventory team and the observers.

1. The team will work in pairs. One person will inspect and count the items; the other will enter the count on the list.

2. Make identification by asset number and/or serial number, if possible.

3. Any borrowed, loaned, rented, disposed of, or otherwise missing items will be recorded as shortages unless proper documentation is present.

4. The inventory team will verify that each item is permanently numbered and the number is not disfigured. Also they must verify that the item is well maintained. The listing should be annotated to indicate any items not in use, i.e., in store room or warehouse.

5. When the physical count is completed, the CAO will reconcile it with the property control records. Differences will be brought to the attention of the inventory team and the NAFI manager and reasonable attempts will be made to locate the missing property.

6. Necessary adjustments will be made to the property control records by the CAO as soon as the reconciliation is finished and the NAFI manager and inventory team have had a chance to check for shortages, unless written authority is received from the commander not to do so.

7. All members of the team must sign the briefing statement and the inventory statement.

8. The inventory team will not be released until the inventory is satisfactorily completed.

E. The following will also be included in the briefing:

1. The importance of an accurate physical inventory will be stressed during the briefing.

2. The use of the listing, their arrangement, and the use of location and department codes.

3. The physical presence of some items may be difficult to confirm or ascertain, e.g., building improvements and land improvements.

32040405. Capital Commitments Account. NAFIs will use the Capital Commitments Account to set aside funds for purchase/replacement of fixed assets IAW guidance by IMCOM and/or FMWR. Amounts will normally be debited to GLAC 187 on a monthly basis.

32040406. Disposal of Fixed Assets.

A. Items that have been fully depreciated will remain in the accounts until disposed of. On disposal, the asset account will be credited for the full amount of the asset's capitalized value. Debit the allowance for depreciation account for the depreciated amount of the asset. Items disposed of (through sale, donation, or retirement) that are not fully depreciated will be recorded as follows:

1. Sale.

DR Cash or Receivables (amount received).

DR Allowance for Depreciation (amount depreciated).

DR or CR GLAC 827 - Loss or Gain on Disposal of Fixed Assets (difference).

CR Applicable Asset Account (original amount capitalized).

2. Donation, Retirement, or Destruction.

DR Allowance for Depreciation (amount depreciated).

DR Loss or Gain on Disposal of Fixed Assets (difference).

CR applicable Fixed Asset Account (original amount capitalized).

B. CAOs will record losses or gains that result from disposal of fixed assets in the location and department that was using the asset.

C. Loss on disposal, resulting from BRAC or business closures, will not be recorded in GLAC 827. Losses due to business based closures will be recorded in GLAC 832 – Loss Due to Closure – Business Based. Losses due to BRAC will be recorded in GLAC 890 – Loss Due to BRAC/Re-stationing.

32040407. Lost Assets. After an inventory is validated, fixed asset records will be adjusted to delete lost assets. The loss is reported to the DCA/FMD and commander. Write-off will not be delayed pending DCA/FMD and commander review. A write-off of a fixed asset does not constitute a relief from property accountability under AR 215-1. The following accounting entries should apply:

A. When insurance recovery or pecuniary liability is expected-

DR GLAC 127-Claims Receivable

DR Allowance for Depreciation

CR Applicable Fixed Asset Account

To record a claim for the net book value of the asset and write off the acquisition cost of the asset and accumulated depreciation.

B. When insurance settlement or other restitution is made-

DR GLAC 101-US Cash

DR or CR GLAC 827-Loss or Gain on Disposal of Fixed Asset

CR GLAC 127-Claims Receivable

C. When loss is not expected to be recovered-

DR GLAC 827-Loss or Gain on Disposal of Fixed Asset

DR Allowance for Depreciation

CR Applicable Fixed Asset Account

To write off lost fixed asset and record a loss equal to the net book value.

32040408. Closing a Business Location. All costs associated with closing a segment of the NAFI's business, or the entire NAFI, will be recorded in GLAC 832, Loss Due to Closure - Business Based or GLAC 890 Loss Due to –BRAC/Re-stationing, to include losses on disposal of buildings, improvements, and furniture, fixtures, and equipment. GLAC 832 or 890 should be recorded in the administrative department code (G1) of the location that applies to the facility being closed. To record it in garrison operating entity administration would not show the cost in the proper program code. The notes to the financial statements for the period encompassing the closure should identify the operation that has been discontinued.

3205. LIABILITIES AND FUND EQUITY

320501. LIABILITY FOR NAF RESOURCES

32050101. Fund Manager Responsibility. The sole responsibility for managing the resources of a NAFI, including cash, rests with the fund manager, or the governing council, as applicable. Therefore, the CAO will disburse or use a NAFI's resources only with the approval of the fund manager or as authorized in this regulation.

32050102. Authority For Payment. Receipt of all the following documents, properly prepared and authenticated, is authority for payment.

A. Procurement Instrument. This may be a purchase order, a contract, a blanket purchase agreement, or other contractual document issued in accordance with AR 215-4.

B. Receiving Report. A receiving report or other signed documentary evidence that the goods or services have been received by the NAFI.

C. Vendor Invoice. An invoice or claim from the vendor requesting payment. This may be an invoice issued for a specific delivery or a statement showing deliveries over a month, week, or other period.

32050103. Absence of a Purchase Order. In the absence of a purchase order, the CAO will forward all documents received to the fund manager for proper disposition. AR 215-4 contains procedures for ratification of unauthorized commitments. Payment will not be made until the commitment has been ratified by issuance of a purchase order or contract. If the goods or services have already been received and cannot be returned (contract is not voidable), the contracting officer will recommend to the garrison commander ratification or nonratification of the unauthorized commitment. In that case, the fund manager must obtain approval from the garrison commander and certify in writing that the goods or services represented by the invoice were actually received and that payment is approved.

32050104. Purchases From Another NAFI. Purchase of goods or services from another NAFI will be supported by a request for the goods or services and a signed document showing receipt. DD Form 1149 or similar form will suffice.

32050105. Purchases from Government. Purchase of goods or services from the Government (bills from appropriated funds) will not normally be supported by a procurement instrument; however, a receiving report or other signed evidence of receipt must be present to support the payment. Payment will then be made upon receipt of a bill from the government.

32050106. Payments to NAF Personnel. NAF personnel will be paid only when the proper personnel documents are received. A TA report authenticated by the NAFI manager or his or her appointed representative must be given to the servicing payroll office.

32050107. Payee. Checks will not be made payable to "cash" or "bearer". Checks for operating cash such as check cashing, petty cash, foreign currency exchange, and change funds will be made payable to the name of the person appointed by the fund manager, followed by the purpose, e.g., "John Doe (Annex 1 Petty Cash)".

32050108. Payee Bankrupt or Insolvent. When bankruptcy/insolvency of a payee is involved, payment will not be made from NAF without coordination with DFAS. Further, all potential bankruptcy claims will be submitted to DFAS. Bankruptcy procedures in DOD 7000.14-R Financial Management Regulation, Volume 10, Contract Payment Policy and Procedures, Chapter 18 apply to all NAFIs covered by this regulation.

320502. PURCHASE ORDERS AND VENDOR INVOICES

32050201. Acquisition Procedures. AR 215-4 contains acquisition procedures for Army NAFIs.

32050202. Log Maintenance. Due to the automation of the Contracting system (SNACS), logs of the purchase order numbers are maintained internally in SNACS. Contracting is responsible for accounting for all purchase order numbers at month-end.

32050203. Daily Receipts. Purchase orders for daily deliveries may be made on a monthly or annual basis. A copy of all blanket purchase agreements (BPA) will be sent to the CAO to document purchases. The call record along with the matching delivery tickets and vendor's invoice are required documentation to support payment. However, payment will not be delayed pending receipt of the call record.

32050204. Copies of Facsimiles. Sequentially numbered electronic telephone message facsimile hard copy (i.e., TELEX) may be used in lieu of a purchase order when the electronic telephone message facsimile is the customary method of procurement. It is common to use this method when obtaining confirmed hotel or transportation reservations. A copy of the sequentially pre-numbered receipt voucher will serve as the receiving report when the customer has paid for the reservation confirmation. The copy of the receipt voucher will be forwarded to the CAO and will reference the TELEX or electronic sequentially numbered message.

320503. RECEIVING REPORTS

32050301. Preparation. A receiving report will be prepared in accordance with AR 215-4 for receipt of merchandise purchased or services performed. Enough information will be shown on the receiving report to verify vendors' invoices for payment. The receiving report will be sent to the CAO.

32050302. Payment Without the Original. CAOs may use electronically sent copies of receiving reports or notice of receipt as supporting documents for payments - original signatures are not required. CAOs must have receiving reports for the first and last payments when the same amount is paid to one vendor at fixed intervals for continuing services such as rent, equipment maintenance, or janitorial services. Payments for the intervening periods may be made without a receiving report. CAOs may require receiving reports for the intervening periods if they question the contract or have reason to believe the services are not being supplied. If CAOs choose to use this procedure, they must impress on the receiving activity to immediately inform them of any changes in the contract.

32050303. Net of Discounts. CAOs will record accounts payable net of discounts. This applies to all purchases of services, supplies, merchandise, fixed assets, etc. Discounts are to be taken on the gross amount of the invoice if goods are supplied FOB destination. If the goods are supplied FOB other and a separate freight charge is shown, the CAO will take the discount on the cost of goods only. The FOB delivery terms are shown on the purchase order. CAOs will record discounts lost in GLAC 662.

320504. SERVICE CONTRACT PAYMENTS (See 32100702.)

320505. DA FORM 5313-R (NONAPPROPRIATED FUND PAYABLE/DISBURSEMENT VOUCHER) AND DA FORM 5313-1-R (NAF PAYABLE/DISBURSEMENT VOUCHER-CONTINUATION SHEET). DA Forms 5313-R and 5313-1-R or a locally developed form which includes the information on DA Form 5313-R will be used to support the establishment of all accounts payable and DA Form 5313-1-R will be used to

support disbursements made for other than petty cash. DA Forms 5313-R and 5313-1-R will be locally reproduced on 8½ x 11 inch paper. Petty cash vouchers may be recorded on these forms, if desired. Vouchers will not be marked "paid" until a check is issued. Purchase orders with original signatures, invoices, and receiving reports will be attached to the voucher. All purchase orders and supporting documents will be stamped "paid" when the check is issued. DA Form 5313-1-R and payment checks are usually made out to the official name of the vendor. Some vendors may ask that the checks be made out and mailed to an office that does not have the same name. This is allowed as long as the payment voucher and invoice clearly show the contract number.

320506. ELECTRONIC FUNDS TRANSFER (EFT). The servicing payroll office automatically moves funds to its local depository from each serviced NAFI's account at the Central Bank for the NAFI's payroll. Unemployment insurance premiums and workers compensation premiums are withdrawn as part of the payroll and are paid by the servicing payroll office to Army Central Insurance Fund. All other RIMP premiums are automatically transferred from the NAFI's account at the Central Bank to the Army Central Insurance Fund by the Banking and Investment Office at FMWR.

320507. PAYING DEBTS OWED THE US GOVERNMENT. The CAO will give priority to payment of NAF liabilities to the US Government. All debts owed to appropriated fund activities are considered debts owed to the US Government. Debts to the Government are normally created from commissary and self-service supply center purchases, billings for utilities, and assorted services provided to the NAFI on a reimbursable basis. Debts owed to the Government will be paid immediately upon receipt of all documentation. The practice of paying debts owed to the Government as much as 30 days after receipt of the required documentation is prohibited.

320508. FUND EQUITY. Fund equity (net worth) is the excess of total assets over liabilities. The retained earnings section of the Balance Sheet reports the beginning balance (prior month ending balance), plus current month income (loss) activity, and plus/minus adjustments.

32050801. General Ledger Accounts

A. Contributed Capital. GLAC 291-Contributed Capital, reflects the amount of capital from sources outside the NAFI.

B. Retained Earnings. GLAC 292-Retained Earnings, reflects the amount of retained earnings. Retained earnings includes the beginning balance (prior month ending balance), plus current month income (loss) activity, and plus/minus adjustments.

32050802. Retained Earnings Adjustments. Retained earnings adjustments are extremely rare and require explanation in footnotes to the financial statements. Adjustments to the retained earnings account require DFAS approval, except for dividends declared by Post Restaurant Funds. Approvals are limited to instances of prior year accounting errors and some situations the fund had no control over. Administrative errors or omissions are not grounds for retained earnings adjustment.

3206. INCOME

320601. GENERAL. Income is any inflow or receipt of resources earned by the NAFI. NAFIs usually receive income from the sale of goods or supplying a service. This chapter also has accounting policy for two other sources of income; concessionaire operations and Slot Machine Profits. All income is to be accurately reported under the appropriate program code within the correct MWR category. Revenue and expenses pertaining to a particular program and/or activity must be matched within the appropriate department, location, and program code.

320602. CONCESSIONAIRE INCOME. Certain activities may be operated under contract with a civilian concessionaire. The limits on sales and services by the funds apply fully to concessionaire operations. NAFIs will follow AR 215-1 and AR 215-4 when activities are operated under contract with a civilian concessionaire. AR 215-7 covers Army post restaurant activities operated under contract with a concessionaire. When a particular location had a part in generating the revenue, the revenue will be recorded under that location.

320603. CONCESSION ACCOUNTING. When a department of a NAFI operates (either wholly or in part) on a concession basis, the fees received from the concessionaire will be included in the applicable department codes under GLAC 502 - Concessionaire Commission Income. That portion from direct operations (other than concessionaire) will be recorded in other applicable GLACs (i.e., Service/ Recreation Activities income, etc.) and department codes. If the commission fee from the concessionaire is not received by the end of the month to which it pertains, a GLAC 123 Concessionaire Receivable should be established for the estimated amount receivable.

320604. ARMY RECREATION MACHINE (ARM) PROFITS. CAOs will make the following accounting entries to record income to the NAFI from the program. Debit 101-US Cash Account and Credit 525-ARM Expense Reimbursement Income to record the cash provided to the NAFI to reimburse expenses for supporting slot machines. This income is to be recorded in the location housing the slot machines, using department code G1. Debit 120-ARM Income Receivables for projected share of the program profit income (projections are provided by garrison FMD) and credit 524-ARM Profit Distribution Income. This income is to be reported under Program Code RP (Fund Administration) using department code G1. Upon receiving notice from FMWR of actual distribution, Debit 101 and Credit 120. Any differences in accrual and actual are to be recorded in 524.

320605. CONSIGNMENT TICKET SALES. Consignments are items which the NAFI does not obtain title to. Examples are tickets to sports and entertainment events. The consignor (owner of the items) maintains ownership of the items until the consignee (NAFI) sells the items to the NAFI customers. No accounting entries are necessary until the consignment items are sold by the NAFI. The difference between the sales proceeds and the cost of the ticket is the gross profit or mark up on the sale. Only the gross profit from consignment sales will be recorded as revenue by the NAFI, not the entire proceeds from the sales. The gross profit will be recorded in GLAC 550-Consignment Income and the cost of the items sold will be recorded as an account payable to the consignor. When a customer makes a partial payment, the payment will be recorded in GLAC 202-Deposits Payable. The amount in GLAC 202 will be cleared when full payment is received.

320606. INCOME FROM RECYCLING MATERIALS. When the recycling program is run by the garrison engineer, the NAFI may receive some revenue from the program. Record the income received under program code TT - Recycling in GLAC 538-Recyclable Material Income (Grant/Distribution) when the MWR fund receives a grant or distribution from the Installation Recycling Budget Clearing Account (U.S. Treasury). The amount of distribution is declared by the commander. If the NAFI operates the recycling program for the installation and the proceeds from recyclable material sales are not deposited in the Installation Recycling Budget Clearing Account (U.S. Treasury), record the income and expenses of the program in program code TT-Recycling. Record the income from the sale of recyclable materials in GLAC 501-Service/Recreation Activity Income. If the MWR recycling operation assigns recyclable materials to the Defense Reutilization and Marketing Office (DRMO), report income received by the MWR fund from the Installation Recycling Budget Clearing Account (U.S. Treasury) in GLAC 540-Recyclable Material Income (MWR Operation) in program code TT. If the MWR performs related recycling functions, such as refuse/materials curb-side pick-up on the installation under an appropriated fund contract, record the income from the contract in GLAC 542-APF Contract Income in program code TT.

320607. CONTRIBUTIONS FROM CHARITABLE SOURCES. When NAFIs receive cash contributions from the Combined Federal Campaign (CFC) or other charitable organizations, record the contributions as a credit to GLAC 807-Contributions From Charitable Sources and a debit to Cash. For non-cash items that meet the criteria for fixed assets, see A040402G, for accounting procedures. For items that do not meet the criteria for fixed assets, record to the appropriate asset or expense account with an offsetting entry to GLAC 807.

320608. NON-OPERATING SOURCES OF REVENUE. Non-operating Sources of Revenue are established to record the receipt of non-operating revenue by the NAFI (e.g., cash distributions, allocations, and dividends). The revenue will be recorded under the NAFI administration cost center, unless specifically designated for a particular department.

320609. COUPONS. To assess the impact coupons have on operating activity programs, record the face value of coupons as sales or fees and charges, as appropriate. Cashiers will record the total value of the sale including coupons received. Record the total amount of redeemed coupons on the daily cashiers report.

320610. TOKEN ACCOUNTABILITY. Tokens are counted, reported, and controlled the same as cash when used by a NAFI. When tokens are sold, record the sale as unearned revenue. When tokens are redeemed, record an entry to reverse the entry which was made when they were sold. When a series of tokens is changed, move the amount of unredeemed tokens to miscellaneous income, under the administration cost center. If a shortage occurs, record the amount as a charge to miscellaneous expense.

320611. INTEREST INCOME. When interest is earned, record it in GLAC 801 Interest Income at the NAFI administration cost center.

320612. OPERATING SUBSIDIES. When subsidies are received from foreign governments, record all applicable expenses in full to the applicable cost center and record the

subsidy as nonoperating income in the same cost center. When foreign governments provide reimbursement for specific operating expenses, the NAFI incurs the reimbursement and will be recorded in GLAC 510-Foreign Government Reimbursements Income.

320613. LAYAWAY SALES. When merchandise is sold on layaway, the sale will be recorded at that time. The merchandise will be segregated from other resale merchandise and should be considered sold. Therefore, the cost of goods sold entry should occur at the same time the sale is recorded. The following entry will be recorded at the time of the sale:

DR GLAC 101 - US Cash Account and/or GLAC 111 - Local Bank Compensating Balance

DR GLAC 138 - Layaway Receivables

CR GLAC 303 - Layaway Sales

To record the sale of merchandise on layaway. If the layaway sale is later canceled, the merchandise should be returned to inventory and the previous entry reversed.

320614. ARMY SIMPLIFIED DIVIDEND (ASD). Army Simplified Dividend payments will be recorded as income in GLAC 545-AAFES Dividend Income when the cash is received. The accrual method of accounting will not be used for this source of revenue due to the difficulty in predicting the amount in advance.

3207. EXPENSES

320701. GENERAL. Expenses are the cost of goods, services, and facilities used in the production of revenue. Expenses are deducted from revenue in determining net income. All expenses are to be accurately reported under the appropriate program code within the correct MWR category. Revenue and expenses pertaining to a particular program and/or activity must be matched within the appropriate department, location, and program code.

320702. TRAVEL AND TRANSPORTATION. NAF personnel traveling under official orders citing appropriated funds will be processed by the servicing DFAS location. NAF personnel traveling under official orders citing NAF will be processed by the CAO as follows:

32070201. Advances. Advances will be requested using DD Form 1351 (Travel Voucher). The NAFI authorizing the travel will prepare DD Form 1351 and submit it to the CAO, with a request for check issuance at least 5 working days before the scheduled date of departure. Two copies of the document authorizing the travel (travel order) will accompany the DD Form 1351. The CAO will review the traveler's DD Form 1588 (Record of Travel Payments) to ensure that the traveler has not previously received an advance for the travel. The NAF CAO will compute and pay the travel advance. Advances should not be paid prior to 5 calendar days before the scheduled departure date.

32070202. Travel Settlement Vouchers. When travel is complete, DD Form 1351-2 (Travel Voucher or Subvoucher) must be submitted to the CAO, even if no advance was made. Travel vouchers involving an advance must be submitted for settlement within 15 days after the travel is completed. All other travel vouchers must be submitted for settlement within 30 days after

the travel is completed. The CAO will compute the settlement and complete DD Form 1351-2. If the settlement amount is more than the advance, the CAO will make payment to the traveler. If the advance was more than the settlement amount, the CAO will notify the NAFI that authorized the travel to collect the excess advance from the traveler. If the advance is not collected from the traveler after notification, it may be collected from the traveler's pay. (See AR 215-3)

32070203. Record of Travel Payments. All temporary duty travel and permanent change of station travel and transportation costs are maintained in the Integrated Automated Travel System (IATS). When a travel advance is paid, the CAO will annotate the traveler's records for the payment. The accounting copy of the travel voucher will be annotated with a suspense date of 15 days after the scheduled return date. The advance suspense file will be reviewed daily to insure that all advances are settled.

32070204. Accounting Entries.

A. When the travel expenses will be reimbursed by FMWR, IMCOM headquarters, or some other NAF fund:

1. When the advance is paid:

DR GLAC 119-Advances Receivable
CR GLAC 101-US Cash Account

2. When the settlement (DD 1351-2) is received:

a. If the entitlement equals the advance:

DR GLAC 135-Inter NAFI Receivables-Inside IMCOM Region.
DR GLAC 136-Inter NAFI Receivables-Outside IMCOM Region.
CR GLAC 119-Advances Receivable.

b. If the entitlement is less than the advance, make the following entry for the amount of the entitlement. The balance owed by the traveler remains in GLAC 119 until recouped:

DR GLAC 135-Inter NAFI Receivables-Inside IMCOM Region.
DR GLAC 136-Inter NAFI Receivables-Outside IMCOM Region.
CR GLAC 119-Advances Receivable.

c. If the entitlement exceeds the advance, make the following entry, with the debit to GLAC 135 or GLAC 136 for the amount of the entitlement, the credit to GLAC 119 for the amount of the advance, and the credit to GLAC 240 for the additional amount that is owed to the traveler. The GLAC 240 will be cleared when the traveler is paid the additional amount owed:

DR GLAC 135-Inter NAFI Receivables-Inside IMCOM Region.
DR GLAC 136-Inter NAFI Receivables-Outside IMCOM Region .
CR GLAC 119-Advances Receivable.
CR GLAC 240-Miscellaneous Other Payables.

B. When the travel expenses will not be reimbursed by FMWR, IMCOM headquarters, or some other NAF fund:

1. When the advance is paid:

DR GLAC 119-Advances Receivable.
CR GLAC 101-US Cash Account.

2. When the travel takes place, the following accrual will be made for the estimated travel expenses:

DR GLAC 692, 732, or 754-(Various Travel Expenses).
CR GLAC 260-Miscellaneous Other Accruals.

3. When the settlement (DD 1351-2) is received:

a. Reverse the accrual that was made above.

b. If the entitlement equals the advance:

DR GLAC 692, 732, or 754-(Various Travel Expenses).
CR GLAC 119-Advances Receivable.

c. If the entitlement is less than the advance, make the following entry for the amount of the entitlement. The balance owed by the traveler remains in GLAC 119 until recouped:

DR GLAC 692, 732, or 754-(Various Travel Expenses).
CR GLAC 119-Advances Receivable.

d. If the entitlement exceeds the advance, make the following entry, with the debit to the expense account(s) for the amount of the entitlement, the credit to GLAC 119 for the amount of the advance, and the credit to GLAC 240 for the additional amount that is owed to the traveler. The GLAC 240 will be cleared when the traveler is paid the additional amount owed:

DR GLAC 692, 732, or 754-(Various Travel Expenses).
CR GLAC 119-Advances Receivable.
CR GLAC 240-Miscellaneous Other Payables.

320703. ACCOUNTING FOR VOLUNTEER CHILD CARE EXPENSES. Volunteer expenses for child care may be reimbursed by the using activity (see AR 215-1). Three methods of payment are possible, depending on the activity and volunteer preferences; petty cash disbursement, inter-department expense transfer (NAFI departments) and prepayment deposit (non-NAFI activities). Accounting entries are as follows:

32070301. Petty Cash Vouchers. Upon settlement of petty cash vouchers (when volunteers are directly reimbursed for private child care costs). DR 678-Volunteer Service Expense and CR 101-Cash.

32070302. Cost Transfer. Upon receipt of Child Development Center (CDC) sign-in sheet for NAFI departments, enter a cost transfer. Any disagreements between the CDC and NAFI department concerning the amount of the cost transfer will be resolved by the CDC and/or Financial Management Division. DR 678 (for the using department) and CR 678 (for the CDC).

32070303. Receipt Of Cash. When cash is received from non-NAFI activities for prepayment of CDC charges, the CAO must keep a subsidiary ledger to account for the prepayment. DR 101-US Cash and CR 202-Deposits Payable.

32070304. Income. Upon receipt of sign-in sheets from CDC for non-NAFI activities showing that the services were provided, DR 202-Deposits Payable and CR 501-Service/Recreation Activity Income.

320704. LODGING CAPITALIZATION ASSESSMENT (LCA).

32070401. Collection Of Assessment. The Department of the Army Lodging Fund (ALF) will collect an assessment on occupied Lodging rooms. The liability will be recorded in GLAC 238-Surcharge Payable on the daily activity reports. Guidance on the computation of the assessment can be found at the FMWR website, located at: <http://www.ArmyMWR.org> under Financial Management, Documents, and Operational Guidance.

32070402. Transfer of Funds. The FMWR will transfer an amount equal to the balance in GLAC 238 to the ALF's account. This transfer will occur monthly on the last business day of the month. CAOs should record the cash transfer on that date.

320705. CAPITAL REINVESTMENT ASSESSMENT (CRA).

32070501. Computation of Assessment. This paragraph is only applicable to the FMWR operated AFRCs. In FY03, the MWR Board of Directors (BOD) approved the elimination of the CRA for all MWR entities with the exception of the Armed Forces Recreation Centers (AFRCs) which continued to budget and pay CRA at 3% of their "adjusted" revenue. The effective date of the change was 1 Oct 03 (FY04).

32070502. Transfer of Funds. No longer applicable.

320706. Extraordinary Income and Expense. Extraordinary income and expenses (GLACs 891 and 892) should be used very seldom. These GLACs are reserved for situations that have not occurred in the past and are not expected to occur again. There are no good examples of income or expenses that qualify under this definition. All entries to GLAC 891 and 892 require DFAS approval, just like fund equity adjustment entries require DFAS approval.

3208. NONAPPROPRIATED FUNDS CENTRAL PAYROLL SYSTEM

320801. GENERAL

32080101. Pay and Leave Policy. The basic policies in AR 215-3 governing the pay and leave accounting for NAF employees will be followed.

32080102. Scope. This chapter concerns all CAOs/FMDs that have transferred pay and leave services for NAF employees to the Nonappropriated Funds Central Payroll System (NAFCPS); NAF Civilian Personnel Units (CPU) providing personnel services to CAOs/FMDs and NAFIs; and NAFI managers and supervisors who are involved in the pay and leave input or output of the NAFCPS. All Army NAFIs will be serviced by the NAFCPS.

320802. PAYROLL RESPONSIBILITIES

32080201. Servicing Payroll Office. The servicing payroll office, NAF Financial Services (NFS), operates under the functional control of Defense Finance and Accounting Service-Indianapolis Centralized Site.

32080202. Duties of Servicing Payroll Office. The servicing payroll office, NFS, processes payrolls. It will:

A. Make timely payment to all employees assigned to it for pay and leave accounting.

B. Issue employee earnings and leave statements. NFS is the sole user of DA Form 5352 (Nonappropriated Funds Earnings and Leave Statement) obtained from the US Army Publications Distribution Center.

C. Provide various disbursement services such as distribution of net pay, savings bonds, and savings allotments based on the instruction of employees, CPUs, and NAFI managers.

D. Prepare and maintain all pay and leave records and reports.

E. Report errors detected in personnel or payroll action documents, DA Form 4850 (Nonappropriated Funds Time and Attendance Report) or DA Form 4850-1-R (Nonappropriated Funds Time and Attendance Supplement Report) to the proper office.

F. Ensure that documents needed to make payment to employees have been received before payment is made.

G. Cooperate fully with all serviced offices in the primary mission of pay and leave accounting.

H. Answer all inquiries from serviced offices regarding pay and leave when information is not included in data normally provided by NFS.

I. Process tax levies or court orders against wages earned.

J. Withhold Federal, State, and local taxes and remit them to the proper government agencies.

K. Withhold employee deductions for NAF employee benefit programs and remit them, along with employer's contribution, to HQDA in accordance with AR 215-3.

L. Record amounts of unclaimed payroll checks returned from CAOs/FMDs in accordance with 320806.

M. Calculate, collect, and remit worker's compensation and unemployment insurance amounts to the Risk Management Office.

N. Provide employment and wage information as requested on forms ES 931.

32080203. CAO/FMD Duties. The servicing CAO/FMD will:

A. Receive DA Forms 4850 and 4850-1-R from the NAFIs. Once all forms for the garrison are collected, they will be transmitted via Source Time and Attendance (STA) or mailed to NFS. This function will be handled by the NAFI fund managers at garrisons serviced by a regional CAO/FMD.

B. Receive payroll checks and payroll listings from NFS for distribution to the NAFI managers, CAO/FMD employees, and other NAF employees at the garrison. Non-STA sites also receive preprinted DA Forms 4850. For Korea, NFS computes the pay and transmits net pay issue records via File Transfer Protocol (FTP) to the CAO for local check preparation until the employee's EFT information is entered in the payroll system.

C. Make proper G/L accounting entries upon receipt of payroll listings and checks from NFS.

D. Return unclaimed/undeliverable payroll checks to NFS in accordance with 320806.

32080204. CPU Duties. The servicing CPU will:

A. Prepare all personnel or payroll action documents and submit them to NFS.

B. Submit all changes to the employee's Master Employee Record. Examples are a change of address, a new IRS Form W-4, a new allotment or a change to an existing allotment, and other acceptable forms. (See 32080403).

C. Review payroll reports returned from NFS per 32080702.

D. Comply with AR 215-3, other regulations, personnel and pay manuals, and directives from HQDA on pay, leave, and personnel of NAFIs.

32080205. NAFI Duties. The serviced NAFIs will:

A. Provide the CAO/FMD with correct documents, as required, to support payment and leave accounting for employees.

B. Insure that prescribed procedures for DA Forms 4850 and 4850-1-R preparation and reporting are followed.

C. Collect and deposit overpayments not recoverable from payroll deduction, as requested by NFS, and advise the CAO when collection has been made.

D. Collect and deposit fees paid to employees on jury duty.

E. Make required corrections related to pay and leave, in coordination with NFS.

F. Interpret and administer regulations on entitlement to pay and leave.

G. Return undeliverable payroll checks to CAO or NFS for disposition.

320803. ESTABLISHMENT OF PAY PERIOD. Pay periods are established on a biweekly basis and end on every other Wednesday.

320804. PERSONNEL OR PAYROLL ACTION DOCUMENTS.

32080401. Maintenance of Payroll Files. The payroll copy of all personnel or payroll action documents will be maintained by NFS.

32080402. Document Transmittal.

A. The CPU of the serviced garrison will promptly transmit to NFS all personnel or payroll action documents required to maintain individual pay and leave records. Documents to be processed by NFS must be mailed with a transmittal memorandum, Subject:

Personnel/Payroll Actions Transmittal Number _____, within 1 workday of the day they are certified. The transmittal memorandum/form will be prepared in triplicate. The original and one copy will be sent to: NAF Financial Services, PO Box 6111, Texarkana, TX 75505-6111. One copy will be kept at the servicing CPU.

B. Pay actions will be processed during the current pay period for employees whose personnel or payroll action documents are received at NFS by noon on Tuesday, the day prior to the pay period ending date. Processing of personnel or payroll action documents received after close of business Tuesday, the day prior to the pay period ending date, will be deferred and included in the net pay for the pay period following receipt of the documents.

C. Sample transmittal memorandum is shown in Figure 8-1.

D. Transmittal memorandums will be sequentially numbered, preceded by the two-letter garrison code and followed by the two-digit calendar year (Examples: RR-1-07, RR-2-07, RR-3-07). The transmittal will be date-stamped on receipt at NFS. When received, documents will be compared with the list on the transmittal memorandum and reviewed for completeness. Receipt will be acknowledged by signing and returning the duplicate copy. Documents that do not comply with AR 215-3 and other instructions will be returned to the serviced garrison for proper completion.

32080403. Documents Submitted to NFS. The following is a list of forms that will be accepted by NFS to establish, change, or terminate an employee's records.

A. DA Form 3434, Notification of Personnel Action - Nonappropriated Funds Employee

B. DA Form 3473, Application for USANAF Retirement Plan and/or Group Insurance Plans (Part I-Application for USANAF Retirement Plan and Part II-Application for USANAF Group Insurance Plans)

C. DA Form 7426, Application for USANAF Employee 401(k) Savings Plan-Enrollment Form

D. IRS Form W-4, Employee's Withholding Allowance Certificate (Individual State, county, city, or local withholding forms may be accepted.)

E. IRS Form W-5, Earned Income Credit Advance Payment Certificate

F. States Savings Bonds-Series EE

G. SB 2305, Authorization for Purchase and Request for Change-United States Savings Bonds- Series I

H. SF 1187, Request for Payroll Deductions for Labor Organization Dues

- I. SF 1188, Cancellation of Payroll Deductions for Labor Organization Dues
- J. SF 1190, Foreign Allowance Application, Grant, and Report
- K. SF 1199A, Direct Deposit Sign-up Form (Substitute financial institution forms bearing the same information as SF 1199A may be accepted.)
- L. TSP-1, Thrift Savings Plan Election Form
- M. TSP-19, Thrift Savings Plan Transfer of Information Between Agencies
- N. Memorandum for: To be used by the employee to send the CPU information not provided on other acceptable forms. Example: Change of address for an employee who is not participating in the US Army NAF Employee Benefits System.

32080404. Document Omission. The CPU is responsible for ensuring all personnel or payroll action documents are properly documented and submitted to NFS in a timely manner. If an action is not included in the pay cycle, the NAFI manager or CPU will determine the reasons for the omission and take necessary corrective action to include it in the next pay cycle.

320805. PROCEDURES FOR SUBMISSION OF TIME AND ATTENDANCE REPORTS

32080501. Time and Attendance Reports. The time, attendance, and leave of each NAF employee is maintained on DA Form 4850 and DA Form 4850-1-R. Electronic maintenance via STA is preferred, however hardcopy forms may still be used.

32080502. Maintenance of DA Forms 4850 and 4850-1-R.

A. For STA sites, NFS provides employee demographic data biweekly for download to prepare electronic DA Forms 4850. For new-hires, the CPU will complete the bottom line of the DA Form 4850 for one pay period and attach the form to copy 6 of the DA Form 3434 (Notification of Personnel Action-NAF Employee), to be sent to the NAFI manager.

B. Non-STA transmitting sites will obtain their biweekly DA Forms 4850 from the STA software or from the post publications office. For new hires CPU will complete the bottom line of the DA Forms 4850 for the first three pay periods of employment and attach the forms to copy 6 of the DA Form 3434 (Notification of Personnel Action-NAF Employee) to be sent to the NAFI manager. Each non-STA NAFI manager will obtain blank DA Forms 4850 through the post publications office. Each non-STA NAFI manager will keep enough DA Forms 4850 on hand for at least two full pay periods.

C. Each NAFI manager, supervisor, or appointed timekeeper will maintain the certified DA Forms 4850. For hardcopy reporting sites, the original copy will be forwarded to CAO/FMD. Copy two will be held for adjustments or lost forms. Copy three will be retained for a file copy.

D. STA users will electronically maintain and submit DA Form 4850-1-R. Hardcopy users will locally reproduce DA Form 4850-1-R on 8-1/2 by 11-inch paper. Copies of DA Form 4850-1-R can be found in STA or a master copy may be obtained from DFAS-JN/UVTX. Each NAFI manager, supervisor, or appointed timekeeper will maintain the DA Forms 4850-1-R. For hardcopy reporting sites, each DA Form 4850-1-R will follow immediately after its corresponding DA Form 4850 for submission to NFS.

E. DA Forms 4850 and 4850-1-R will be grouped at NAFI level (a 1-digit number) or at NAFI-location level (a 3-digit number).

F. At STA sites the NAFI manager, supervisor, or designee is responsible for the electronic certification of DA Forms 4850 and 4850-1-R. At hardcopy sites the NAFI manager, supervisor, or designee is responsible for the certification of DA Forms 4850 and 4850-1-R. No employee or supervisor may sign his or her own DA Forms 4850 and 4850-1-R. No employee may sign his or her own supervisor's DA Form 4850 or 4850-1-R. Corresponding DA Forms 4850 and 4850-1-R will be certified and signed by the same person.

G. The timekeepers will:

1. Prepare DA Form 4853-R (NAF Time and Attendance Transmittal Form) when submitting any documents to NFS.

2. At the end of each pay period, hardcopy DA Form 4850 and 4850-1-R will be arranged in work center sequence and within each work center in social security number sequence.

3. Record the total number of DA Forms 4850 and 4850-1-R in the space provided on DA Form 4853-R (NAF Time and Attendance Transmittal Form). DA Form 4853-R will be locally reproduced on 8-1/2 by 11-inch paper.

4. List individually all other documents submitted after the pay period ending date.

32080503. Submission of DA Forms 4850 and 4850-1-R.

A. Each NAFI manager, custodian, or supervisor will review the DA Forms 4850 and 4850-1-R for accuracy, completeness, correction of errors, proper initials on all hardcopy corrections and proper certification/signature, and submit them to the CAO/FMD. The CAO/FMD will electronically transmit the forms via STA or mail the hardcopy forms on Thursday following the end of the pay period on Wednesday. The hardcopy forms will be packaged so that they will not be damaged or lost in transit. If the forms package weighs 11 ounces or less, mark it FIRST CLASS. If it weighs over 11 ounces, mark it PRIORITY. The words FIRST CLASS or PRIORITY should be large enough so that they can easily be read by postal employees. FIRST CLASS and PRIORITY applies to all domestic mail, including APO mail. The mailing address for NFS is in 32080402A.

B. The CAO/FMD has both the fiduciary responsibility for collection and transmission/ mailing of the DA Forms 4850 and 4850-1-R and the authority to delegate these responsibilities to another central designee if the delegation will not impede the delivery of reports to NFS. The keyword is CENTRAL, as the efficient processing of payroll at NFS is dependent upon having a central point of contact at each garrison or community.

C. Each NAFI manager or supervisor will insure that a proper DA Form 4850 or 4850-1-R is submitted for each employee with hours to be reported. NFS will process pay or leave for an employee only when a certified form is received containing hours worked or leave taken.

32080504. Adjustments to DA Form 4850 and DA Form 4850-1-R. Each NAFI manager or custodian will notify the servicing CAO/FMD of any adjustments required as soon as possible after the end of a pay period. STA users may make adjustments electronically if they are within the cut-off period. After the cut-off period, STA users must use hardcopy procedures to report adjustments. For hardcopy users changes will be made on copies number two and three of DA Form 4850. Copy two of the DA Form 4850 will be signed by any person who has a proper DD Form 577 (Signature Card) on file at NFS for that NAFI. Adjustments to DA Form 4850-1-R will be made on a new DA Form 4850-1-R. This form will be signed by any person who has a proper DD Form 577 on file for that NAFI in NFS. The servicing CAO/FMD will be responsible for sending adjustments to the payroll office. If the adjustments are not received by the payroll office in time to be incorporated into the current pay period, adjustments will be made in the next pay period. When the following errors are found on DA Form 4850 and DA Form 4850-1-R, the payroll clerk will process the time and attendance report and then request correction by the sender:

A. Questionable pay entitlement: Tour of duty does not agree with hours reported, tour of duty uncertain, or holiday worked or taken uncertain.

B. Corrections made on DA Form 4850 and DA Form 4850-1-R not initialed.

C. Scheduled hours as reflected on DA Form 3434 (Notification of Personnel Action) not accounted for on DA Form 4850 and DA Form 4850-1-R.

D. Hardcopy DA Form 4850 and DA Form 4850-1-R sent without signature.

E. Unauthorized signature on DA Form 4850 or DA Form 4850-1-R.

F. NAFI code reported on DA Form 4850 or DA Form 4850-1-R does not agree with DA Form 3434.

NOTE: The work center code in DA Form 4850 and DA Form 4850-1-R will be shown in the following sequence: NAFI code (Position 1), location code (Position 2-3), department code (Position 4-5), and constant "00" (Position 6-7). The standard NAFI number (SNN) in DA Form 3434 will be shown in the following sequence: Garrison code (Position 1-2), NAFI code (Position 3), program code (Position 4- 5), location code (Position 6-7), and department code (Position 8-9).

32080505. DA Forms 4850 and 4850-1-R Correction Suspenses. For DA Forms 4850 and 4850-1-R returned for correction, there is a 21 day from date of return suspense for a first request. If corrections are not received, a second request will be forwarded to the CAO (or fund manager in the case of remote CAO) with a suspense date of 15 days from the date requested.

32080506. Submission and Use of DD Form 577. Each person authorized to certify personnel/payroll action documents, time and attendance reporting documents (DA Forms 4850 and 4850-1-R) and/or Tips, Service Charges, and Meal Reporting documents (DA Form 5163-R) must complete a DD Form 577 (Signature Card) and send it to NFS. A copy will be furnished to the servicing CAO. In addition to the name, grade, date, and signature the form must also contain the garrison name, fund and location codes and the individual's initials. (NOTE: The local commander may require department code also). DD Form 577 will be updated and sent when there are supervisory changes or changes from existing fund, location, or department (if required locally) codes. Payment will not be made from DA Form 4850, DA Form 4850-1-R, and DA Form 5163-R unless a DD Form 577 containing the certifying official's signature is on file in NFS.

32080507. Tips and Service Charges.

A. The Internal Revenue Service requires that employees report tip income on IRS Form 4070 (Employee's Report of Tips to Employer). A similar form can be used if it shows the employee name, social security number, employee address, employer name and address, date submitted to the employer, total tip income received, and the employee's signature.

1. A tip is a voluntary payment by a customer to an employee for services performed.
2. A tip is not subject to negotiation nor dictated by management policy.
3. The customer has a right to precisely determine the amount and recipient of the tip.
4. A tip may be either cash or charge.

B. Cash tips are cash that the employee receives directly from the customer. These tips must be reported to the NAFI manager on IRS Form 4070. The fund manager will complete DA Form 5163-R (Nonappropriated Funds Central Payroll System Tips, Service Charges and Meals Report). Cash tips will be reported under the heading "Reported Tips".

C. Charge tips are the amount the customer adds to a charge ticket to be paid to the employee as a tip. The liability for the tip payable will be established in GLAC 230. The tip will be billed to either the customer or credit card company depending on the type of accounts receivable system being used. The NAFI manager will provide the employee with a detailed list of tips charged. The employee will complete IRS Form 4070, or similar form and return the completed

form to the NAFI manager for submission to NFS with DA Form 5163-R. NFS will include reported charge tips with the employee's next regular payroll payment.

D. The NAFI manager will complete DA Form 5163-R for each NAFI. They will submit the form to the CAO with other payroll documents the same pay period tips or service charges are earned. DA Form 5163-R will be reproduced locally on 8-1/2 by 11-inch paper. The tips must be reported under the proper heading: "Reported Tips" or "Charge Tips".

E. A service charge is a mandatory charge added to the customer's bill. The NAFI will record the amount in GLAC 527, Service Charge Income. The service charge may be distributed to the employee at the NAFI manager's discretion. If distributed, the service charge will be treated as additional wages and will be included in GLAC 601, US Salaries and Wage Expense. Service charges will be reported on DA Form 5163-R under the heading: "Service Charge."

F. Garrisons which use STA for Time and Attendance reporting will soon be able to report tips via STA. As soon as STA Tip reporting is available, sites are encouraged to begin using this means for tip reporting.

32080508. Tip Offset. Garrisons, except those in the States of Alaska, California, Nevada, New Mexico and Washington, are authorized the option to participate in the tip offset system. Under the tip offset system, a part of the employee's hourly wage is composed of tips. Garrisons will determine the tip offset rate in accordance with AR 215-3. The CPU will furnish the tip offset rate on DA Form 3434, Notification of Personnel Action, after the tip offset rate is provided by the NAFI. NAFICPS will compute tip offset based on DA Form 5163-R, DA Form 4850, and DA Form 4850-1-R submitted by the garrisons. The service charge described in 32080507E above will not be used in the tip offset calculation.

32080509. Tip Allocation. It is the responsibility of the NAFI to compute a tip allocation for those employees whose reported tips are less than 8 percent of applicable gross sales. Tip allocation amounts will be used for informational purposes only. Allocated tips are not subject to either OASDI (Old Age, Survivors, and Disability Insurance) or Medicare or Federal withholding taxes. No G/L entries are required. The tip allocation will be reported on DA Form 5163-R in the "Tip Allocation" column.

32080510. Meals. Meals provided to employees that are to be deducted from pay will be reported on DA Form 5163-R.

32080511. Worker's Compensation. This compensation is provided for employees injured on the job. Employer premiums are collected biweekly via the NAF payroll system. AR 215-1, prescribes the basic policies and procedures for Worker's Compensation.

32080512. Unemployment Insurance. This insurance is provided for employees to cover periods of unemployment. Employer premiums are collected biweekly via the NAF payroll system. AR 215-1 prescribes the basic policies and procedures for Unemployment Insurance.

320806. CHECK AND BOND MAILING

32080601. Check Mailing.

A. A maximum of 3 workdays will be allowed for the processing and preparation of payrolls in NFS.

B. The time between the end of the pay period and the distribution of net pay by NFS will be no more than 8 calendar days. The payday for NAF employees serviced by NFS will be the second Wednesday following the end of the pay period.

C. Individual employee payroll checks and Earnings and Leave Statements (ELS) will be mailed to the CAO/FMD for delivery on the second Wednesday following the close of each pay period. Bulk delivery of checks drawn on payrolls to individual payees may be made to third parties for distribution to payees. . For employees electing Electronic Fund Transfer (EFT) of their pay, the ELS will be mailed to the CAO/FMD or designated contact point. Note that, since the inception of mandatory EFT, payroll checks are only issued for employees for whom receipt of pay by EFT is a hardship.

D. The NAFI managers will designate in writing the person to receive checks for distribution; that person will receipt for all checks received from the CAO/FMD or NFS. It is the responsibility of the NAFI manager to establish procedures covering distribution of the checks after they are received from the CAO/FMD or NFS. Proper internal controls will be provided by the NAFI manager to insure that the handling and distribution of the paychecks is separated from the authorizing and recording of the payments. Undeliverable checks will be returned to the CAO/FMD or NFS with the reason for non-delivery in accordance with paragraph 32040104.

E. The servicing CAO/FMD point of contact or NAFI managers will notify NFS immediately when errors or omissions are found on the payroll payments, reports, preprinted DA Forms 4850, or ELS.

32080602. Savings Bond Mailing.

A. All Series EE US Savings Bonds will be mailed directly to employees, using the address shown on SBD 2104. The bonds will be mailed by the servicing Federal Reserve Bank. To change the bond mailing address for Series EE savings bonds, a new SBD 2104 must be submitted to NFS.

B. All Series I US Savings Bonds will be mailed directly to employees, using the address shown on SB 2305. The bonds will be mailed by the servicing Federal Reserve Bank. To change the bond mailing address for Series I savings bonds, a new SB 2305 must be submitted to NFS.

32080603. Nonreceipt or Loss of Bonds. If a bond is not received within a reasonable time, the employee should notify the servicing CAO/FMD, in writing. The CAO/FMD will then contact NFS to begin the research process with the servicing Federal Reserve Bank.

320807. OUTPUT REPORTS

32080701. Payroll Reports.

A. Reports are provided to the serviced garrisons to help the CAO/FMD, CPU, and NAFI or program managers manage their personnel and NAFI accounting.

B. Reports are produced and provided to NFS to insure that the payroll is processed accurately.

C. Local managers are required to verify that persons paid and charged to their accounts are officially employed. Use the payroll listings cited below to perform this verification. NFS will provide On Line Report Viewing (OLRV) with access to the following reports produced during pay cycles:

1. Personal Services Report, Biweekly (Figure 8-2)
2. Individual Leave Register, Biweekly (Figure 8-3)
3. Active Employee Address Listing, Upon Request (Figure 8-4)
4. Payroll Change Listing, Biweekly (Figure 8-5)
5. NAF Centralized Payroll Data Report, Biweekly (Figure 8-6)
6. Transfer of Annual Leave Liability, Biweekly (Figure 8-7)
7. Compute Research Listing, Biweekly (Figure 8-8)
8. Quarterly Review of Hours Worked, Quarterly (Figure 8-9)
9. MWR Personnel Strength Report, Quarterly (Figure 8-10)
10. Annual Leave Forfeit Report, Annually (Figure 8-11)
11. Employee Cross Reference Roster, Upon Request (Figure 8-13)
12. Tip Offset/Service Charge Report, Biweekly (Figure 8-14)
13. Quarterly Inactive Employee Report, Quarterly (Figure 8-15)
14. Compensatory Aging Schedule, Biweekly (Figure 8-16)
15. Annual Leave/ Compensatory Time Adjustment Report, Biweekly (Figure 8-17)

16. Compensatory Time Subsidiary Report, Biweekly (Figure 8-18)
17. Home Leave Report, Biweekly (Figure 8-19)
18. HMO/GLI Continued Benefits Report, Biweekly (Figure 8-20)
19. Compensatory Time Reimbursement Report, Biweekly (Figure 8-21)
20. Employee Data Verification, Upon Request (Figure 8-22)

32080702. Brief Description of Reports.

A. Personal Services Report. This report is produced each pay period and shows the current pay for each employee. It is prepared on DA Form 5314, Personal Services (Comprehensive) Nonappropriated Fund Employees. DA Form 5314 is stocked at Red River Army Depot for use by NFS. Base pay, gross pay, and net pay are shown with the check number for each employee paid. If the net pay for a person is part of a composite check, the check number is replaced with "ORGN" and the financial organization code. Cash awards are posted separately, below the current pay line entry. The cash award payment is paid by the same means used for the employee's biweekly payment. If that payment is by check, the cash award check number is included. The current totals for each work center are shown after the last listed employee of each work center. The amount of each payment must be compared to the amounts on this report by the NAFI manager or his representative.

B. Individual Leave Register. This report shows annual, sick, and military leave, and leave or absences without pay for each employee. It includes the department total in each leave category. This report will be used by the servicing CPU to adjust an employee's official service computation date when applicable. It also provides the authority, based upon each person's leave balance, for approving leave. Leave is shown in hours and dollars for the pay period. The current total is shown only in hours.

C. Active Employee Address Listing. This listing gives all address and mailing instructions on the employee's Master Employee Record (MER).

D. Payroll Change Listing. This is a listing of all changes made to employees' MERs during the pay period. It will be used primarily by the servicing CPU to verify that the changes made match documentation submitted by the CPU.

E. NAF Centralized Payroll Data Report. This report shows the amount of pay and leave expenses that are incurred. It gives all the G/L entries that are required to update the accounting system, record payroll expenses, adjust the accrued annual leave liability, adjust payroll advance accounts, and establish service charge liability. The G/L entries are given at the proper level (department, location, or NAFI) for entry into the accounting system. At month end this report will include payroll accrual G/L entries that will automatically reverse at the beginning of the new

month's transaction processing. The CAO/FMD should insure that the Personal Services Report agrees with this report.

F. Transfer of Annual Leave Liability. This report provides the annual leave liability when an employee's leave balance is transferred from one work center to another and/or one garrison to another. It gives the following data: Social security number, employee's name, annual leave balance in hours, losing and gaining garrison code, work center, hourly rate, and the dollar value of annual leave. The CAO and affected NAFI managers will use this report as a basis for transferring monies from the old garrison/work center to the new garrison/work center. The transfer of monies must be performed in the accounting period for which the name appears on this report. The accounting entries are as follows:

1. When the employee's name is on the report, the gaining NAFI will establish a receivable:

DR 135 - Inter-NAFI Receivables-Inside IMCOM Region or 136 - Inter-NAFI Receivables-Outside IMCOM Region
CR 243 - Annual Leave Payable

2. The losing NAFI establishes the liability as follows:

a. Transfer without a change in grade/pay:

DR 243 - Annual Leave Payable
CR 231 - Inter-NAFI Payables-Inside IMCOM Region or 232 - Inter-NAFI Payables- Outside IMCOM Region

b. Transfer with a downgrade/pay reduction:

DR 243 - Annual Leave Payable
CR 231 - Inter-NAFI Payables-Inside IMCOM Region or 232 - Inter-NAFI Payables-Outside IMCOM Region
CR 825 - Miscellaneous Other Non-operating Income

3. When the money is transferred, the gaining NAFI will make the following entry:

DR 101 - US Cash
CR 135 - Inter-NAFI Receivables-Inside IMCOM Region or 136 - Inter-NAFI Receivables-Outside IMCOM Region

4. The losing NAFI will make the following entry:

DR 231 - Inter-NAFI Payables-Inside IMCOM Region or 232 Inter-NAFI Payables-Outside IMCOM Region

CR 101 - US Cash

G. Compute Research Listing. This listing is produced when pay is computed and gives informational type messages to identify when internal, automatic action was taken by the computer. An "I" indicates an informational message.

H. Quarterly Review of Hours Worked. This report shows biweekly base hours assigned, regular hours worked, overtime hours worked, and total hours worked for all NAF employees. This report will be used by CPUs to review hours worked versus base hours assigned, per AR 215-3.

I. MWR Personnel Strength Report. The garrison level of the MWR Personnel Strength Report is sent to the CAO quarterly. The IMCOM level report is sent to the IMCOMs the first and third quarters of the FY for information purposes. The second and fourth quarters NFS sends the IMCOM and DA level reports to FMWR and ACFW (See Chapter 32, Paragraph 12). The CAO/FMD should review this report to insure data is only reported for valid programs. Should data appear on this report for an invalid program, a corrected DA Form 3434 must be requested from servicing CPU for submission to NFS.

J. Annual Leave Forfeit Report. This report is produced only after the close of the leave year. It shows all forfeited leave, by individual, for that year.

K. Employee Cross-Reference Roster. This listing is used as a cross-reference of employee information. It will show each employee's social security number, name, work center, type position code, type employment code, pay-leave status code, grade and step, assigned shift, first shift hourly rate, annual salary, wage area code, MWR category, garrison code, intermittent days or weeks worked, base hours, earned income credit code, personnel office identifier number (POI), retirement code, and life insurance and health benefits codes. For certain locations a duty station (DS) code may also be provided.

L. NAFI Employees Compensation and Benefits Program Report This report shows the NAFI employee costs (payroll and benefits for US employees and employees overseas) and NAF benefit programs (retirement, medical, and life insurance) for each MWR program group. This report is produced at the end of the fiscal year and is sent directly from the NFS to FMWR and ACFW in accordance with DoD reporting requirements. (See 3210).

M. Tip Offset/Service Charge Report. This report will provide the work center code, employee social security number, employee name, tip offset rate, total tips, and service charges paid to the employee. Also total offset, which is derived by using the total hours in a tipped status times the tip offset rate.

N. Quarterly Inactive Employee Report. This report will include the employee name, SSN, type of employment, and the date of the last pay period the employee worked for all inactive employees who did not work during that quarter. The purpose of this report is to inform the central accounting officer, NAFI managers, and civilian personnel unit chief (CPU), of inactive employees on the NAF CPS master file. The report will be reviewed and verified by the CPU

in conjunction with the NAFI or program managers to determine the proper status of employees who have not worked for at least three months.

O. Compensatory Aging Schedule. This report includes the employee name, SSN, pay period number, compensatory hours, and the overtime rate at which compensatory hours were worked for the 26 pay periods that compensatory balances are carried. The purpose of this report is to inform the CAO/FMD and NAFI manager of the compensatory time balance for each employee and the aging of that balance.

P. Annual Leave/ Compensatory Time Adjustment Report. This report will include the employee name, SSN, annual leave adjustment, compensatory time adjustment, and compensatory time converted to overtime adjustment. It shows adjustments made to GLAC 243 (Annual Leave Payable) and GLAC 247 (US Employee Compensatory Time Payable).

Q. Compensatory Time Subsidiary Report. This report will be used by the CAO as a subsidiary record for GLAC 247. It includes each employee's current compensatory time balance. In addition, it informs managers two pay periods in advance of employees who have compensatory time balances that are close to conversion to overtime.

R. Home Leave Report. This report is a management information tool. It contains the employee's name, social security number, home leave overseas entrance on duty date, home leave accrual date, home leave eligibility date, accrual rate, beginning of leave year home leave balance, accrued and taken year to date, accrued and taken current pay period, dollar value of home leave taken current pay period, current balance of home leave, current pay period leave without pay, and service year leave without pay.

S. HMO/GLI Continued Benefits Report. This report is produced for the NAFI manager whenever the pay for an employee on LWOP is insufficient to cover his/her biweekly premium for health care or life insurance. The payroll system charges the employing NAFI for both the employee deduction and the employer contribution. NAFI manager may collect employee's share of premium due from the employee based on this report.

T. Compensatory Time Reimbursement Report. This report contains transferred employee's name, SSN, losing and gaining garrison and work center, and dollar value of compensatory time paid. When sorted in gaining garrison sequence, report shows amount the losing garrison will transfer to cover the lump sum payment of compensatory time. The losing garrison sequence shows amount payable to the gaining garrison as reimbursement for lump sum payment of compensatory time.

U. Employee Data Verification. This report contains information received from the Enumeration Verification System (EVS) of the Social Security Administration (SSA) regarding employee Social Security Account information mismatches. Employee name, social security number, date of birth and sex code, as shown in the payroll system, is verified periodically with SSA records. This report is the result of mismatches found between the two systems. The Employee Data Verification report is provided to CPUs to contact employees to obtain accurate information. After review of pertinent information with an employee, corrective action should be

taken immediately. If personnel data in the payroll system is inaccurate, CPU should submit an accurate DA Form 3434 to NFS. If the SSA information is inaccurate, the employee must go to the nearest SSA Office to correct their SSA account information. SSA will only accept correction information from the employee. An employee's failure to correct SSA information may result in the employee not receiving proper SSA benefits at retirement.

320808. TRANSFERRING PAYROLL CASH. One week following the end of each pay period the individual NAFIs must have cash in their bank checking account equal to the gross pay and the employer's share of fringe benefits based on the previous pay period. For Central Banking Program (CBP) participants, payroll cash will be transferred by electronic fund transfer (EFT). Garrisons having NAFIs that are not CBP participants will have their funds withdrawn by NFS by wire transfer for the amount of the consolidated payroll cash for all NAFIs they service. Communities must have a bank account with the military banking facility. NFS withdraws these funds directly from NAFI checking accounts at the central bank. Withdrawals will occur on the Tuesday preceding payday. Note: If Tuesday is a banking holiday, the funds will be withdrawn on the preceding business day.

320809. PAYMENTS. NFS will send payroll checks to the CAO/FMD that services each garrison. If a garrison does not have a CAO or is serviced by a regional CAO, checks will be sent directly to the NAFIs. The NAF Centralized Payroll Data Report will be sent to the servicing CAO.

320810. SERVICE CHARGES. A service charge will be assessed in each pay period. These charges will be based on a predetermined rate multiplied by the number of employee records on the payroll master file (The rate will be published separately and changed, as required). Payment of service charge will be combined with the transfer of payroll cash as described in 320808.

320811. ANNUAL LEAVE

32081101. Liability. Annual leave liability will be maintained in the general ledgers of the individual NAFIs. The Individual Leave Register will be used as the subsidiary to GLAC 243 (Annual Leave Payable). GLAC 243 balance on the Individual Leave Register can be located on the Fund Total page. Adjustments to GLAC 243 will be processed by NFS. The Centralized Payroll Data Report will show the dollar amount of adjustment and NAFICPS will provide data necessary to update the general ledger.

32081102. Advance Leave. When an employee has been granted advance annual leave and continues in a leave accruing status, the amount of leave accrued each pay period will reduce the amount of the advance leave balance.

32081103. Transfer to Ineligible Status. When an employee is transferred from an eligible leave status to an ineligible leave status, the policy is as follows:

A. At the time the employee is transferred, the payroll clerk servicing that garrison will review the NAF Individual Leave Register to insure the employee does not have a negative annual leave balance.

B. If the employee has a negative annual leave balance, NFS will inform the employee's NAFI manager through the servicing CPU. The NAFI manager will make proper arrangements with the employee for a set amount to be deducted from the employee's biweekly pay until the negative balance is liquidated. The usual deduction is 15% of net pay, following due process procedures. The NAFI manager will advise NFS, through the CPU, of collection arrangements. NFS will then take required actions to collect the monies owed for the leave debt.

32081104. Termination with Negative Annual Leave Balance. When an employee terminates employment with a negative annual leave balance, the annual leave debt will be deducted from the employee's final pay. If the pay is less than the debt, NFS will advise the NAFI manager, through the servicing CPU, of the balance owed. The employee's NAFI manager must then collect the debt.

320812. SICK LEAVE

32081201. Sick Leave Taken Accounting. The servicing CAO will enter the dollar value of sick leave taken, by department or location within each NAFI, with a debit to GLAC 605 and a credit to GLAC 601.

32081202. Change of Leave Accrual Status. When an employee is transferred from a leave accruing status to a non-leave accruing status, the policy is as follows:

A. The payroll clerk will review the NAF Individual Leave Register to ensure the employee does not have a negative sick leave balance.

B. If the employee has a negative leave balance, the sick leave debt will be collected by offsetting the lump sum payment for annual leave due him. If the annual leave payment is less than the debt, NFS will proceed as for annual leave in 32081103B.

32081203. Termination with Negative Sick Leave Balance. When an employee has been granted advance sick leave and terminates employment with a negative sick leave balance, the leave debt will be collected by offsetting against the lump sum payment for annual leave due to him or her. If the annual leave payment is less than the debt, the remaining debt will be deducted from the employee's base wages. If wages are less than the debt, NFS will advise the NAFI manager through the servicing CPU of the remaining balance owed. The employee's NAFI manager must then collect the debt.

32081204. Recording Advanced Sick Leave. Entries required to effect the proper G/L transactions for an authorized advance sick leave balance are as follows:

A. No entry is required while the employee is in a sick leave accruing status.

B. When the employee changes to a non-leave accruing status or terminates employment:

DR 140-Miscellaneous Other Receivables

CR 605-US Sick Leave Expense

C. To liquidate the receivable established in 32081204B above:

DR 101-US Cash

CR 140-Miscellaneous Other Receivables

320813. HOME LEAVE. Home leave is automatically accrued and recorded to eligible employee records via NAFPCPS, in accordance with AR 215-3.

32081301. Accrual. Home leave may be accrued at the rate of 5, 10, or 15 days for 12 months service, depending upon employee's eligibility and Home Leave Accrual Date. Unless adjusted by excess leave without pay, the Home Leave Accrual Date will be the same as the Overseas Entrance-on-duty Date. The balance of home leave carries over every year. There is no maximum accumulation.

32081302. Employee Terminates with Balance. If an employee terminates, the home leave balance is maintained in their terminated record, and if he or she returns to work, the balance of home leave is restored for use. If an employee transfers from overseas to the States and transfers back overseas at any later date, he or she will have the balance of their home leave restored for use.

32081303. AWOP. For periods of absence without pay (AWOP) in excess of two workweeks within each 12 months of service abroad, the system will automatically lengthen, at the rate of a day for a day, the period of time on which the individual will accrue home leave.

32081304. Reported in Whole Days. Home leave days taken will be reported on DA Form 4850-1-R in whole days only. Days of home leave taken in excess of days earned will automatically be cutback to annual leave by the NAFPCPS. If the individual does not have annual leave sufficient to cover the excess home leave, the balance not covered will be cutback to leave without pay (LWOP).

32081305. GLAC Entries. For garrisons which have eligible individuals who have taken home leave during the current pay period the GLAC entries are:

DR 623-Home Leave Expense

CR 601-US Salaries and Wages Expense

320814. ACCRUALS

32081401. Payroll Expense. At the end of the month, the servicing CAO will accrue the payroll expense for the estimated gross amount of the unpaid payroll. Employer's share of benefits will be accrued individually. The estimate should be based on the previous pay period. Accounting entries are as follows:

DR 601-US Salaries and Wages Expense

DR 603-US Annual Leave Expense
DR 607-US Worker's Compensation Insurance Expense
DR 611-Employer's Share of FICA
DR 612-Employer's Health and Life Insurance Expense
DR 613-Employer's Retirement Expense
DR 620-US Unemployment Insurance Expense
DR 624-Other Benefits-US
DR 626-Employer's Share-401(k) Expense
DR 627-Employer's Share-Thrift Savings Plan Expense
DR 629-Post-Retirement Medical Benefit Assessment
DR 760-401(k) Administrative Surcharge Expense
CR 242-Salaries and Wages Payable

32081402. Reversal of Accrual. At the beginning of the next month, these entries will be reversed.

32081403. Automated Accruals. Fund managers may elect to have the payroll system automatically calculate accruals for each department under their control. These accrual transactions are coded to automatically reverse when the next month's processing is initiated. Fund managers preferring to make their own manual accrual entries must contact NFS to suppress the automated accruals.

320815. EMERGENCY PAYMENT PROCEDURES

32081501. Procedures. Cash payment procedures.

A. Determination of cash payment. Payment to the employee may be made if their DA Form 4850 or 4850-1-R is missing, or hours were materially understated on DA Form 4850 or 4850-1-R.

B. Processing cash payment.

1. The CAO/FMD must call NFS Payroll Inquiries Section and state why the manual payment is required. The nature and rarity of such emergencies require the approval of Chief, NFS, or their designee.

2. The Chief of NFS will instruct the Payroll Inquiries Section to issue a control number for the approved manual payment. The CAO/FMD will give NFS the name of the garrison, work center, the employee's name, their social security number, and hours worked. NFS must have a DA Form 3434 and a properly certified time card before the pay can be computed. The payroll clerk will compute the amount to be paid based on actual hours worked. For new employees, the payroll clerk will base the computation on pay band, hourly rate and hours worked or grade, step, pay scale, and hours worked, as applicable. NFS will issue manual payments for all employees who have elected EFT of their pay. For the garrisons with a local CAO, the CAO will immediately send a letter to NFS providing the information pertaining to the local payment (i.e.,

control number, pay period ending date, employee name, SSN and amount). The garrison will be billed the service charge for the manual payments. A CAO/FMD or NAFI manager will not disburse NAF funds for employee service without approval from NFS. When a CAO/FMD or NAFI manager disburses NAF funds without proper approval, he or she is responsible for collection of those funds from the employee.

3. If an adjusted or missing DA Form 4850 or 4850-1-R is resubmitted after the employee has received a cash payment, the time on the second form is computed and added to the current pay. The previous cash payment is then deducted from the net pay.

4. If an employee was erroneously omitted from the current payroll, the servicing CAO, NAFI manager will determine why. The servicing CAO, NAFI manager will ensure that the next pay cycle includes the omitted pay data.

32081502. Payroll Contingency Procedures for Garrisons Serviced by NFS. If unforeseen circumstances prevent receipt of payroll checks at the local garrisons, contact Disbursing Section, DSN 829-4153 for replacement procedures.

320816. CONTINUANCE OF US ARMY NAF EMPLOYEE BENEFIT SYSTEM (EBS) DEDUCTIONS DURING LEAVE-WITHOUT-PAY (LWOP) STATUS. Employers of employees who are in an LWOP status will be charged for both the employee and the employer share of biweekly premiums. Employers may recoup the employee's share of the premium directly from the employee. See information on the HMO/GLI Continued Benefits Report in 320807 above.

320817. PAYMENTS TO EMPLOYEES. NFS is authorized two methods of payment to NAF employees. One method is for an employee to receive payment through deposit to a financial organization. The second method is for the check to be mailed to the CAO (or to the NAFI if there is no CAO) and hand delivered to the employee. This second method may only be used if receiving pay via deposit to a financial organization will impose a hardship on the employee. When the second method is used, the same person that signed the time and attendance report will not distribute the check. The duties of making actual payment and accounting for time and attendance must be separated.

320818. SECURITY

32081801. Maintenance of Reports. Reports must be protected and maintained under the provisions of the Privacy Act.

32081802. Retention and Destruction of Reports. Garrison CAOs, CPUs, and NAFI managers will see that AR 25-400-2 is followed in the handling of the payroll reports.

32081803. Checks. Checks remaining in an office overnight must be locked in a safe or vault.

320819. RECOUPMENT OF OBLIGATIONS TO A NAFI

32081901. Employee Obligations to a NAFI. Certain obligations that an employee owes to a NAFI may be recouped by means of a biweekly payroll deduction.

32081902. Obligations That Are Not Due to Overpayments.

A. If the employee acknowledges the validity and amount of indebtedness and desires to repay by means of a payroll deduction, the NAFI manager will have the employee sign an authorization for payroll deduction. A memorandum may be used for this purpose. Total indebtedness must be paid within 26 pay periods. Basic statement should read:

"I authorize \$ (total dollar amount of indebtedness) be deducted from my net pay as payment of my obligation to (name of NAFI). Please make biweekly deductions of \$ (amount of biweekly payment) beginning with the first pay period following receipt of this statement."

B. Signed statement will be forwarded to the CAO so that accounts receivable can be established. Entry on the books of the NAFI will be a debit to GLAC 140 and a credit to the appropriate account pertaining to the type of indebtedness incurred. A copy of the statement should be retained for support of the accounts receivable entry. CAO then submits the original statement by transmittal letter to NFS.

C. For each pay period that collections are made, NFS will send a check to the NAFI for the amount of the biweekly collections with a listing of employee names and individual amounts. Upon receipt of check, GLAC 140 will be credited to reduce the accounts receivable. Documentation will be retained for support of subsidiary records.

32081903. Erroneous Overpayments. In overpayments resulting from payroll processing and administrative errors, NFS will notify the employee in writing of such overpayment. Notification will provide total amount of indebtedness, amount of biweekly repayment deductions, and dates of deductions. Deductions will not exceed 15 percent of net pay. Copies of notification will be furnished to CAO. In the event these overpayments are subsequently waived by the garrison commander, the employing NAFI is liable for employee's indebtedness to third parties, and not NFS. Likewise, if an employee terminates prior to liquidation of a debt or obligation being repaid, the employing NAFI is liable for the unpaid amount.

32081904. General Disputes and Waivers. If an employee disputes a debt or obligation, or requests waiver of repayment, the garrison commander will make the final decision based upon information made available by both the NAFI and the employee. The employee will be notified in writing of the determination and a copy of the notification will be forwarded to NFS for collection in accordance with procedures stated above. These involuntary deductions will not exceed 15 percent of net pay. (See AR 215-1 and AR 215-3.)

32081905. Retirement or Insurance Disputes and Waivers. If the overpayments or disputes discussed in 32081903 or 32081904 above involve retirement, health or life insurance, or

401(k) the Chief, Employee Benefits Branch, P.O. Box 107, Arlington, VA 22210-0107, not the garrison commander, will make determinations regarding waivers.

320820. ON-THE-SPOT AWARDS. All locally paid awards must be reported to NFS not later than the pay period following the period in which paid. Payments made in December are especially critical. Awards paid in December should be made prior to the last pay period of the calendar year. To ensure the calculation of wages and taxes is included on the employee's Form W-2 for the proper tax year, any payment made after the last pay period of the calendar year must be scheduled with NFS and reported on a priority basis. Upon receipt of DA Form 5167-R (Incentive Awards Nomination and Approval-Nonappropriated Funds) the CAO will:

32082001. Award Maximums. Ensure the gross amount (amount before retirement contribution, OASDI and Medicare, federal, state and local income tax deductions) does not exceed the \$500 maximum per award. (See AR 215-3.)

A. Cash Award. For a cash award, the gross amount is the amount of the award. For employees paid by NFS, on-the-spot cash awards may only be paid through the payroll system. The CAO will not issue local payments for on-the-spot cash awards. Award documentation must be received by NFS no later than noon, central time; the day the pay period ends in order to be included in that pay period. Note: CAOs will continue to process Savings Bond and Non-traditional Awards using the formulas below.

B. Series EE Savings Bond Award for Employee Not Participating in 401(k) Plan. For a Series EE savings bond award, the gross amount is the purchase price of the bond plus the applicable deductions. For employees who do not participate in the NAF Employee 401(k) Savings Plan, the gross amount is determined by use of this formula:

$$\text{Gross Amount} = \frac{\text{Bond Purchase Price}}{(100\% \text{ minus the sum total \% of deductions})}$$

1. Example 1: Bond purchase price for a \$200.00 Series EE bond is \$100.00. The sum total of retirement contribution (2%), OASDI (6.2%), Medicare (1.45%), Federal tax (25%), State tax (0%), and local tax (0%) is (34.65%).

$$\begin{aligned} \text{Gross Amount} &= \frac{\$100.00}{(100\% \text{ minus } 34.65\%)} \\ &= \frac{\$100.00}{65.35\%} \\ &= \$153.02 \end{aligned}$$

As the gross amount of the bond award is less than \$500, the award may be given.

2. Using the gross amount of the bond award of \$153.02, the applicable deductions can now be calculated:

Retirement	\$153.02 times 2.00% = \$ 3.06
OASDI	\$153.02 times 6.20% = \$ 9.49
Medicare	\$153.02 times 1.45% = \$ 2.22
Federal tax	\$153.02 times 25.00% = <u>\$ 38.26</u>
	\$ 53.03

3. Example 2: Bond purchase price for a \$1,000.00 Series EE bond is \$500.00. The sum total of retirement contribution (2%), OASDI (6.2%), Medicare (1.45%), Federal tax (25%), State tax (0%), and local tax (0%) is (34.65%).

$$\begin{aligned}
 \text{Gross Amount} &= \frac{\$500.00}{(100\% \text{ minus } 34.65\%)} \\
 &= \frac{\$500.00}{65.35\%} \\
 &= \$ 765.11
 \end{aligned}$$

As the gross amount of this award exceeds the \$500 maximum, the \$1000 Series EE bond award cannot be given.

C. Series EE Savings Bond Award for Employee Participating in 401k/ Plan.

For employees who do participate in the NAF Employee 401(k) Savings Plan, the calculation differs because the federal government does not tax these deductions. For these employees, the gross amount of a Series EE savings bond award is the purchase price of the bond plus the applicable deductions with the federal tax amount reduced for the 401(k) deduction. The gross amount is determined by use of this formula:

$$\text{Gross Amount} = \frac{\text{Bond Purchase Price}}{(100\% \text{ minus the sum total \% of deductions})}$$

1. Example 1: Bond purchase price for a \$200.00 Series EE bond is \$100.00. The sum total of 401(k) contribution percentage (3%), retirement contribution (2%), OASDI (6.2%), Medicare (1.45%), Federal tax (% must be calculated as shown below), State tax (0%), and local tax (0%) is (xx.xx%).

$$\begin{aligned}
 \text{Federal Tax \%} &= [X \text{ minus } XY] \text{ times } 25\% \\
 X &= \text{Gross Amount} \\
 Y &= \text{Employee's 401(k) Percentage} \\
 &= [X \text{ minus } X (3\%)] \text{ times } 25\% \\
 &= (.25X \text{ minus } .0075X) \\
 &= (.25 \text{ minus } .0075)X \\
 &= .2425X \\
 &= 24.25\%
 \end{aligned}$$

In this example the Federal Tax % calculated is 24.25%. As before, you now sum the percentage deductions: 3% + 2% + 6.2% + 1.45% + 24.25% = 36.90%

$$\begin{aligned} \text{Gross Amount} &= \frac{\$100.00}{(100\% \text{ minus } 36.90\%)} \\ &= \frac{\$100.00}{63.10\%} \\ &= \$158.48 \end{aligned}$$

As the gross amount of the bond award is less than \$500, the award may be given.

2. Using the gross amount of the bond award, \$ 158.48, the applicable deductions can now be calculated:

401(k)	\$ 158.48 times 3.00% = \$ 4.75
Retirement	\$ 158.48 times 2.00% = \$ 3.17
OASDI	\$158.48 times 6.20% = \$ 9.83
Medicare	\$ 158.48 times 1.45% = \$ 2.30
Federal tax	\$ 158.48 times 24.25% = <u>\$38.43</u>
	\$ 58.48

3. Example 2: Bond purchase price for a \$1,000.00 Series EE bond is \$500.00. The sum total of 401(k) contribution percentage (4%), retirement contribution (2%), OASDI (6.2), Medicare (1.45%), Federal tax % must be calculated as shown below), State tax (0%), and local tax (0%) is (xx.xx%).

$$\begin{aligned} \text{Federal Tax \%} &= [X \text{ minus } XY] \text{ times } 25\% \\ X &= \text{Gross Amount} \\ Y &= \text{Employee's 401(k) Percentage} \\ &= [X \text{ minus } X (4\%)] \text{ times } 25\% \\ &= (.25X \text{ minus } .0100X) \\ &= (.25 \text{ minus } .0100)X \\ &= .2400X \\ &= 24.00\% \end{aligned}$$

In this example the Federal Tax % calculated is 24.00%. As before, you now sum the percentage deductions: 4% + 2% + 6.2% + 1.45% + 24.00% = 37.65%

$$\text{Gross Amount} = \frac{\$500.00}{(100\% \text{ minus } 37.65\%)}$$

$$\begin{aligned}
 &= \frac{\$500.00}{62.35\%} \\
 &= \$ 801.92
 \end{aligned}$$

As the gross amount of this award exceeds the \$500 maximum, the \$1,000 bond award cannot be given.

(NOTE: The OASDI and Medicare rates used in the examples above are those that were in effect when this volume was published.)

D. Series I Savings Bond Awards. Formula examples provided above for Series EE Savings Bonds apply to Series I Savings Bond Awards with one exception. The exception is that the purchase price of the Series I Savings Bonds is equal to the face value of the savings bond.

32082002. Award Limits. Ensure that the employee will not have received awards in excess of \$2,000 in the inclusive prior 12-month period.

32082003. Type of Award. Determine if the award is for cash or a savings bond.

A. If the award is for cash, the CAO will provide DA Form 5167-R to NFS for processing of the cash award.

B. If the award is for a savings bond, the CAO will:

1. Issue a check locally for the purchase price of the bond (net amount).

2. Prepare a memorandum showing the bond amount, the gross amount (purchase price plus applicable deductions), 401(k) contribution, retirement contributions, OASDI, Medicare, federal, state and local tax deduction amounts and the net amount of the bond. Attach the DA Form 5167-R to the memorandum and mail to NFS requesting the payroll records be adjusted to include the bond award.

C. If the award is a non-traditional award, the CAO will:

1. Calculate the gross amount of the award.

2. Prepare a memorandum showing the purchase price of the award item, the gross amount (purchase price plus applicable deductions), 401(k) contribution, retirement contributions, OASDI, Medicare, federal, state and local tax deduction amounts and the net amount of the non-traditional award. Attach the DA Form 5167-R to the memorandum and mail to NFS requesting the payroll records be adjusted to include the non-traditional award.

32082004. Use of Retirement Contributions and/or 401(k) in Award Calculations. Retirement should only be calculated when employee is participating in the retirement program. To

determine if a retirement contribution should be calculated, the CAO should refer to his most recent Employee Cross-Reference Roster. If the employee has an 'R' (or an 'A' for a non-resident alien on a special visa permitting work) recorded under the 'RET CDE' column, use the retirement % in the award calculation. For 401(k) Plan deductions refer to the employee's Personnel Folder.

320821. AUTOMATIC WITHIN-GRADE INCREASES FOR PREVAILING RATE EMPLOYEES. Automatic within-grade increases for prevailing rate employees will be produced systemically in accordance with AR 215-3.

320822. AUTOMATIC LEAVE CATEGORY CHANGES. DA Form 3434's will automatically be produced for NF, CC and PR employees in regular full-time and regular part-time positions in accordance with accrual of annual leave restrictions cited in AR 215-3.

320823. PORTABILITY OF ANNUAL LEAVE BENEFITS

32082301. Transfer of Leave Balances. Leave balances will be transferred when employees convert from NAF to Appropriated Fund (APF) or from APF to NAF status. However, there will be no transfer of funds. Therefore, the servicing CAO will make entries on the NAF accounting records to adjust the NAF liability for annual leave. NOTE: No adjustments are required for sick leave or home leave.

32082302. NAF to APF Conversion. When a former NAF employee converts to APF status, NFS will send the servicing CAO a Record of Leave Data for the individual. The record will give the dollar value of annual leave to be removed from the annual leave liability account. The entry to record income recognized when the annual leave liability is decreased is shown below:

DR 243-Annual Leave Payable
CR 808-NAF to APF Conversion Income

32082303. APF to NAF Conversion. When a former APF employee converts to NAF status, the servicing CAO must depend on the local CPU or fund manager to inform them of the transfer. NFS will establish the transferred employee's leave balance based on documents received from the local CPU. NFS will generate an entry to debit GLAC 603 (US Annual Leave Expense) and credit GLAC 243 (Annual Leave Payable) in the amount of the fund's liability for the individual's leave balance. The servicing CAO will use the Individual Leave Register to identify the dollar amount of this entry. The entry to move the expense of establishing the employee's leave balance from an operating expense account to a non-operating expense account is shown below:

DR 833-APF to NAF Conversion Expense
CR 603-US Annual Leave Expense

320824 NAF 401(K) SAVINGS PLAN AND APF THRIFT SAVINGS PLAN

32082401. NAF 401(k) Savings Plan. The NAF 401(k) Savings Plan allows regular full-time and regular part-time employees to contribute a percentage (1 to 97%) of their gross wages

to a tax deferred pension plan. The NAFI will match up to 3% of the employee's gross wages. The employer matching contribution will be recorded in GLAC 626 (Employer's Share of 401k Expense). The expense will be calculated by the NAFPCPS and electronically deducted from the central bank account along with other payroll expenses.

32082402. Thrift Savings Plan. For employees who transferred from APF to NAF status and continued participation in the Thrift Savings Plan (TSP), the matching employer contribution will be recorded in GLAC 627 (Employer's Share of Thrift Savings Plan Expense.)

320825. NON-CASH AWARDS

32082501. Report to NFS. When a NAFI provides a non-cash performance award to an employee, the CAO will report the award to NFS so the dollar value of the award can be included on the employee's W-2 as taxable income.

32082602. Reporting and Accounting Procedures. Reporting and accounting procedures found in 320820 apply to non-cash awards. When non-cash awards are made, the NAFI incurs the cost of the item awarded plus the employee's share of payroll taxes related to the award. Refer to the savings bond examples in 32082001B and C for details on calculating the cost of the award.

A. When a NAFI purchases merchandise, trips, or other items of value to be provided as performance awards at a later date, the accounting treatment should be as follows:

DR 160-Miscellaneous Other Prepaid Expenses
CR 101-US Cash

B. When the award is provided to the employee, the CAO will establish a receivable from NFS as follows:

DR 140-Miscellaneous Other Receivables
CR 160-Miscellaneous Other Prepaid Expenses

C. If the non-cash award is purchased at the time it is presented, the entry is as follows:

DR 140-Miscellaneous Other Receivables
CR 101-US Cash

32082503. Calculation and Notification. The CAO must calculate the cost of the non-cash award and send NFS a copy of the DA Form 5167-R (Incentive Awards Nomination and Approval-Nonappropriated Funds) along with a memorandum which includes the information specified by 32082003.

32082504. NFS Procedures. NFS will:

A. Add the gross amount of the award to the employee's earnings and leave statement and withdraw this amount from the NAFI's bank account.

B. Issue a check to reimburse the NAFI for the purchase price of the non-cash item awarded.

32082505. Receipt of Reimbursement. Upon receipt of the check from NFS, the CAO will reduce the debit balance in GLAC 140 as follows:

DR 101-US Cash Account

CR 140-Miscellaneous Other Receivables

32082506. Tokens of Appreciation. These procedures do not apply to low dollar value "tokens of appreciation". Low dollar items will not be reported to NFS, nor are they taxable to the employee.

320826. NATIONAL NEW HIRE DIRECTORY. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, requires employers to report employee social security number, name, address and earnings to a centralized data base. The database is used when necessary by State Child Support Enforcement Agencies to locate parents for the purpose of enforcing child support orders. The payroll system performs this reporting requirement for all NAFIs it services.

320827. U.S. DEPARTMENT OF LABOR. IAW 5 USC 8501-8508 and 20 CFR 609 the U.S. Department of Labor, Bureau of Labor Statistics is required to collect employment and wage information from employers periodically. The payroll system automatically provides the required data for all NAFIs it services.

3209. UNIT FUNDS

320901. GENERAL

32090101. Accounting and Reporting Procedures. This chapter has accounting and reporting procedures for unit funds and unit activities established and administered by garrison commanders in accordance with AR 215-1. Garrison commander includes, as applicable, the State Adjutant General (AG) for the Army National Guard, the Major, U.S. Army Reserve Command (MUSARC), or reserve component (division, troop command, or brigade) delegated as an IMCOM by the State AG or MUSARC. Included are those funds integrated into the IMWRF, and those maintaining their own accounting records. Funds keeping their own records are:

- A. Inmate morale support funds.
- B. Stockade morale support funds.
- C. Hospital prisoner morale funds.

D. Non-troop program Reserve units.

E. Reserve Component units.

F. Units designated as isolated units.

32090102. Reserve Components and Isolated Unit Funds. Procedures in AR 215-1 are not changed by provisions of this publication.

32090103. Garrison Unit Activities. Separate unit funds are not authorized for garrison/ base units; however, at IMCOM direction, those units may receive monetary NAF support through IMWRF. Garrison units receiving NAF support are referred to as "unit activities" and are accounted for within the IMWRF.

320902. CONSOLIDATED UNIT FUND ACCOUNTING. Under AR 215-1, unit funds of two or more units of company, battery, battalion, brigade, or higher size, may be combined into one consolidated unit fund account. Accounting and reporting is required to be integrated with the functions of the IMWRF.

320903. SOURCE OF FUNDS. Unit activities receive NAF support from the host garrison MWR operating entity. NAF support to isolated and reserve component units is provided by the coordinating garrison (usually the one nearest the unit). The coordinating garrison will request reimbursement from Southeast Region for all CONUS reserve component units and isolated units, or Pacific for units based in Puerto Rico and the Pacific.

320904. UNIT MWR FUNDS. The accounting and reporting functions of garrison unit activities will be integrated with the IMWRF functions. Isolated and reserve component unit funds will account for their funds in accordance with paragraph A0906.

320905. ACCOUNTING FOR IMWRF UNIT ACTIVITIES. All garrison unit activities will be accounted for using a locally assigned location code and the standard department code 5J under program code HD. Individual unit activity statements will be prepared by the garrison MWR operating entity management, not the CAO.

32090501. Debit GLAC 6XX and Credit GLAC 201 is an example of entry to record the expense incurred by the garrison MWR operating entity unit activity.

32090502. Debit GLAC 101 and Credit GLAC 5XX is an example of an entry to record the revenue received by the garrison MWR operating entity for the unit activity.

320906. ACCOUNTING FOR ISOLATED UNIT ACTIVITIES. Reserve or isolated units authorized to keep their own accounting records will use the following:

32090601. The framework of accounting records in this section is the single-entry or cash basis system. Single-entry bookkeeping is simple and economical. It should, under certain conditions, provide enough data to prepare financial statements. The cash basis of accounting records

revenue and expenses when actually received and paid, without regard to the period to which they apply.

32090602. No other classification of accounting transaction is maintained except for property purchased with unit funds or property acquired by gift, transfer, or donation. These acquisitions require subsidiary records for control purposes.

32090603. The isolated unit fund dividend distribution from the DA MWRP will be paid through Southeast Region and be paid by a coordinating garrison. The coordinating garrison will pay the dividend directly to an approved isolated unit fund and be reimbursed by Forces Command. The entry to record the payment by the coordinating garrison is DR GLAC 132 – Dividends Receivable and CR GLAC 101 - US Cash. When the coordinating garrison receives reimbursement, the entry is DR GLAC 101 and CR GLAC 132 –Dividends Receivable.

32090604. When the isolated unit activity is funded as part of a garrison MWRP operating entity, the procedures in A0905 apply.

320907. RECORDS AND FORMS. Basic records and forms will be established and maintained as prescribed in this section. Records of a unit fund will be kept to the minimum required to support the funds transactions.

32090701. DA Forms 2107 (Nonappropriated Fund Receipt and Disbursement Voucher) will be used to support all receipts and disbursements by unit funds. This general purpose voucher is prescribed to support all transactions except those processed through the petty cash fund. Refer to chapter 4 for procedures on petty cash expenditure.

32090702. DA Form 2107 will be numbered sequentially by calendar or fiscal year, i.e., 07-1, 07-2, etc. A single series of numbered vouchers will be used for all transactions within the calendar or fiscal year, whether the action is a receipt or a disbursement. For example, if the last voucher issued was No. 07-10 for an expenditure, and the next transaction to be recorded is a receipt of cash, the collection voucher will be numbered "07-11". Each DA Form 2107 prepared will be dated, numbered, and contain all data required to fully identify the transaction. The voucher will be signed by the fund manager. It will be supported by attached documents required to validate the transaction, such as vendor invoices, statements, bills, receipts, receiving reports, and other related documents.

32090703. Purchases made through petty cash disbursements will be processed according to procedures in chapter 4. A DA Form 2107 will be prepared when the petty cash fund is replenished.

32090704. When possible, all goods and services will be paid for at the time of purchase. Memorandum records will be maintained to insure that outstanding orders are properly suspended. These memorandum files will prevent placing of orders in excess of the unit fund's available cash balances.

32090705. Other records will include a check book, bank deposit slips, bank statements, bank account reconciliations, statements of operation and fund equity, copies of audit reports, property receipts, and miscellaneous correspondence relating to unit fund administration.

320908. CASH, PROPERTY, AND RECONCILIATION RECORD (CPRR). This DA Form 5627-R (Cash, Property and Reconciliation Record) is the primary official record of unit fund management and administration. DA Form 5627-R will be locally reproduced on 8 1/2 by 11 inch paper. All entries must be supported by an approved DA Form 2107.

32090801. Cash Receipts. Unit fund managers will be responsible for safeguarding cash receipts by promptly depositing them. Dividends received through the IMWRF and cash from sales of fund-owned property will be fully identified so that proper disposition may be made.

32090802. Cash Disbursements. All cash disbursements, except petty cash transactions, will be documented on a DA Form 2107. If a petty cash fund is established, the total authorized amount of the petty cash fund will be entered in the expenditure column of the DA Form 5627-R with a memo entry. Thereafter, only the amount of a fund replenishment to the original authorization will be recorded. When the petty cash fund is discontinued, the amount expended will be entered in the expenditure column, the balance will be deposited in the bank. The latter will be shown as a memo entry in the receipts column of the DA Form 5627-R. Transactions affecting cash and property will be entered in both cash and property columns of the DA Form 5627-R.

32090803. Property Transactions. The following transactions will be entered in the DA Form 5627-R to maintain property control: (1) Cash purchases of property; (2) Cash sales of excess or worn out property; (3) Transfers and gifts from other units or other sources; and (4) Disposals to the property salvage officer. Property will be recorded on DA Form 4078. When cash is involved in the property transaction, entries will be made in both the cash column and the property column.

32090804. Reconciliations

A. Reconcile the property records maintained on DA Forms 4078 with the balance shown in the property column of the DA Form 5627-R each quarter. The cost of all property items purchased with unit funds or otherwise acquired by the unit (excluding Government property) will be summarized from the DA Forms 4078. The amount will be balanced to the amount shown on the fund record.

B. Reconcile the bank statement to the fund cash account each month. This account is also maintained on the DA Form 5627-R. The bank statement balance, minus outstanding checks, plus deposits made after the bank statement cutoff, should always equal the balance column on the DA Form 5627-R.

320909. PETTY CASH SYSTEM.

32090901. Petty cash procedures will be governed by paragraph 4.

32090902. Prepare DA Form 2107 to support the issuance of a check to restore the petty cash fund to its original amount. Attach all supporting documents to the DA Form 2107. Enter the total of all subvouchers on the DA Form 2107. Post the same amount in the expenditures column of the DA Form 5627-R.

32090903. Reserve component units are not required to use petty cash procedures if they:

A. Receive income only from dividends; and

B. Spend those dividends during annual training. Attach all sales slips, receipts, and supporting documents to the DA Form 5627-R. These documents will be accepted as evidence of purchase.

320910. REPORTING. Unit fund managers will keep a DA Form 5627-R. Record receipts and expenditures on a daily basis, as they occur. At the end of each month, total all columns and send an information copy to the servicing garrison MWR operating entity. Reserve Component units do not need to send an information copy of the DA Form 5627-R to the servicing garrison MWR operating entity. RC unit fund managers will send a copy of the DA Form 5627-R to IMCOM each quarter. After review, it will be returned to the RC fund manager to be included in the unit's files.

32091001. Certificate of Transfer. Fund managers will prepare a certificate of transfer as shown in figure 2-1. Both the current manager and the successor will sign the certificate. It will be filed with the current financial statement.

32091002. Change of Fund Manager. The outgoing fund manager will also notify the servicing bank of the change of fund managers. A letter resembling the following will be sent to the bank: "I have on this date transferred the unit fund of Company A, 4th Infantry, to John Doe, 1st Lieutenant, Infantry, who will, until replaced, have authority to draw on the fund deposited in your bank. His signature appears below." The letter will be signed by the current fund manager and his or her successor.

3210. FINANCIAL REPORTING REQUIREMENTS

321001. GENERAL

32100101. Information Requirements. Only one information requirement bearing a reports control symbol is prescribed in this chapter; the Nonappropriated Fund Financial Reporting (RCS CSCOA-24).

32100102. Reporting and Submission. Reporting frequency and submission address are prescribed in table 10-1. Additional information is contained in AR 215-1.

32100103. Reporting Schedules. All financial statements must be submitted per table 10-1. NAFI management should receive the final monthly financial statements as follows:

A. Garrison CAOs must provide the final monthly financial statements to NAFI management by the 10th workday of the following month.

B. The consolidated CAO at Texarkana, TX, NAF Financial Services must produce the monthly financial statements and send to NAFI management in order to close the general ledger no later than the 10th workday of the following month.

32100104. Official Cutoff Date. The official cutoff date for the monthly accounting cycle is the last calendar day of the month. .

321003. NAFI BANK BALANCES

32100301. Reporting Uninsured Balances. Agencies will prepare DA Form 3830-R (NAFI Bank Balances) twice a year showing the total balance in NAF accounts in each bank used by fund managers under their jurisdiction (exempt report, AR 335-15). DA Form 3830-R will be prepared as of March 31st and September 30th and sent to the Commander, DFAS-JN/UVTX Family Morale Welfare Recreation Command, ATTN: FMWR-RM-B, Alexandria, VA 22331-0508, not later than May 15th and November 15th. FMWR will review the reports, make necessary adjustments in collateral allocations, and advise garrison commanders and other agencies of the adjustments by completing column g of the report.

Table 10-1, Disposition of Reports

Situation	Due Date	Disposition
Funds supported by NAFISS and Great Plains (except Post Restaurants and CWF)	Monthly. 30 days following the end of the month reported.	Send FMWR interface tape produced by job AVFR77/AVFJRM direct to FMWR, Attn: FMWR-FM, 4700 King St., Alexandria, VA 22302-4406. Great Plains sites will also submit interface tape direct to FMWR.
Post Restaurants and CWF (not supported by NAFISS and Great Plains) Balance sheet and income statement.	Monthly. 30 days following the end of the month reported.	Mail direct to Headquarters Department of Army Civilian Welfare Fund DAPE-CPZ-WF 2461 Eisenhower Ave, Hoffman Bldg. I, Room 148 Alexandria, VA 22332
For Funds not covered above. Balance sheet and income statements consolidated by NAFI, consolidated program code by department and consolidated location by department.	Monthly. 30 days following the end of the month reported.	Send monthly balance sheets and income statements direct to FMWR at the address above.

32100302. Preparing agencies.

A. CAOs will report for all NAF deposits maintained by garrison NAFIs in local depositories. Reports for balances maintained by the Army Banking and Investment Fund at the contractor bank will be prepared by HQDA (FMWR-RM). Deposits maintained by overseas NAFIs in U.S. military banking facilities are exempt from the record keeping and reporting requirements specified above.

B. NAFI managers will report for all other NAFIs established at IMCOM and HQDA levels.

32100303. Interim reports. Interim reports will be submitted on DA Form 3830-R when:

A. Collateral requirements exceed the current allocations,

B. All NAF accounts maintained within the bank have been closed, or

C. An account is opened with a new financial institution.

32100304. Service Charges. Local banks are compensated for their services on the basis of either compensating balances or flat fee service charges, as agreed to by the local bank and the serviced NAFI. Service charges are supported by monthly bank account and activity analyses (BA&A) sent by the local banks to CAO/NAFI managers. CAOs must send a copy of the March and September BA&As for each local deposit to the following address: Commander, Family Morale Welfare Recreation Command, ATTN: FMWR-RM-B, Alexandria, VA 22331-0508. The March and September BA&As are due at the above address by the 15th of May and November respectively.

321004. FINANCIAL STATEMENT ERRORS. The method of correction of errors depends on when the error occurred, when it was discovered, and how the error affected the financial records of the NAFI.

32100401. Current FY. If the error occurred in the current FY, adjust all account balances by journal voucher transaction. All transactions must go through the current monthly financial statements. No adjustments are authorized to G/L account totals. CAOs should not make pen and ink changes to account balances if the error is found after statements are final. Instead show the changes in the footnotes to the financial statements. Make the corrections the next month by journal voucher.

32100402. Prior FY. If the error occurred in a prior FY, the corrective action will be recorded in the current fiscal period in almost all cases.

32100403. Material. If the effect of the error is material, submit a request for retained earnings adjustment to DFAS for approval. Include full justification for the adjustment (See A100405 for more information on approvals). A material error which necessitates a prior period adjustment results from:

- A. Substantial mathematical mistakes.
- B. Substantial mistakes in the application of accounting principles.
- C. Substantial oversight or misuse of facts existing at the time the financial statements were prepared.

32100404. Error Versus Change In Accounting. An error is contrasted with a change in an accounting estimate such as the useful life of an asset or bad debt expense under the allowance method. An accounting estimate is changed when new information or subsequent developments provide better insight or improved judgment. However, a change from an accounting principle which is not generally accepted to one that is generally accepted is to be considered a correction of an error. Also, a prior period adjustment is not allowed when late documentation causes prior year expenses to be understated. If documentation was not submitted to the CAO before the prior year statements were prepared, the expenses must be recorded in the current period. The understatement of prior year expense is not defined as an error, since there was no oversight or misuse of facts by the CAO.

32100405. Where To Record. As evidenced by the criteria for a retained earnings adjustment, most transactions will be recorded as income or expense of the current period. When requests for retained earnings adjustments are received by DFAS, they will be evaluated concerning whether the adjustments requested meet the criteria for a retained earnings adjustment.

A. Current Year. If the item does not constitute a proper retained earnings adjustment, it will be returned to the requester with instructions to include in the current year income statement in the location/department where it should have been recorded in the prior FY. Prior FY revenue or expenses that should have been recorded in a GLAC that would have impacted cost of good sold (COGS) (GLACs 301 to 456) in the prior FY may be recorded in GLAC 599 or 799 in the current FY. This will avoid distorting current FY COGS. GLACs 599/799 should be used for such prior FY expenses only in instances where the entry would materially distort current FY COGS. In all other instances, the entry will be recorded in the same GLAC that should have been charged in the prior FY.

B. Authorized Retained Earnings Adjustment. If DFAS approves retained earnings treatment, the request will be returned to the garrison with instructions for the CAO to footnote the financial statements with an explanation of the adjustment.

321005. FOOTNOTES TO FINANCIAL STATEMENTS. Footnotes are an integral part of the financial statements and should be used when more information is needed. The Generally Accepted Accounting Principal of disclosure requires that accountants "disclose" in the financial

statements all relevant economic information pertaining to the business entity. When the actual dollar amounts on the financial statements do not provide sufficient information for decision makers, accountants must supplement the financial statements with more detailed data in the form of footnotes. Footnotes are required to provide an explanation of special events on the income statement to help managers compare the operating results of the current business period with the operating results of previous periods. Fund equity adjustments and significant business closures are prime examples of occurrences which require footnotes.

321006. BINGO ACTIVITY SHEET. NAFI employees will prepare a numbered bingo activity sheet for each bingo event sponsored by the NAFI. They will also reconcile cash collected for bingo cards sold with bingo cards issued, enter prizes awarded for games, and require the winners to acknowledge receipt and furnish their social security numbers.

321007. REPORTING TO THE IRS

32100701. General. All records relating to payments to individuals and firms must be retained for at least four years and be available for IRS review if required. CONUS offices should consult their local IRS office when forms, publications, or assistance are needed. Overseas offices should contact their local Legal Assistance office to get the address and telephone number of the nearest IRS representative. IRS representatives, in CONUS and overseas, are available to provide on-site instructions concerning IRS procedures for return preparation and filing, and depositing employment tax payments. Overseas offices should use the following address to request forms and publications: National Distribution Center, P O Box 8903, Bloomington, IL 61702-8903.

32100702. Contract Payments. Cumulative payments made under service contracts of \$600 or more to anyone during a calendar year will be reported by the CAO. Provide all information required on IRS Form 1099 MISC. NAFI contracts with entertainers are considered service contracts. If a single payment to an individual is less than \$600 but total payments made by the CAO during the calendar year to the same individual reach \$600, IRS Form 1099 MISC must be filed. Therefore, the CAO must maintain a list or some method to determine if an individual reaches the \$600 threshold, requiring a report to the IRS of the payments. The IRS Form 1099 MISC will be provided to the individual or firm and to the IRS. The individual or firm should receive a copy of the Form 1099 MISC by January 31 of the year following the calendar year of payment. This requirement also applies to individuals who, in addition to being NAFI employees, have contracts with the NAFI for non-personal services. A separate Form 1099 MISC will be prepared for each individual or firm to whom total payments of \$600 or more are made. Refer to IRS Publication 1220 for preparation instructions and filing requirements.

32100703. Gambling/Bingo Winnings. IRS reporting requirements for gambling and bingo winnings are tied to individual games. Winnings are not accumulated from game to game as contract payments are. Each game stands alone for IRS reporting requirements. Whenever cash, merchandise, or a combination thereof with a total value of \$1,200 or more is awarded to a person for winning a single bingo game or other gambling activity, the CAO must prepare IRS Form W-2G (Statement for Certain Gambling Winnings). Individuals should receive their copies of the W-2G either at the time payment is made or not later than January 31 of the following year. . Refer to IRS Publication 1220 for preparation instructions and filing requirements.

32100704. Records Retention. NAFIs must retain all records pertaining to federal income and employment taxes as required by federal law for at least four years (See AR 25-400, app B, category 27-101-1f, and category 37-105a).

321008. CONTRACTORS DETERMINED TO BE EMPLOYEES FOR IRS PURPOSES. Some contract payments made to individuals may be considered by the IRS as payments to employees. The specific circumstances which classify individuals as employees are covered in Chapter 8 paragraph 0802 of Volume 13.

32100801. Procedures After Determination. When individuals are determined to be employees in the eyes of the IRS, the NAFI is required to withhold social security tax, Medicare tax, and federal income tax from the individuals' earnings. These taxes must be reported to the IRS each quarter using IRS Form 941, Employer's Quarterly Federal Tax Return. The calculation of tax due on IRS Form 941 also requires the employer to match the social security and Medicare tax withheld from the employee's pay. A check for the total tax due must accompany the IRS Form 941.

32100802. Forms And Instructions. IRS forms and instructions needed by the CAO include, but are not limited to, Publication 15, Form 941 and instructions, Form W-2 and instructions. If the CAO does not have a Federal Employer Identification Number, they must request one from the IRS. Individuals who are determined to be employees for IRS purposes must receive an IRS Form W-2 instead of an IRS Form 1099 for their earnings.

32100803. Withholding. The applicable tax amounts to be withheld currently are as follows:

Social Security Tax	=	6.2% of earnings
Medicare Tax	=	1.45% of earnings
Federal Income Tax	=	25% of earnings unless individual specifies another amount (i.e., 10%, \$10, \$0, etc.).

Note: The NAFI must also match the social security and Medicare tax amounts. CAOs are not required to withhold state and local taxes; however, withholding of these taxes is not prohibited.

32100804. Proper Classification of Employees. NAFI management and the Department of the Army are responsible for determining if an individual is a contractor or an employee for IRS purposes as specified in AR 215-1. The CAO should be alert for situations where an employee or contractor has been improperly classified, and assist NAFI management, when requested, in making these determinations. It is DFAS policy to cooperate fully with the IRS and ensure that NAF activities comply with the tax laws of the United States. The Payroll Branch of NAF Financial Services will not knowingly make payments to any misclassified person and is required to notify the CAO and DFAS Indianapolis when a misclassified person has been identified.

321009. International Balance Of Payments (IBOP) Reporting. NAFIs are required to comply with IBOP reporting. Details on the reporting requirements are found in DoD Financial Management Regulation, Volume 6A, Chapter 13.

3211. FINANCIAL ANALYSIS

321101. GENERAL. The objective of financial analysis is the extraction of the data from the financial statement and other sources so that the decision makers have valid data upon which to plan their operations. It is important to know that the balance sheet is a statement of the NAFI's financial position as of a specific point in time; whereas, the income statement shows the results of operations over a period of time. Management must be able to effectively analyze the data and react in a positive manner.

321102. STANDARDS. The financial analysis provides ratios, trends, and other specific details of the business operations of the NAFI. However, this accumulation of financial data only indicates the NAFI's financial position. To be useful as a management tool, the data must be compared with the NAFI's goals and established standards. For some NAFIs, standards are established by DA or IMCOM agencies. Five of the most significant standards are presented here.

32110201. Current Ratio. This measures the NAFI's ability to meet its current obligations. The NAFI's financial position may not be sound unless the fund has more current assets than current liabilities. A ratio of 1.5 to 1 is generally acceptable.

32110202. Acid Test Ratio. This measures the extent to which specific current assets can be converted to cash to meet current obligations. A ratio of 1 to 1 is generally acceptable.

32110203. Average Collection Period. This measures the average length of time accounts receivable are outstanding. A ratio of 1.3 to 1 is generally acceptable.

32110204. Inventory Turnover. This measures the efficiency of inventory control. A ratio of 1 to 1 is generally acceptable for food and bar operations. For all other sales operations, the goal should be 1 to 3.

32110205. Net Income Ratio. This measures the rate of return on revenue. A percentage of 5-10 percent is generally acceptable.

321103. LIMITATIONS. Although ratios are useful management tools, they do have some limitations and must be used with caution. Ratios are constructed from accounting data, and accounting data are subject to different interpretations and manipulation.

32110301. Historical Cost. The use of historical cost is an excellent means for comparing costs of the NAFI and revenues generated by the activities. However, in periods of rapid inflation, the historical cost of an asset or expense may not provide a good basis to determine current values.

32110302. Estimating. Uncertainty in estimating future income statement items is a major limitation. A NAFI manager may predict higher revenues and lower expenses than actually

occurs. Based on incorrect estimating of future revenues, assets may be purchased which, when depreciated, create a net loss.

32110303. Comparability. Achieving comparability between NAFIs located at different communities and even in different countries is very difficult. A community that has very little competition from the private sector should have an advantage over a community that must compete with a large number of civilian activities.

321104. BALANCE SHEET RATIOS

32110401. Current Ratio. This ratio is the primary test of the solvency of the NAFI fund. The ratio is computed by dividing the current assets by the current liabilities. A ratio of 1.5:1 means that the value of the current assets is 150 percent of the value of the current liabilities.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{\$150,000}{\$100,000} = 1.5:1$$

Note: A ratio of less than 1.5:1 means that cash flow problems may exist.

32110402. Acid Test Ratio. This is a better test of immediate solvency than the current ratio. The acid test ratio, or quick ratio, shows the amount of current assets that can rapidly be converted to cash to meet current debts. The ratio is computed by dividing the quick assets by the current liabilities. A ratio of 1:1 shows that the activity could pay all current bills within 30 days.

$$\text{Acid Test Ratio} = \frac{\text{Quick Assets}}{\text{Current Liabilities}} = \frac{\$100,000}{\$100,000} = 1:1$$

Note: If the ratio is less than 1:1, the fund may not be able to pay its debts and would appear to be insolvent.

321105. INCOME STATEMENT RATIOS

32110501. Net Income Ratio. This measures the rate of return on revenue. The ratio may be based on total revenue or only on sales revenue. The ratio for total revenue is computed by dividing net income by total revenue. The ratio for sales revenue is computed by dividing net income by revenue from sales of goods. Total Revenue = Account 301 through 303 less 304 through 306 plus 307 plus 501 through 599, 801 through 825, and 892. Sales Revenue = Account 301 through 303 less 304 through 306 plus 307.

32110502. Gross Margin Ratio. This measures the rate of markup on the sale of goods. The ratio is computed by dividing sales revenue less cost of goods sold, by total sales. COST OF GOODS SOLD = Accounts 401 through 456 plus any decrease or minus any increase in Accounts 141 through 144.

321106. COMBINED RATIOS

32110601. Average Collection Period. This ratio is used to evaluate the effectiveness of the NAFI’s collection procedures. The average collection period gives the number of days it takes the NAFI to receive payment for credit sales. The ratio is computed by dividing the average accounts receivable for a given period by the average daily sales. A ratio of 1.3:1 indicates that if the terms of payment are net thirty days, payment should be received NLT 40 days after the date of sale.

$$\begin{array}{l} \text{Average} \\ \text{Collection} \\ \text{Period} \\ \text{Average} \\ \text{Daily} \\ \text{Credit sales} \end{array} = \frac{\text{Average} \\ \text{Accounts} \\ \text{Receivable}}{\$1000} = \frac{\$1,300}{\$1,000} = 1.3:1$$

32110602. Inventory Turnover Ratio. This measures the velocity with which the resale merchandise moves through the NAFI. The ratio is computed by dividing the cost of goods sold by the average merchandise inventory. A ratio of 1:1 for food and bar sales and 1:3 for all other sales indicates the NAFI is maintaining optimum inventory levels.

$$\begin{array}{l} \text{Inventory} \\ \text{Turnover} \end{array} = \frac{\text{Cost of goods sold}}{\text{Average inventory}} = \frac{\$100,000}{\$100,000} = 1:1$$

$$\text{Average Inventory} = \frac{\text{Beginning inventory} + \text{Ending inventory}}{2}$$

Note: A slow turnover may indicate the NAFI has over-invested in merchandise or has some obsolete merchandise.

32110603. Return On Assets Ratio. This measures the NAFI’s ability to generate revenue with its existing assets. The ratio is computed by dividing net income by the average total assets.

$$\text{Return on Assets} = \frac{\text{Income}}{\text{Average total assets}}$$

$$\text{Average Total Assets} = \frac{\text{Beginning total assets} + \text{ending total assets}}{2}$$

32110604. Return On Fund Equity. This measures the NAFI's ability to use leverage by earning a higher rate of return than is paid for the funds used to operate. The ratio is computed by dividing net income by the average fund equity.

$$\text{Return on Fund Equity} = \frac{\text{Income}}{\text{Average fund equity}}$$

$$\text{Average Fund Equity} = \frac{\text{Beginning fund equity} + \text{Ending fund equity}}{2}$$

321107. OTHER RATIOS. The preceding ratios, while considered the most important, are by no means the only ones that may be computed. Others that can be reviewed are-

- A. Fixed asset turnover.
- B. Accounts receivable aging.
- C. Working capital to total assets.
- D. Return on tangible assets.
- E. Cash to debt ratio.
- F. Total labor to total revenue ratio.

321108. COMPARATIVE ANALYSIS

32110801. Balance Sheets And Income Statements. Analysis of the balance sheet and income statement should include a comparative analysis by G/L accounts or groups of G/L accounts. The analysis of the balance sheet and income statement should be done at NAFI level and the location/department level, respectively. The account items should be compared for: current and prior month, current and prior quarter, and current and prior year-to-date. The narrative should explain all significant variances and unusual account balances, i.e., credit balance in expense account, debit balance in liability account, or cost of goods sold exceeding 100 percent and negative cost of goods sold.

3212. MISCELLANEOUS

321201. POST RESTAURANTS

32120101. General. AR 215-7 governs civilian employee NAFIs identified as post restaurant funds and CWFs. Post restaurant funds operate restaurants, cafeterias, snack vending machines, and other authorized sale locations. These resale operations generate income to support approved recreation and welfare activities for civilian employees and other authorized patrons. Post restaurant funds are separate NAFIs and are not part of the garrison IMWRF. If they are directly operated with NAF employees, partly concessionaire operated, or solely concessionaire operated, but own fixed assets, they will be accounted for in the same manner as other NAFIs.

32120102. Post Restaurant Fund Dividend Accounting. When the post restaurant fund declares a dividend to the CWF, the post restaurant fund will debit GLAC 292 and credit GLAC 206. When the post restaurant fund pays the dividend, the post restaurant will debit GLAC 206 and credit GLAC 101.

32120103. Solely Concessionaire-Operated Post Restaurants.

A. Operated Solely By Concessionaire. If a post restaurant is operated solely by a concessionaire and the NAFI owns no fixed assets, has no other source of income or expense, and does not maintain a bank account, the concessionaire will be instructed to issue one check at the end of each month for commission fees due. It will be made payable to the post restaurant officer (name of garrison) and processed in accordance with AR 215-7. The post restaurant officer will also send a copy of the concessionaire's monthly financial statement to the ACWF. The statement will show the basis for the computation of the commission fee due and will be signed by the concessionaire or representative. The statement will take the place of the regular monthly post restaurant financial reports required by Chapter 10. The post restaurant officer will keep a record of all checks received and forwarded to the post CWF or CAO.

B. Additional Information. Included with each financial report sent to the ACWF will be a statement that:

1. Commission fees paid by the concessionaire are the only receipts of the post restaurant;
2. The post restaurant has no expenses and is not required to establish a bank account; and,
3. Any amounts due the ACWF will be sent by the post CWF by check drawn on its own bank account.

C. Remittance. The portion due the ACWF will be remitted immediately if it is \$10 or more. When the amount due the ACWF at the end of the month is less than \$10, the CAO will set aside that amount as an account payable due the ACWF. When the account payable reaches \$10, payment will be made to the ACWF. These cumulative amounts will not be withheld longer than six months.

32120104. Vending Machines. Revenue from vending machines selling goods owned by the post restaurant fund will be accounted for as sales and recorded in GLAC 301. Revenue from vending machines selling goods owned by a concessionaire will be accounted for as operating revenue and recorded in GLAC 502.

32120105. Reports. The reports prescribed in chapter 10 are applicable to post restaurant NAFIs. A statement showing the computation of dividends available for distribution will be submitted as part of the monthly financial statement. The format is shown in Figure 12-1.

321202. CIVILIAN WELFARE FUNDS

32120201. General. Civilian Welfare Funds (CWFs) are NAFIs established by garrison commanders under AR 215-7. They are NAFIs as defined in AR 215-1. Their primary source of revenue is dividends from profits of post restaurants. On occasion, grants or dividends from the ACWF are available.

32120202. CWF Dividend Accounting. Dividends from post restaurants will be credited to GLAC 806. If the dividend is a check from a concessionaire payable to and endorsed by the post restaurant officer, 5 percent of it belongs to the ACWF and should be credited to GLAC 206. A check will be issued payable to the ACWF and mailed to Headquarters Department of Army Civilian Welfare Fund DAPE-CPZ-WF 2461 Eisenhower Ave, Hoffman Bldg. I, Room 148, Alexandria, VA 22332.

32120203. Accounting for Loans. When construction or improvements are authorized by the ACWF, the following accounting procedures will be used:

A. Certified Invoices. When the certified invoices are submitted to the post CWF, the fund manager will furnish copies to the CAO who will debit GLAC 179 and credit GLAC 268.

B. Completion of Construction. When construction is completed, debit the appropriate fixed asset account and credit GLAC 179.

C. Beginning Loan Payments. When it is determined that loan repayments will start, transfer the amount due in the next 12 months to GLAC 203. Each month when payment is made, debit GLAC 268 until zero (12 months before final payment) then debit 203 until zero (last 12 months).

32120204. DA Form 4138-R (Monthly Authorization Control Record).

A. Controlling Expenditures. The record will be maintained to control expenditures made under the monthly authorization granted each activity by the fund council. DA Form 4138-R will be reproduced locally on 8 1/2 by 11 inch paper.

B. Maintenance Of Records. Authorized expenditures, by activity, will be recorded as approved by the fund council. Purchase orders will be recorded when approved by the civilian NAFI custodian. Receiving reports (indicating the receipt of items purchased) will be entered in the column provided opposite the correct purchase order entry. At the end of the month, each purchase order entry for which no receiving report has been entered, or any differences, will be extended to the column provided for undelivered purchases.

321203. VETERINARY SERVICES

32120301. Surcharges Collected By The Veterinary. The veterinary will collect prescribed surcharges from paying customers as required by law and deposit them with the day's

business. They will be shown as a separate line on the daily activity report. The CAO will record the surcharges as a debit to cash and a credit to GLAC 240, Miscellaneous Other Payables.

32120302. Depositing The Surcharge To The U.S. Treasury. By the 20th of the month, the CAO will issue a check payable to the U.S. Treasury in the amount of the surcharge collected during the previous month. The CAO will also prepare a DD Form 1131 (Cash Collection Voucher) citing Treasury Miscellaneous Receipt Account 21R3210.0001 and forward the check and voucher to Defense Finance and Accounting Service – Rock Island, ATTN: DFAS-RI-ARAB, Rock Island Arsenal, Rock Island, IL 61299-8000. Make an entry to debit GLAC 240 and credit GLAC 101.

321204. MORALE, WELFARE AND RECREATION UTILIZATION, SUPPORT AND ACCOUNTABILITY (MWR USA) PROGRAM. The MWR USA program allows commanders and appropriated funds (APF) and nonappropriated funds (NAF) resource managers to execute memoranda of agreement to use NAF to provide appropriated fund-authorized services in support of MWR programs, with subsequent payment to the nonappropriated fund instrumentality (NAFI) for these services from appropriated funds. Guidance covering MWR USA is contained in the FMWR website, located at: <http://www.ArmyMWR.org> under Financial Management, Documents, and Operational Guidance.

321205. BETTER OPPORTUNITIES FOR SINGLE SOLDIERS (BOSS) PROGRAM. The BOSS program supports the overall quality of life for single and unaccompanied soldiers. It encourages and assists the soldiers in identifying and planning recreational and leisure activities. Guidance covering the BOSS program is contained in Department of the Army Circular 608-06-01.

321206. CATERING. Any operating program generating at least 25 percent of its total food and/or bar sales from catering must establish, budget for, and report Department Code 13 – Private Party Food and/or Department Code 03 – Private Party Bar. Operating program refers to MWR program operations such as clubs; food, beverage, and entertainment (FBE); bowling; golf; rod and gun; etc.

321207. GOLF PROGRAMS. A golf operating program must report a greens operation using Department Code 41 – Greens Operations. Record all revenue and expenses associated with greens operations in that department. Other department codes that are authorized for use in golf programs are 01 – Regular Bar, 03- Private Party Bar (Catering), 11 - Dining Room, 13 – Private Party Food (Catering), 14 – Snack Bar, 39 – Pro Shop Operations, 42 – Driving Range, 43 – Golf Carts, 88 – Property Operations, F1 – Miscellaneous, and G1 – Administration. Detailed guidance for reporting golf operations, including department and GLAC usage, is contained in FMWR’s NAF Financial Management Memorandum 98-1, a copy of which can be obtained by contacting FMWR.

321208. BOWLING PROGRAMS. A bowling operating program must report a lane operation using Department Code 45 – Lane Operations. Record all revenue and expenses associated with lane operations in that department. Other department codes that are authorized for use in bowling programs are 01 – Regular Bar, 14 – Snack Bar, 39 – Pro Shop Operations, 45 – Lane Operations, 88 – Property Operations, and G1 – Administration. Detailed guidance for reporting

bowling operations, including department and GLAC usage, is contained in FMWR's NAF Financial Management Memorandum 98-1, a copy of which can be obtained by contacting FMWR.

321209. CHILD DEVELOPMENT SERVICES (CDS), YOUTH SERVICES (YS), AND SCHOOL AGE LATCH KEY (SALK) FOOD PROGRAMS.

32120901. General Food Program Guidance. Income and expenses from food programs operated by the MWR fund in child care, youth, or SALK locations will be recorded in department code 7D – Food Program. Only CDS and YS program codes JG, PE, PD, PG, and PK may incur food activity labor costs, food costs, food-related supply expenses, and U. S. Department of Agriculture (USDA) reimbursement, depending on which CDS/YS programs offer meals/snacks. When an IMWRF operates a food activity that supports multiple programs within CDS and/or YS, program managers must ensure that food expenses and USDA income are properly allocated to department 7D in the programs that provide the meals/snacks. A food operation that services more than one CDS/YS program will not be reported under only one of the authorized program codes.

32120902. Nutritionists. Nutritionists employed by the IMWRF will be assigned primarily to the CDS Family Child Care (FCC) program. The nutritionist's salary, benefits, and other related expenses should be recorded under program code PD – Family Child Care Homes in department 7D – Food Program. USDA administrative reimbursement for the nutritionist's labor costs will be recorded in GLAC 543 – USDA Income in program code PD, department 7D. If the garrison does not have sufficient numbers of FCC homes to result in a 100 percent USDA reimbursement of the nutritionist's labor costs, the nutritionist may perform food services in programs JG – Child Development Centers, PE – SALK CDS, PG - CYS Services and Central Registration, or PK – YS SALK. For the portion of the nutritionist's work hours that are not reimbursed by USDA, labor transfers should be recorded to transfer the costs to the other programs where the nutritionist performed work.

32120903. USDA Reimbursements for In-Home Family Child Care Providers. The USDA provides reimbursements for food costs to in-home family child care providers. The reimbursement request is forwarded by the IMWRF to the appropriate state agency. The IMWRF normally pays the appropriate amount to each in-home family child care provider and then receives the reimbursement check from the state agency. The payments that the IMWRF makes to the child care providers will be recorded as receivables from USDA in GLAC 140 – Miscellaneous Other Receivables. This treatment will not impact the income statement. The only portion of the USDA reimbursement that is recorded in the income statement is the amount that remains in the IMWRF, which is the administrative reimbursement. This amount will be recorded in GLAC 543 – USDA Income.

32120904. USDA Commodities. Commodities (food) received from the U. S. Department of Agriculture or related agencies should not be recorded in the financial records maintained by the NAF accounting office. These food products are provided to the NAFI free of charge and the NAFI provides the commodities to school children free of charge. Therefore, the dollar value of the free commodities will not be recorded on the NAF financial statements. If the commodities are sensitive items, the NAFI may need to establish procedures to make sure physical

control is maintained over those items. If cash is received from the USDA or other agencies, the receipt of cash must be recorded in the financial records.

321210. COMMERCIAL SPONSORSHIP. When the NAFI receives merchandise or other non-cash items from commercial firms, no accounting entries are required. The only time commercial sponsorship items are entered in the financial records is when a sponsor provides cash (or checks) to the NAFI.

ATTACHMENT 1

REFERENCES, FORMS, AND FIGURES

Section I

Required Publications

AR 37-1 Army Accounting and Fund Control.

AR 37-101 Organization and Functions of Finance and Accounting Offices.

AR 37-103 Finance and Accounting for Installations Disbursing Operations.

AR-215-1 Administration of Army Morale, Welfare, and Recreation Activities and Nonappropriated Fund Instrumentalities.

AR 215-3 Personnel Policies and Procedures.

AR 215-4 NAF Small Purchases Manual.

AR 215-7 Civilian Welfare Funds and Post Restaurant Funds

AR 340-18 The Army Functional Files System.

Section II

Related Publications. A related publication is merely a source of additional information.

AR 210-25 Vending Facility Program for the Blind on Federal Property

AR 230-36 Nonappropriated Chaplains' Fund

DA Pam 230-5-2 Food Management

Section III

Prescribed Forms

DA Form 1759 Property/Merchandise Inventory.

DA Form 1991 Stock Record Card.

DA Form 1992 Nonappropriated Fund Receipt Voucher.

DA Form 1993 Nonappropriated Fund Petty Cash Summary Voucher.

DA Form 1994 Petty Cash Voucher.

DA Form 2107 NAF Receipt and Disbursement Voucher.

DA Form 2736-R International Balance Of Payments Transactions- Nonappropriated Fund Transactions.

DA Form 3161

DA Form 4078 Property Control and Depreciation Record.

DA Form 4079 Depreciation Expense Control (Furniture, Fixtures, and Equipment).

DA Form 4080 Transfers Between Activities.

DA Form 4082 Daily Cashier's Record.

DA Form 4083 Vending or Amusement Machine Collections.

DA Form 4084-R Investment Register.

DA Form 4850 Nonappropriated Funds Time and Attendance Report

DA Form 4850-1-R NAF Time and Attendance Supplement Report

DA Form 4853-R NAF Time and Attendance Transmittal.

DA Form 5163-R Central NAF Payroll System-Tips, Service Charges and Meals Report.

DA Form 5313-R Nonappropriated Fund Payable/Disbursement Voucher.

DA Form 5313-1-R NAF Payable/Disbursement Voucher-Continuation Sheet.

DA Form 5314 Personal Services (Comprehensive) NAF Employees.

DA Form 5352 NAF Earnings and Leave Statement (Texas).

DA Form 5352-1 NAF Earnings and Leave Statement (Europe).

DD Form 250 Material Inspection and Receiving Report.

DD Form 1131 Cash Collection Voucher

DD Form 1149 Requisition and Invoice/Shipping Document.

DD Form 1164 Service Order for Personal Property

DD Form 1348 DoD Single Line Item Requisition System Document (Manual)

Section IV

Referenced Forms

IRS Form W-2 Wage and Tax Statement

IRS Form W-4 Employee's Withholding Allowance Certificate

IRS Form W-5 Earned Income Credit Advance Payment Certificate

IRS Form 4070 Employee's Report of Tips to Employer

DA Form 2062 Hand Receipt

DA Form 3434 Notification of Personnel Action-Nonappropriated Fund Employee

DA Form 3473 Application for NAF Retirement Plan and/or Group Insurance Plans

DA Form 3884 Payroll Change Slip NAF Employee

DD Form 577 Signature Card

DD Form 1084 Bond Issuance Schedule

DD Form 1351 Travel Voucher

DD Form 1351-2 Travel Voucher or Subvoucher

DD Form 1588 Record of Travel Payments

DG 1199A Direct Deposit Sign-up Form

EBB Form 401(k) US Army NAF Employee 401(k) Savings Plan Investment and Disposition Authorization

SF 1187 Request for Payroll Deductions for Labor Organization Dues

SF 1188 Cancellation of Payroll Deductions for Labor Organization Dues

SF 1198 Request by Employee for Allotment of Pay for Credit to Savings Account with a Financial Organization

TSP 1 Thrift Savings Plan Election Form

Figure 2-1, Sample Certificate of Fund Transfer

Certificate of Fund Transfer

I, (name of outgoing fund manager), certify that to the best of my knowledge and belief, the balances reflected on the financial statements and schedule of operating expenses for the period ending (date) are true and correct.

(signature of outgoing fund manager)

(date)

I, (name of incoming fund manager), accept responsibility based on the fund and property balances as indicated on the financial statements referred to above, beginning on (date).

(signature of incoming fund manager)

(date)

Note: In the event the incoming fund manager is not satisfied that the fund and property balances are accurate, the acceptance may be conditioned upon audit verification.

Figure 4-1, Sample Briefing Statement

NAF Inventory Observation Team Briefing
(NAFI, Location & Department)

We, the undersigned, certify that the inventory teams were briefed on their responsibilities and procedures for conducting an independent inventory as required by DFAS and Army regulations.

Briefing Officer (signature) (date)

Team Leader (signature) (date)

Team Member(s) (signature) (date)

Figure 4-2, Sample Merchandise and Supplies Inventory Statement

NAF Merchandise and Supplies Inventory Statement
(NAFI, Location & Department)

We, the undersigned, certify that, to the best of our knowledge, a complete and accurate end-of-the-month independent physical inventory was taken.

All known discrepancies between actual inventory counts and dollar values and the accounting records have been reconciled and corrections made where necessary.

The attached inventory list accurately shows the value of the funds (or activity's) inventory as of (date).

The following adjustments were required:

Physical Inventory Quantity	_____	Value \$
Accounting Records Quantity	_____	Value \$
Variance Over (Short) Quantity	_____	Value \$

Summary of individual adjustments.

Quantity:

Value:

(List any adjustments to the accounting records inventory value.)

Central Accounting Officer	<u>(signature)</u>	<u>(date)</u>
Fund Custodian	<u>(signature)</u>	<u>(date)</u>
Team Leader	<u>(signature)</u>	<u>(date)</u>
Team Member(s)	<u>(signature)</u>	<u>(date)</u>
Inventory Observer(s)	<u>(signature)</u>	<u>(date)</u>

Figure 4-3, Fixed Asset Inventory Statement

Fixed Asset Inventory Statement
(NAFI, Location & Department)

We, the undersigned, certify that, to the best of our knowledge, a complete and accurate physical inventory was taken of the fund's (or activity's) fixed assets. The inventory was reconciled to the asset records and overages/shortages have been reconciled. All known discrepancies between actual inventory counts and dollar values and the accounting records have been reconciled and corrections made where necessary. The attached inventory list accurately shows the value of the fund's (or activity's) fixed assets as of (date) .

The following adjustments were required:

Physical Inventory	Quantity	_____	Value \$
Accounting Records	Quantity	_____	Value \$
Variance Over (Short)	Quantity	_____	Value \$

Summary of individual adjustments:

Property

<u>Item</u>	<u>Unit</u>	<u>Control</u>	<u>Physical</u>	<u>Variance</u>
<u>Description</u>	<u>Cost</u>	<u>Record</u>	<u>Count</u>	<u>Over/Short</u>
---	---	---	---	---
---	---	---	---	---
---	---	---	---	---
			Net Variance	---

Team Leader (signature) (date)
 Team Member(s) (signature) (date)

Fund Custodian: I agree with the inventory results and the summary of individual adjustments noted above.

(signature) (date)

Independent Observer: I observed the inventory and certify that the inventory was taken appropriately.

(signature) (date)

Central Accounting Officer: I agree with the summary of individual adjustments noted above.

(signature) (date)

Date adjustments made to the fixed asset subsidiary and control accounts:

Fixed asset subsidiary records: _____ (date)

General ledger control records: _____ (date)

Date inventory approved by Command: _____ (date)

Figure 8-1, Sample PAYROLL Transmittal Memorandum

(This is a revised sample memorandum.)

(YOUR CPU OFFICE SYMBOL)

MEMORANDUM FOR CHIEF, NAF FINANCIAL SERVICES
P.O. BOX 6111, TEXARKANA, TX 75505-6111

Subject: Personnel/Payroll actions Transmittal Number _____

- 1. The enclosed documents are forwarded for appropriate action.

<u>CONTROL NO.</u>	<u>TYPE OF DOCUMENT</u>	<u>REMARKS/IDENTIFICATION</u>
1	IRS W-4	123-44-3333 Jane Smith
1	SF 1199A	222-33-5555 Nancy Roe
3	DA Form 3434	111-55-7777 James O'Connor 555-66-9999 Sally Brinkman

- 2. Request acknowledgement of documents listed above within 5 workdays from the date of receipt by signing and returning the enclosed duplicate copy.

- 3. Point of contact for this transmittal is _____, Personnel Specialist,

DSN xxx-xxxx or Commercial (xxx) xxx-xxxx.

FOR (xxxxxxxxxxxxxxxx):

6 Encl

	NAME
	Title
	Office

- 1. ____ I have received the documents listed above and verified that documents stated were enclosed and complete.
- 2. ____ I have received the documents listed above. The following documents are returned for correction.
- 3. ____ These documents were/were not listed above and were/were not received.

CONTROL NO. TYPE OF DOCUMENT REMARKS/IDENTIFICATION

FOR CHIEF NAF FINANCIAL SERVICES:

_____ Encls

Payroll Control Clerk
DSN _____ Com'l ()

FOR OFFICIAL USE ONLY		(IVACY ACT DATA		FB		PAGE		57	
BGTX-B710HY CYCLE P NAF PAYROLL TEST OFFICE		INDIVIDUAL LEAVE REGISTER		PAY PERIOD ENDING DATE 2001/10/03					
FT R L I S T F R N F		WORK CENTER 10961							
EMPLOYEE NAME	SSAN	REG-FI	REG-PT	REGULAR HOURS	REGULAR HOURS	REGULAR HOURS	REGULAR HOURS	REGULAR HOURS	REGULAR HOURS
SSAN	SSAN	SSAN	SSAN	SSAN	SSAN	SSAN	SSAN	SSAN	SSAN
BEN THAYER	234-56-7890-0	REG-FI		12 00				548 75	
SICK LEAVE									
ANNUAL LEAVE				26 00				239 50	41 50
								5592 33	
MAC T DUTTER	333-26-0002-0	REG-PT		12 00				52 75	
SICK LEAVE									
ANNUAL LEAVE				24 00				74 00	
								503 94	
WORK CENTER TOTALS									
SICK LEAVE				4 00				601 50	10
ANNUAL LEAVE				8 00				313 50	
RS101 HOURS									
RS102 HOURS									
RS103 HOURS									
BRAC1 HOURS									
BRAC2 HOURS									
BRAC3 HOURS									
BRAC4 HOURS									
BRAC5 HOURS									
TOTAL AL				50 00				313 50	
DOLLAR VALUE				54 48				6096 27	
GLAC 243 EARNED/TAKEN				54 48				6096 27	
GLAC 243 BALANCE									

Figure 8-3, Individual Leave Register

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

RGTX-871GNY
 CYCLE P NAF PAYROLL TEST OFFICE
 FT BLISTER, NC

FB
 PAY PERIOD ENDING DATE 2001/10/03 PAGE 58

INDIVIDUAL LEAVE REGISTER

WORK CENTER 109

EMPLOYEE NAME SSAN	LOCATION TOTALS	REGULAR HOURS	REGULAR HOURS DOLLAR VALUE	-----PAY PERIOD----- EARNED TAKEN	-----YEAR-TO-DATE----- EARNED TAKEN	CURRENT USE OR BALANCE LOSE	CD PAY-PRD	Y-T-O INCREASE	P/P YTD	MILITARY LEAVE
	SICK LEAVE	4 00				681 50				10
	ANNUAL LEAVE	8 00			50 00	313 50				
	RSTD1 HOURS									
	RSTD2 HOURS									
	RSTD3 HOURS									
	BRAC1 HOURS									
	BRAC2 HOURS									
	BRAC3 HOURS									
	BRAC4 HOURS									
	BRAC5 HOURS									
	TOTAL AL	9 00		00	50 00	313 50				
	DOLLAR VALUE	54 48				6096 27				
	GLAC 243 EARNED/TAKEN	54 48		00						
	GLAC 243 BALANCE					6096 27				

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

Figure 8-3, Individual Leave Register (continued)

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA		INDIVIDUAL LEAVE REGISTER		PAY PERIOD ENDING DATE 2001/10/03		FB	PAGE
BGT4-8716GHY		WORK CENTER 1					59
CYCLE P NAF PAYROLL TEST OFFICE		YEAR-TO-DATE		CURRENT		LEAVE WITHOUT PAY	
FT BLISTER, NC		EARNED		BALANCE		MILITARY	
EMPLOYEE NAME	SSAN	TAKEN	EARNED	LOSE	CD	INCREASE	P/P YTD
FUND TOTALS		REGULAR HOURS		1862.75		18	
SICK LEAVE		DOLLAR VALUE		24.75			
ANNUAL LEAVE		REGULAR HOURS		878.25			
RSTD1 HOURS		RSTD2 HOURS		44.00		180.00	
RSTD3 HOURS		BRAC1 HOURS					
BRAC2 HOURS		BRAC3 HOURS					
BRAC4 HOURS		BRAC5 HOURS		44.00		180.00	
TOTAL AL		DOLLAR VALUE		378.98		00	
GLAC 243 EARNED/TAKEN		DOLLAR VALUE		378.98		00	
GLAC 243 BALANCE				14652.86			

Figure 8-3, Individual Leave Register (continued)

FOR OFFICIAL USE ONLY IVACY ACT DATA

CYCLE P	NAF PAYROLL TEST OFFICE	ACTIVE EMPLOYEE ADDRESS LISTING	PAY PERIOD ENDING DATE	2001/10/03	PAGE	28
ZD 101GA	222 18 0071 0	MELVIN W ROLLINS BUILDING 71	UNIT MAF287, BOX NP	APD	AE 09180	
ZD 101GA	222 18 0072 0	EDWIN K ROMACK BUILDING 72	UNIT MAF27001 BOX NP	APD	AE 09180	
ZD 10135	222 18 0078 0	CD E, 1ST BN	APD	AE 09078	5	555411555
ZD 10135	222 18 0079 0	1ST MEDCOM	APD	AE 09713	7	543410103
ZD 10135	222 18 0079 0	JIM S RYAN BUILDING 79	UNIT 59	APD	AE 09180	
ZD 101GA	222 18 0080 0	RICK A RYFEL NAF CENTRAL PAYROLL DIV	UNIT 27001-07	APD	AE 09180	
ZD 101GA	222 18 0081 0	RUFUS M SADLER BUILDING 81	UNIT 59	APD	AE 09180	
ZD 10135	222 18 0066 2	ONIS S ROBEY NAFCPO	UNIT 27001 BOX 27NP	APD	AE 09188	
ZD 10135	234 53 3333 0	HEIND SCHAEFER MURSTER STR 1083		LIEMEN	GE 02660	
ZD 10153	123 26 0001 0	MARIA SCHNITZELFINGER RD DET 95TH CAB	UNIT 099CAB01	APD	AE 09110-0112	
ZD 10153	222 18 0066 1	ONIS S ROBEY NAFCPO	UNIT 27001 BOX 27NP	APD	AE 09188	
ZD 10201	123 12 1263 0	HENRY J HUFF 396 FRANKFURTER WEG	PCS #3905 BOX 20	APD	02820 HANBERG AE 09109	
ZD 10281	123 12 1271 2	ROBERT S ROGERS COMPANY A, 5TH SIG CDM	UNIT 280044 BOX 44	APD	AE 09189	

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

Figure 8-4, Active Employee Address Listing

86JX-8716TY
 FOR OFFICIAL USE ONLY (IVACY ACT DATA)
 KL
 CYCLE P MAF PAYROLL TEST OFFICE
 2688 CIVILIAN PERSONNEL DIRECTORATE, FT KOREA, KO
 PAY PERIOD ENDING DATE 2001/03/07
 PAGE 6
 MAF V-C SSAN EMPLOYEE NAME
 KL 10108 222-18-0103-0 LEV'S C SHANK
 KL 10108 222-27-0001-0 T O SHANK
 KL 10365 222-18-0101-0 RANDY N SEXTON
 KL 10662 234-18-0005-0 DALE V REASON
 KL 11176 931-33-0014-0 PAUL CHINN
 ITER CHANGED DATA ENTERED
 P-L STAT CODE 4
 TYPE POSITION CODE 01
 TYPE POSITION CODE CC
 P-L STAT CODE 4
 P-L STAT CODE 4

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

Figure 8-5, Payroll Change Listing

B71682 TASK 86LY NAF CENTRALIZED PAYROLL DATA REPORT PAGE 0006 BA
 CYCLE P RPT 19 SEP 2001 REPORT PAGE NBR 00013

SERVICING CAD INSTALLATION BA-DCAREA		INSTALLATION BA-DCAREA	
FUND 1	LOC 11 DEPT 62	DEBIT	CREDIT
ANNUAL LEAVE EARNED			
		685 02 243 00	243 00
ANNUAL LEAVE TAKEN			
		685 02 243 00	243 00
ALS ADJ (RETENTION/COLA/POST DIFF)			
		685 02 583 02	583 02
ANNUAL LEAVE TAKEN ADJ			
		685 02 583 02	583 02
SICK LEAVE TAKEN			
		685 02 583 02	583 02
COMP TIME WORKED			
		621 02 247 00	247 00
COMP TIME ADJ			
		621 02 247 00	247 00
COMP TIME TAKEN			
		247 00 681 02	681 02
COMP TO OVERTIME			
		247 00 681 02	681 02
HOME LEAVE TAKEN			
		621 02	621 02
EMPLOYERS SHARE OF			
		623 02 681 02	681 02
A DEDUCTIONS			
		611 02 242 00	242 00
		611 02 242 00	242 00
		612 02 242 00	242 00
		613 02 242 00	242 00
		625 02 242 00	242 00
		769 02 242 00	242 00
		627 02 242 00	242 00
		628 02 242 00	242 00
		667 02 242 00	242 00
		629 02 242 00	242 00
B GROSS PAY, U S PERSONNEL			
		681 02 242 00	242 00
		238 00 242 00	242 00
		617 02 242 00	242 00
		624 02 242 00	242 00
C GR PAY SUBJ 481K SURCHARGE			
		52488 00	52488 00
D TOT PAY SUBJ POST RET SURCHARGE			
		1251 84	1251 84
E EARNED INCOME CREDIT			
		19 58	19 58
F ADVANCED WAGES			
		3 00	3 00
PAYROLL EXPENSES THIS PP(A+R-F)			
		52948 90	52948 90
(EXCLUDES CASH TIPS)			
SERVICE CHARGES FOR THIS PP			
		689 02 242 00	242 00
TOTAL FOR THIS PP			
		52948 90	52948 90
ACCRAUAL EXPENSES (0 785714)			
		681 02 242 00	242 00
		683 02 242 00	242 00
		687 02 242 00	242 00
		611 02 242 00	242 00
		611 02 242 00	242 00
		612 02 242 00	242 00
		613 02 242 00	242 00
		628 02 242 00	242 00
		628 02 242 00	242 00
		627 02 242 00	242 00
		629 02 242 00	242 00
		768 02 242 00	242 00
		624 02 242 00	242 00
TOTAL ACCRAUAL EXPENSES			
		8 88	8 88
TOTAL EMPLOYEE BENEFITS			
		51 83	51 83
TOTAL EMPLOYEE DEDUCTIONS			
		2529 92	2529 92
H EMPLOYEE DEDUCTIONS			
		1 FEDERAL TAX	2294 36
		2 STATE-TAX	5484 84
		3 DEDU	148 00
		4 MEDICARE	935 55
		5 EBS-INSURANCE	5 00
		6 EBS-RETIREMENT	1136 41
		7 EBS-481K	52 48
		8 EBS-481K DEDUCTIONS	52 48
		9 CSRS/FERS TSP	358 65
		10 BONDS	335 05
		11 CHARITY	489 06
		12 SAVINGS ALLOTMENTS	3 00
		13 EMPLOYEE DRGN DUES	3 00
		14 REALS	3 00
		15 REPORTED TIPS	3 00
		16 SUPPLEMENTAL INSURANCE	3 00
		17 SUPPLEMENTAL INSURANCE	3 00
		18 PAYROLL GARNISHMENTS	175 00
		19 MANUAL PAY REIMBURSEMENT	3 00
		(ADVANCED WAGES INCLUDED)	3 00
		20 ADVANCE SL-AL	3 00
		21 OTHER (QUARTERS INCLUDED)	3 00
		(QUARTERS SERV. CREDIT)	3 00
		TOTAL EMPLOYEE DEDUCTIONS	11398 10
I NET PAY, U S PERSONNEL			
		1864 24	1864 24
TOTAL PP PLUS ACCRAUALS			
		55479 57	55479 57

Figure 8-6, NAF Centralized Payroll Data Report

87168Z TASJ -LY -LL DATA REPORT PAGE 0009 BA
 NAF CENTRALIZED PA -LL DATA REPORT REPORT PAGE NBR 00016
 CYCLE P NAF PAYROLL TEST OFFICE 15 SEP 2001

INSTALLATION BA-DCAREA

SERVICING CAO (INSTALLATION BA-DCAREA)		FUND 1		G ACCRUAL EXPENSES		H EMPLOYEE DEDUCTIONS		I NET PAY U S PERSONNEL			
	DEBIT	CREDIT	AMOUNT		DEBIT	CREDIT	AMOUNT		DEBIT	CREDIT	AMOUNT
ANNUAL LEAVE EARNED			\$525 84	1 U S SALARIES AND WAGES			\$4864 39	1 NET PAY U S PERSONNEL			\$2206 67
ANNUAL LEAVE ADJ			\$ 00	2 U S ANNUAL LEAVE			\$413 16	PAYROLL EXPENSES THIS PP(A+B-F)			
ANNUAL LEAVE TAKEN			\$ 00	3 WORKERS COMP INSURANCE EXP			\$32 48	(EXCLUDES CASH TIPS)			
ANNUAL LEAVE TAKEN ADJ			\$ 00	4 EMPLOYERS SHARE-MEDICARE			\$158 67	SERVICE CHARGES FOR THIS PP			
SICK LEAVE TAKEN			\$1200 00	5 EMPLOYERS SHARE-EBS INS			\$37 67	TOTAL FOR THIS PP	242 86	101 00	\$13945 95
COMP TIME WORKED			\$ 00	6 EMPLOYERS SHARE-RETIREMENT			\$187 18				
COMP TIME ADJ			\$ 00	7 EMPLOYERS SHARE-EBS TSP			\$29 88				
COMP TIME TAKEN			\$191 14	8 UNEMPLOYMENT INS EXPENSE			\$124 95				
COMP TO OVERTIME			\$272 76	9 EMPLOYERS SHARE-401K			\$136 20				
			\$81 56	10 POST-RET MED BEN SURCHARGE			\$4 15				
			\$ 00	11 401K ADMIN SURCHARGE			\$ 00				
			\$ 00	12 OTHER EMPLOYEE BENEFITS			\$5950 18				
			\$ 00	13 TOTAL ACCRUAL EXPENSES			\$1827 85				
			\$24 93				\$615 44				
			\$53 39				\$224 93				
			\$136 41				\$53 35				
			\$173 52				\$53 39				
			\$5 78				\$51 63				
			\$ 00				\$795 60				
			\$42 32				\$ 00				
			\$46 89				\$ 00				
			\$156 20				\$ 00				
			\$894 53				\$ 00				
			\$6463 74				\$ 00				
			\$ 00				\$ 00				
			\$688 00				\$ 00				
			\$ 00				\$ 00				
			\$7863 74				\$2044 98				
			\$5784 00				\$ 00				
			\$5672 60				\$ 00				
			\$10 58				\$ 00				
			\$ 00				\$4867 65				
			\$ 00				\$2206 67				
			\$7958 27				\$ 00				
			\$37 50				\$ 00				
			\$7995 77				\$ 00				
			\$242 86				\$101 00				
			\$13945 95				\$13945 95				

Figure 8-6, NAF Centralized Payroll Data Report (continued)

87186Z TASK 86LY		NAF CENTRALIZED PAYROLL DATA REPORT		PAGE 8818		BA	
SERVICING CAD INSTALLATION BA-DCAREA		CYCLE P NAF PAYROLL TEST OFFICE		REPORT PAGE NBR 88017			
INSTALLATION BA-DCAREA		13 SEP 2001					
	DEBIT	CREDIT	AMOUNT	DEBIT	CREDIT	AMOUNT	
INSTALLATION TOTALS			\$539.97				
ANNUAL LEAVE EARNED			\$ 0.00				
ANNUAL LEAVE TAKEN			\$ 0.00				
ALS ADJ (RETENTION/COLA/POST DIFF)			\$ 0.00				
ANNUAL LEAVE TAKEN ADJ			\$1288.00				
SICK LEAVE TAKEN			\$ 0.00				
COMP TIME WORKED			\$ 0.00				
COMP TIME ADJ			\$ 0.00				
COMP TIME TAKEN			\$12.74				
COMP TO OVERTIME			\$272.79				
HOME LEAVE TAKEN			\$81.56				
			\$ 0.00				
A EMPLOYERS SHARE OF							
1 DASDI			\$278.23				
2 MEDICARE			\$65.81				
3 EBS-INSURANCE			\$33.39				
4 EBS-RETIREMENT			\$136.41				
5 EBS-481K ADMIN SURCHARGE			\$12.72				
6 CSRS/FERS TSP			\$ 0.00				
7 UNEMPLOYMENT COMP			\$42.32				
8 WORKERS COMPENSATION			\$46.00				
9 POST-RET MED BEN SURCHARGE			\$12.99				
TOTAL EMPLOYER SHARE			\$944.36				
B GROSS PAY, U S PERSONNEL							
1 WAGES AND SALARIES			\$7323.34				
2 TIPS			\$ 0.00				
3 BONUSES AND AWARDS			\$688.00				
4 OTHER EMPLOYEE BENEFITS			\$128.94				
5 SEVERANCE PAY			\$ 0.00				
TOTAL			\$8052.28				
C GR PAY SUBJ 481K SURCHARGE							
0 TOT PAY SUBJ POST RET SURCHARGE			\$574.88				
E EARNED INCOME CREDIT			\$5532.28				
F ADVANCED WAGES			\$18.58				
D PAYROLL DEDUCTIONS							
1 FEDERAL TAX			\$1125.62				
2 STATE-TAX			\$655.08				
3 DASDI			\$278.23				
4 MEDICARE			\$65.81				
5 EBS-RETIREMENT			\$33.39				
6 EBS-481K			\$12.72				
7 EBS-481K			\$ 0.00				
8 481K LOAN DEDUCTIONS			\$795.50				
9 CSRS/FERS TSP			\$ 0.00				
10 BONDS			\$ 0.00				
11 CHARITY			\$ 0.00				
12 SAVINGS ALLOTMENTS			\$ 0.00				
13 EMPLOYEE ORGN DUES			\$ 0.00				
14 MEALS			\$ 0.00				
15 REPORTED TIPS			\$ 0.00				
16 LOCAL TAX			\$ 0.00				
17 SUPPLEMENTAL INSURANCE			\$ 0.00				
18 MANUAL PAY RETIREMENT			\$284.20				
19 MANUAL PAY RETIREMENT			\$ 0.00				
20 ADVANCE SL-AI			\$ 0.00				
21 OTHER			\$ 0.00				
E QUARTERS INCLUDED							
(MILITARY SERV CR PAYMT)			\$597.12				
F TOTAL EMPLOYEE DEDUCTIONS							
NET PAY, U S PERSONNEL			\$2951.74				
G PAYROLL EXPENSES THIS PP(A-B-F)							
EXCLUDES CASH TIPS			\$936.64				
SERVICE CHARGES FOR THIS PP			\$43.75				
TOTAL FOR THIS PP			\$980.39				
H TOTAL PP PLUS ACCRUALS							
			\$15830.57				

Figure 8-6, NAF Centralized Payroll Data Report (Continued)

Figure 8-7, Transfer of Annual Leave Liability

86PX-871GEZ
 FOR OFFICIAL USE ONLY PRIVACY ACT DATA
 CYCLE P NAF PAYROLL TEST OFFICE TO TRANSFER OF ANNUAL LEAVE LIABILITY PAY PERIOD ENDING 2001/03/07 PAGE 2
 LOSING INSTALLATION SEQUENCE
 FOLLOWING EMPLOYEE(S) HAVE BEEN TRANSFERRED FROM YOUR ORGANIZATION TO COVER THE ANNUAL LEAVE LIABILITY
 SHOULD BE MADE TO THE GAINING ORGANIZATION IAW DDD 7800 14-R, CH A8807 DURING THIS ACCOUNTING PERIOD
 ANNUAL LEAVE BALANCE 25 25 TO 404C100 10 66 269 17 OF 10193 10 66 269 17
 SSN NAME INST W/C HRLY RATE VAL A/L INST W/C HRLY RATE VAL A/L
 222-18-0021-0 EDWARD T MAGEL

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

Figure 8-7, Transfer of Annual Leave Liability (Continued)

88PX-8716EZ
 FOR OFFICIAL USE ONLY PRIVACY ACT DATA
 CYCLE P MAF PAYROLL TEST OFFICE
 OF TRANSFER OF ANNUAL LEAVE LIABILITY PAY PERIOD ENDING 2001/03/07 PAGE 4
 GAINING INSTALLATION SEQUENCE
 FOLLOWING EMPLOYEE(S) HAVE BEEN TRANSFERRED TO YOUR ORGANIZATION TRANSFER OF FUNDS TO COVER THE ANNUAL LEAVE LIABILITY
 SHOULD BE RECEIVED FROM THE LOSING ORGANIZATION IAW DOD 7800 14-R, CH A0007 DURING THIS ACCOUNTING PERIOD
 ANNUAL LEAVE LOSING INST/MC GAINING INST/MC
 BALANCE W/C HRLY RATE VAL A/L INST W/C HRLY RATE VAL A/L
 222-18-0021-0 EDWARD T MAGEL 25 25 TO 4046100 10 66 269 17 OF 10103 10 66 269 17

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

Figure 8-8, Compute Research Listing

FOR OFFICIAL USE ONLY		RIVACY ACT DATA	
CYCLE P	NAF PAYROLL TEST OFFICE	NAF ZE	COMPUTE RESEARCH LISTING
483-46-3475-8	CYNTHIA L SANDERS		PAY PERIOD ENDING DATE 2881/18/83
876-44-5699-8	PETRA WEISS		PAGE 5
001-42-5043-0	SARA K GIZZARD		ZERO NET PAY 16 50
001-42-5043-0	SARA K GIZZARD		BASE PAY REDUCED 183 38
001-42-5043-0	SARA K GIZZARD		TOTAL TIPS ENTERED ON Z30 39 00
001-42-5043-0	SARA K GIZZARD		TOTAL HRS WRKD 33 15
148-38-7042-0	ELSIE J COCHRAN		REPORTED TIPS OFFSET
148-38-7042-0	ELSIE J COCHRAN		TOT INDEBT OF OTH DED 1 ZERO 29 49
148-38-7042-0	ELSIE J COCHRAN		TOTAL TIPS ENTERED ON Z30 40 00
148-38-7042-0	ELSIE J COCHRAN		TOTAL HRS WRKD 34 00
148-38-7042-0	ELSIE J COCHRAN		REPORTED TIPS OFFSET
148-38-7042-0	ELSIE J COCHRAN		TOT INDEBT OF OTH DED 1 ZERO

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

Figure 8-9, Quarterly Review of Hours Worked

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA										QTR 4 2001
CYCLE P MAF PAYROLL TEST OFFICE										PAGE 6
2211 6TH INF DIV (L), FT ALASKA, AK										
QUARTERLY REVIEW OF HOURS WORKED										
INSTL OF										
WORKCENTER	SSN	NAME	PAY PERIOD ENDING DATE	TYPE EMPL	BASE HRS ASSIGNED	REGULAR HRS WORKED	OVERTIME HRS WORKED	TOTAL HRS WORKED		
10300	926-36-8880-0	LILIANNA MAYFIELD	2001-10-03	FRS	080	78 00	00	78 00		
10457	222-18-0039-0	ROY T RADER	2001-09-19	REG-PT	076	80 00	8 00	88 00		
			2001-10-03	REG-PT	078	80 00	8 00	88 00		
10556	333-26-0003-0	ROXIE E DOODLE	2001-10-03	FRS	020	60 00	4 00	64 00		
10661	222-18-0044-0	DANL M RAMSEY	2001-10-03	FRS	080	80 00	00	80 00		
10661	339-20-9197-0	BARNEY MILLER	2001-10-03	FLX	000	30 00	00	30 00		
10661	538-54-4343-0	BEN GAY	2001-10-03	REG-FT	080	40 00	00	40 00		
10801	343-31-5343-0	CHERYL A WILLIAMSON	2001-10-03	REG-FT	080	80 00	00	80 00		
10801	931-39-0002-0	WILLA COYOTE	2001-10-03	FRS	040	56 00	00	56 00		
10801	931-39-0004-0	WILEY COYOTE	2001-09-19	REG-FT	080	80 00	00	80 00		
			2001-10-03	REG-FT	080	80 00	00	80 00		
10936	398-41-0700-0	ROBERT J DONALDSON	2001-09-19	REG-FT	080	80 00	00	80 00		
			2001-10-03	REG-FT	080	80 00	00	80 00		
10936	578-31-0170-0	CHARLES TUNA	2001-10-03	FRS	040	34 00	00	34 00		
11102	004-41-0004-0	JACK FROST	2001-09-19	REG-FT	080	80 00	00	80 00		
			2001-10-03	REG-FT	080	80 00	00	80 00		
20212	222-18-0033-0	HERMAN G POTTER	2001-09-19	FRS	036	36 00	00	36 00		
20212	591-43-1234-0	LISA SIMPSON	2001-10-03	FLX	000	56 00	00	56 00		

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

Figure 8-10, MWR Personnel Strength Report

BGFN-B710EZ		MWR PERSONNEL STRENGTH REPORT - QTR 4 2001										INSTITL ZG
NAF FINANCIAL SERVICES		CATEGORIES OF MWR ACTIVITIES										PAGE 308
MACOM V, INSTALLATION-HAMBERG, GE		NUMBER OF MWR PERSONNEL IN PROGRAM GROUP K										TOTAL
CATEGORY OF PERSONNEL		KA	KB	KC	KD	KE	KF	KG	KH	KJ	KL	
PROGRAM GROUP		KA	KB	KC	KD	KE	KF	KG	KH	KJ	KL	
U S CITIZENS/NATIONALS												
REGULAR		0	0	0	0	1	0	0	0	0	0	1
FT-DEPENDENT		0	0	0	0	3	0	0	0	0	0	3
PT-OTHER		0	0	0	0	1	0	0	0	0	0	1
PT-OTHER		0	0	0	0	0	0	0	0	0	0	0
PT-OTHER		0	0	0	0	0	0	0	0	0	0	0
TEMPORARY												
FT-DEPENDENT		0	0	0	0	0	0	0	0	0	0	0
PT-OTHER		0	0	0	0	1	0	0	0	0	0	1
PT-MILITARY		0	0	0	0	0	0	0	0	0	0	0
PT-DEPENDENT		0	0	0	0	0	0	0	0	0	0	0
PT-OTHER		0	0	0	0	0	0	0	0	0	0	0
INTERMITTENT												
MILITARY		0	0	0	0	1	0	0	0	0	0	1
DEPENDENT		0	0	0	0	1	0	0	0	0	0	1
OTHER		0	0	0	0	0	0	0	0	0	0	0
FOREIGN NATIONALS												
FULL-TIME		0	0	0	0	0	0	0	0	0	0	0
PART-TIME		0	0	0	0	0	0	0	0	0	0	0
TEMPORARY		0	0	0	0	0	0	0	0	0	0	0
INTERMITTENT		0	0	0	0	0	0	0	0	0	0	0
TOTAL PERS		0	0	0	0	9	0	0	0	0	0	9

MACOM V. INSTALLATION-HAMBERG, GE		MAFI EMPLOYEES COMPENSATION AND BENEFITS PROGRAM REPORT - FY ENDING SEP 2001										INSTL ZG RCS DD-MIA)1554	
PROGRAM GROUP		KA	KB	KC	KD	KE	KF	KG	KH	KJ	PAGE 308		
A - MD PRGS		0	0	0	0	5	0	0	0	0	TOTAL	9	
B - MAFI EMPLOYEE COSTS													
1-EMPLOYEES IN US													
A-PAYROLL		0	0	0	0	0	0	0	0	0	0	0	
B-BENEFITS		0	0	0	0	0	0	0	0	0	0	0	
1-FICA		0	0	0	0	0	0	0	0	0	0	0	
2-RET		0	0	0	0	0	0	0	0	0	0	0	
3-OTHER		0	0	0	0	0	0	0	0	0	0	0	
4-TOTAL		0	0	0	0	0	0	0	0	0	0	0	
2-EMPLOYEES OVERSEAS													
A-US CITIZENS													
1-PAY		0	0	0	0	1966	0	0	0	0	1966	0	
2-BENEFITS		0	0	0	0	150	0	0	0	0	150	0	
A-FICA		0	0	0	0	53	0	0	0	0	53	0	
B-RET		0	0	0	0	789	0	0	0	0	789	0	
C-OTH		0	0	0	0	911	0	0	0	0	911	0	
D-TOT		0	0	0	0	0	0	0	0	0	0	0	
B-FOREIGN NATIONAL													
1-PAY		0	0	0	0	0	0	0	0	0	0	0	
2-BEN		0	0	0	0	0	0	0	0	0	0	0	
TOTAL PAY		0	0	0	0	1966	0	0	0	0	1966	0	
TOTAL BEN		0	0	0	0	911	0	0	0	0	911	0	
C - MAFI BENEFIT PROGRAMS													
1--RETIREMENT													
FT ELIG		0	0	0	0	4	0	0	0	0	4	0	
PT PART		0	0	0	0	0	0	0	0	0	0	0	
TOTAL		0	0	0	0	4	0	0	0	0	4	0	
2--MEDICAL INSURANCE													
FT ELIG		0	0	0	0	3	0	0	0	0	3	0	
PT PART		0	0	0	0	1	0	0	0	0	1	0	
TOTAL		0	0	0	0	4	0	0	0	0	4	0	
3--LIFE INSURANCE													
FT ELIG		0	0	0	0	4	0	0	0	0	4	0	
PT PART		0	0	0	0	3	0	0	0	0	3	0	
TOTAL		0	0	0	0	7	0	0	0	0	7	0	

INSTL ZG
RCS DD-M(A)1954
PAGE 308

MAFI EMPLOYEES COMPENSATION AND BENEFITS PROGRAM REPORT - FY ENDING SEP 2001
DOD CATEGORIES/PROGRAM GROUPS OF MWR ACTIVITIES
PROGRAM GROUP K

BGMV-871AGZ
MAFI FINANCIAL SERVICES
MACDR V. INSTALLATION-HAMBERG, GE

PROGRAM GROUP A NO PRGS	KA	KB	KC	KD	KE	KF	KG	KH	KJ	TOTAL
B MAFI EMPLOYEE COSTS										
1-EMPLOYEES IN US										
A-PAYROLL	0	0	0	0	0	0	0	0	0	0
B-BENEFITS										
1-FICA	0	0	0	0	0	0	0	0	0	0
2-RET	0	0	0	0	0	0	0	0	0	0
3-OTHER	0	0	0	0	0	0	0	0	0	0
4-TOTAL	0	0	0	0	0	0	0	0	0	0
2-EMPLOYEES OVERSEAS										
A-US CITIZENS										
1-PAY	0	0	0	0	1966	0	0	0	0	1966
2-BENEFITS										
A-FICA	0	0	0	0	158	0	0	0	0	158
B-RET	0	0	0	0	53	0	0	0	0	53
C-OTH	0	0	0	0	788	0	0	0	0	788
D-TOT	0	0	0	0	911	0	0	0	0	911
B-FOREIGN NATIONAL										
1-PAY	0	0	0	0	0	0	0	0	0	0
2-BEN	0	0	0	0	0	0	0	0	0	0
TOTAL PAY	0	0	0	0	1966	0	0	0	0	1966
TOTAL BEN	0	0	0	0	911	0	0	0	0	911
C MAFI BENEFIT PROGRAMS										
1-RETIREMENT										
FT ELIG	0	0	0	0	4	0	0	0	0	4
PT PART	0	0	0	0	4	0	0	0	0	4
FT ELIG	0	0	0	0	1	0	0	0	0	1
PT PART	0	0	0	0	8	0	0	0	0	8
2-MEDICAL INSURANCE										
FT ELIG	0	0	0	0	4	0	0	0	0	4
PT PART	0	0	0	0	3	0	0	0	0	3
FT ELIG	0	0	0	0	1	0	0	0	0	1
PT PART	0	0	0	0	8	0	0	0	0	8
3-LIFE INSURANCE										
FT ELIG	0	0	0	0	4	0	0	0	0	4
PT PART	0	0	0	0	3	0	0	0	0	3
FT ELIG	0	0	0	0	1	0	0	0	0	1
PT PART	0	0	0	0	8	0	0	0	0	8

NUMBER OF PERSONNEL BY PROGRAM GROUP

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

889Y-B71RDZ

CYCLE P NAF PAYROLL TEST OFFICE

EMPLOYEE CROSS REFERENCE ROSTER

PAY PERIOD ENDING DATE 2881/18/03 PAGE 7

SSN	NAME	WORK DS CENTER	TYP POS	TYP EMP	STP STS	ASC SHF RATE	ANNUAL SALARY	AREA CODE	NAF INS	ST CD	MWR CAT	INT D/Y	ISE HRS	RET CDE	GLI CDE	HMD CDE	EIC CDE	SDN CDE
931-33-0009-0	BARTELS JAYMES	18151	NF	1	06	00	1 0 00	099	ZX	GE	B	000	R	B150	PP06		4209	
931-33-0010-0	DAY WENDY	10561	NF	4	5 01	00	1 5 24		AC	PR	M	038	I	Z			2146	
931-33-0012-0	SU INNSOOK	10151	NF	4	5 01	00	1 5 55		KL	KO	C	000	I	Z			2000	
931-33-0014-0	CHINN PAUL	11176	NS	5	1 18	05	1 8 08	005	KL	KO	E	000	K	0050	PP02		2000	
931-33-0017-0	BEAR TED E	10892	NA	1	1 08	05	3 13 05	084	FB	NC	B	000	W	Z	PP05		2103	
931-33-0018-0	BIGBOY ARBY	10762	NF	1	1 02	00	1 7 91		TO	VA	B	000	W	Z			2212	
931-33-0019-0	FRITZ GUSTAV	49	NF	1	1 03	00	1 10 20	21,297	ZD	GE	B	000	D	A010	PP02		2000	
931-33-0020-0	HEINY THOR	11471	NS	5	1 03	05	2 6 21	099	ZG	GE	E	068	W	Z	PP06		2000	
931-33-0024-0	GRIZZARD LEMIS	1016A	NF	5	1 04	00	1 13 04	27,215	ZE	GE	D	070	W	Z			4206	
931-33-0025-0	WAITER KEITH D	10161	NF	4	7 02	00	1 7 04		ZE	GE	J	040	I	Z			4206	
931-33-0026-0	KOHLER HERRAN	13	NF	1	1 04	00	1 16 45	34,329	YC	GE	B	000	R	A000	PP01		2422	
931-33-7000-0	CARDINI MACK	18	NF	5	1 01	00	1 5 24	099	ZD	GE	E	060	D	Z	PP02		2000	
931-33-0002-0	COYTE WILLY	10001	NF	4	5 02	00	1 7 04		OF	AK	I	040	I	Z			2211	
931-33-0004-0	COYTE WILLY	20611	NL	5	1 11	05	3 12 31		OF	AK	B	000	R	H000	PP06		2211	
931-33-0005-0	RUSH LESLIE	50701	NF	5	1 07	05	2 8 52		FB	NC	E	065	C	Z			2103	
931-33-0007-0	FULDA RICAH	00001	NA	5	1 01	00	1 5 35	099	ZX	GE	E	060	F	Z	PP02		2000	
931-33-0021-0	CINNAMON ANNA	00001	NA	5	1 09	04	2 7 50	15,855	003	KL	KO	D	040	W	Z		2103	
932-28-1127-0	SAYERS BECKY	10101	NF	4	5 03	00	1 7 60	002	FB	NC	K	035	I	Z			2103	
978-11-4321-0	WILCO ROGER	10101	NA	1	1 05	04	2 7 22	099	ZX	GE	B	000	R	Z			4209	
987-08-9076-0	WEIZER RUD	50124	NA	1	1 15	05	1 11 14		TO	VA	A	1018	000	W	Z		2212	
989-32-5432-0	MAGILLACUTTI CORNELLIUS	10461	NA	1	1 15	05	1 11 14		KL	KO	K	060	I	Z			2000	
999-38-9079-0	KNIGHT BOBBY	10201	NF	4	5 03	00	1 16 45	34,329										

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

Figure 8-14, Tip Offset/Service Charge Report

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

BGRX-87160X		CYCLE P NAF PAYROLL TEST OFFICE		PARADISE HOTEL, HI		FUND F02		TIP OFFSET/SERVICE CHARGE REPORT		PPED 20011226		BK	
WORK CENTER	SSN	NAME	TIP OFFSET RATE	TOTAL TIPS	TIPS OFFSET	SERVICE CHARGE	SVC CHG OFFSET					PAGE 5	
F0285	222-45-8234-8	VIOLET P CRINSON	00	137.75	00	12.75	00						
10101	222 38 4900 0	JANE SMITH	1.34	20.52		00	29.48						
10101	333 44 5555 0	SALLY JONES	0.90	206.70		00	28.80						
10101	444 33 6666 1	SAM APPLE	1.34	00		36.46	14.74						
10101	555 77 8888 0	PEGGY SMITH	00	49.50		00	00						
10101	666 22 4545 1	DEBBY JOHNSON	1.34	77.50		72.60	46.90						

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

Figure 8-15. Quarterly Inactive Employee Report, Cover Letter

KL

DEPARTMENT OF THE ARMY
NONAPPROPRIATED FUNDS CENTRAL PAYROLL SYSTEM

DFAS-IN-ADB
FROM CYCLE P NAF PAYROLL TEST OFFICE

TO SERVICING CIVILIAN PERSONNEL OFFICE
2880 CIVILIAN PERSONNEL DIRECTORATE, FT KOREA, KO

SUBJECT VERIFICATION LETTER--QUARTERLY INACTIVE EMPLOYEE REPORT QUARTER ENDING 20011803

YOUR OFFICE IS REQUESTED TO ASSIST IN THE VERIFICATION OF INACTIVE EMPLOYEES IN THE NAF CENTRAL PAYROLL SYSTEM. STATISTICAL DATA INDICATES THAT A LARGE VOLUME OF INACTIVE ACCOUNTS ARE MAINTAINED IN THE MASTER FILES. IT IS REQUESTED THAT A COMPARISON BE MADE BETWEEN PERSONNEL RECORDS AND INFORMATION ON THE QUARTERLY INACTIVE EMPLOYEE REPORT. REQUEST ANY DIFFERENCES (SUCH AS RESIGNATIONS, TERMINATIONS, DEATHS OR OTHER REASONS) BE NOTED IN THE SAME PROVIDED REPORT. MAKE SURE THE REPORT IS SIGNED BY THE CIVILIAN PERSONNEL OFFICER OR RESPONSIBLE AUTHORITY, DATED, AND RETURNED TO THE NAF FINANCIAL SERVICES OFFICE FOR APPROPRIATE ACTION. THIS REQUEST HAS BEEN COORDINATED WITH DTAG AND DESPER. RESPONSE REQUESTED NO LATER THAN 45 DAYS FROM ABOVE QUARTER ENDING DATE. RESPONSE SHOULD BE MAILED TO:

CYCLE P NAF PAYROLL TEST OFFICE
SUWONNA
TEUMARKANA TX 45555-5808

NOTE: COPY OF COMPLETED LETTER SHOULD BE PROVIDED TO SERVICED NAFL FOR NECESSARY ACTION ON A PERSONNEL ACTION REQUEST, IF REQUIRED.

THE FOLLOWING DISCREPANCIES WERE REVEALED WHEN SUBJECT REPORT WAS COMPARED TO PERSONNEL RECORDS

SOCIAL SECURITY NUMBER	NAME	REMARKS

2 ALL OTHER EMPLOYEES LISTED ON THE SUBJECT REPORT ARE STILL EMPLOYED, EXCEPT AS NOTED ABOVE

CIVILIAN PERSONNEL OFFICER
(OR RESPONSIBLE AUTHORITY) DATE

Figure 8-15, Quarterly Inactive Employee Report

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

86LX-87100Z		CAMP KOREA, KO		CAMP KOREA, KO		CAMP KOREA, KO		CAMP KOREA, KO	
CYCLE P WAF PAYROLL TEST OFFICE		SSN		NAME		TYPE ENPL		LAST P/P WORKED	
WORK CENTER		SSN		NAME		TYPE ENPL		LAST P/P WORKED	
18151	931-33-8812-8	INSOOK SU	FRS					19990324	
18361	222-99-7777-0	FLOYD V PERRINE JR	SHPT					19990324	
18461	222-18-8184-0	CLAY E SHAW	REG-PT					20010321	
185H1	222-18-8186-0	MELVIN C SHELBY	REG-PT					20080913	
185H2	222-18-8187-0	RUSS D SHELTON	FLX					20001213	
18662	222-18-9099-0	JAKE P SEELEY	REG-FT					20010404	
188F1	184-08-5994-0	TOMMY J WILSON	FLX					20010404	

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

KL
QUARTER 4 2001
PAGE 16

Figure 8-16, Compensatory Aging Schedule

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

TO
PAGE 30

COMPENSATORY AGING SCHEDULE
PAY PERIOD ENDING 2001/03/07

W-C	SSN AND NAME	PP	HOURS	OT RATE	PP	HOURS	OT RATE	PP	HOURS	OT RATE	PP	HOURS	OT RATE
10658	345-34-5678 BILLYBOB J DCALLAGHAN III	26			25			24			23		
		22			21			20			19		
		18			17			16			15		
		14			13			12	15.00	25.740	11		
		10	8.50	21.998	09			08			07		
		06			05			04			03		
		02			01			00					
10651	989-29-4456 PETE ROBE	26			25			24			23		
		22			21			20			19		
		18			17			16			15		
		14			13			12	12.00	22.500	11	11.75	22.500
		10	9.50	22.500	09	12.00	22.500	08	8.00	22.500	07	6.75	22.500
		06	5.25	22.500	05	15.75	22.500	04	18.00	22.500	03	16.75	22.500
		02	13.75	22.500	01	9.50	22.500	00					

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

Figure 8-17, Annual Leave/Compensatory Time Adjustment Report

BGLY-871GNX
 FOR OFFICIAL USE ONLY RIVACY ACT DATA BA
 ANNUAL LEAVE/COMPENSATORY TIME ADJUSTMENT REPORT PAGE 4
 PAY PERIOD ENDING 2001/03/07
 DCAREA WORK CENTER 1 0103
 ANNUAL LEAVE ADJUSTMENTS TAKEN COMP TIME ADJUSTMENTS
 SSN ANNUAL LEAVE ADJUSTMENTS EARNED
 234-93-4567 JANE M DIMA -1437 86
 477-47-8884 GREG P BITTS -1437 86
 WORK CENTER TOTALS

COMP TO OVERTIME ADJ
 DR 247 DRICRI 621
 84 95 25 88
 84 95 25 88

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

Figure 8-18, Compensatory Time Subsidiary Report

FOR OFFICIAL USE ONLY (IVACY ACT DATA) FB

COMPENSATORY TIME SUBSIDIARY REPORT
PAY PERIOD ENDING 2001/10/03 PAGE 21

WORK CENTER 10101

SSN	NAME	P/P HRS P/P \$ AMT	COMP FLD 1		COMP CONV TO OT	COMPENSATORY TIME	
			HOURS*	HOURS**		EARNED	TAKEN
111-46-1111	TOMAS H CHARLESTON				2 25		
		P/P \$ AMT			25 11		
545-25-0814	DON P COLEMAN		4 25				5 75
		P/P \$ AMT					75 04
	WORK CENTER TOTALS		4 25		2 25		5 75
		P/P \$ AMT			25 11		75 04

* COMP TIME WILL BE PAID AS OVERTIME UNLESS USED WITHIN TWO PAY PERIODS
 ** COMP TIME WILL BE PAID AS OVERTIME UNLESS USED WITHIN ONE PAY PERIOD
 FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

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86XZ-8719NY		NONAPPROPRIATED FUNDS CENTRAL PAYROLL SYSTEM										PAY PERIOD ENDING 2881/18/03		PAGE 43								
CYCLE P MAF PAYROLL TEST OFFICE		HOME LEAVE REPORT																				
HAMBERG, GE		WORKCENTER 10211																				
NAME AND SSN	ML OS-EOD	HL ACRL DATE	DATE TO USE HL	ACRL RATE	BEG BAL	ACRD YTD	TKN YTD	ACR PP	TKN PP	PP \$ TAKEN	CUR BAL	LMOP THIS PP	LMOP SVC YR									
ROSA O SCHMITT 123-26-8885	1987-12-02	1987-12-84	1989-12-82	10	2	4	0	1	0	3.00	6	0.00	29.00									
JIM SHOE 123-43-2198	1993-09-02	1993-09-06	1995-09-02	10	16	2	0	0	0	3.00	16	0.00	66.75									
MARY J KIM 316-26-9614	1983-06-28	1983-07-07	1983-06-28	10	34	2	0	1	0	3.00	36	0.00	0.00									
WORKCENTER TOTALS																						
														52	0	0	2	0	3.00	60	0.00	95.75

FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

FOR OFFICIAL USE ONLY - PRIVATE ACT DATA

BGFX-B71GKW

CYCLE P NAF PAYROLL TEST OFFICE NAF BA CONTINUED BENEFITS REPORT PAY PERIOD ENDING DATE 1996/12/11 PAGE 1

THE FOLLOWING EMPLOYEE(S) WERE IN A NON-PAY STATUS DURING THE PAY PERIOD AND THEIR PAY WAS INSUFFICIENT TO COVER THE COST OF THEIR HEALTH AND/OR LIFE INSURANCE CONTRIBUTIONS. IAW CFSC-HR-P MESSAGE DTG 230859Z MAR 84, WE DEDUCTED THE EMPLOYEE SHARE OF THE COST FROM YOUR FUNDS AND RECORDED EXPENSE IN GLAC 612. YOU SHOULD ESTABLISH A RECEIVABLE FOR EACH EMPLOYEE AND COLLECT AMOUNTS BELOW.

W/C	SSN	NAME	EMPLOYEE SHARE OF HEALTH COVERAGE	EMPLOYEE SHARE OF LIFE COVERAGE	TOTAL EMPLOYEE SHARE PAID BY EMPLOYER
F0282	422-42-2222-0	JUEVELYN MCCLELLAN	76.55	21.6	98.15

Figure 8-20, HMO/GLI Continued Benefits Report

Figure 8-21, Compensatory Time reimbursement Report

BGPK-871GJZ
FOR OFFICIAL USE ONLY - PRIVACY ACT DATA
CYCLE P NAF PAYROLL TEST OFFICE
OF COMPENSATORY TIME REIMBURSEMENT REPORT PAY PERIOD ENDING 2001/03/07 PAGE 1
LOSING INSTALLATION SEQUENCE
FOLLOWING EMPLOYEE(S) TRANSFERRED FROM YOUR ORGANIZATION RECEIVED LUMP SUM PAYMENT FOR COMPENSATORY TIME ACCUMULATED TRANSFER OF
FUNDS TO COVER THIS PAYMENT SHOULD BE MADE TO THE GAINING ORGANIZATION IAW DOD 7000 14-R, CH A0007 DURING THIS ACCOUNTING PERIOD
SSN 222-18-0033
NAME HERRAN G POTTER
LOSING INST/MC OF 2021200
GAINING INST/MC BK 1YSG1
COMP TIME PAID \$92 01
FOR OFFICIAL USE ONLY - PRIVACY ACT DATA

Figure 8-23, Home Leave Report

89YV-871RCY
 FOR OFFICIAL USE ONLY - PRIVACY ACT DATA
 ZG
 RPT PAGE 23
 SON PAGE 1

CYCLE P NAF CENTRAL PAYROLL OFFICE
 EMPLOYEE DATA VERIFICATION
 PAY PERIOD ENDING 98-10-02

CP3 SON ... 2683 HEIDELBERG COMMUNITY CPO, EURO-NAFFAD, GE

THE FOLLOWING EMPLOYEE(S) HAS / HAVE BEEN IDENTIFIED BY THE SOCIAL SECURITY ADMINISTRATION (SSA) AS HAVING A DISCREPANCY BETWEEN PAYROLL RECORDS AND FILES MAINTAINED BY THE SSA. ASK TO SEE THE EMPLOYEE'S SOCIAL SECURITY CARD TO ASSURE THAT THE SSN AND NAME ARE CORRECTLY REFLECTED IN THE PAYROLL RECORDS. IF NOT, SUBMIT A DM FORM 3434 TO THE SERVICING PAYROLL OFFICE TO CORRECT THE EMPLOYEE'S PAYROLL ACCOUNT. IF THE INFORMATION MATCHES THE EMPLOYEE'S SOCIAL SECURITY CARD, INSTRUCT THE EMPLOYEE TO GO TO ANY SOCIAL SECURITY OFFICE TO DETERMINE AND CORRECT THE PROBLEM. ONLY THE EMPLOYEE CAN REQUEST THAT THE SOCIAL SECURITY ADMINISTRATION CHANGE ITS RECORDS.

NAF	WVC	SSANNUAL-APPLY	EMPLOYEE NAME	DISCREPANCY
ZG	10101	345-12-9478-0	PAT A CAKE	NAME MATCHES, DOB AND SEX CODE DO NOT
ZG	10101	453-21-8749-0	JOHN Q PUBLIC	NAME DOES NOT MATCH, DOB AND SEX CODE NOT CHECKED
ZG	10101	534-43-6721-0	LYNN L LOUIS	NAME AND DOB MATCH, SEX CODE DOES NOT
ZG	10101	672-15-3443-1	HUGH B SHAW	SSN NOT IN FILE (NEVER ISSUED TO ANYONE)
ZG	10101	276-51-4067-0	LESLIE V BROWNE	NAME AND SEX CODE MATCH, DOB DOES NOT
ZG	10101	375-39-7652-0	MERLIN P CRYSTAL	INPUT SSN WAS NOT FOUND BASED ON NAME, DOB AND SEX CODE, THE SSA HAS LOCATED AND VERIFIED THE FOLLOWING SSN ... 375-93-7852

Figure 12-1, Computation of CWF Dividends Available

Computation of CWF Dividends Available

(1)	Excess liquid assets:	
	Cash on hand and in bank	\$
	Accounts Receivable	
	Investments	
	Total liquid assets	
	Less: Current liabilities	
	Excess liquid assets	\$
(2)	Net Profit (from income statement)	\$
(3)	Summary:	
	Excess liquid assets (1) above	\$
	Net profit (2) above	
(4)	Amount available for distribution	
	(lesser of (1) and (2))	\$
	Amount to be distributed to post CWF	
	* percent of (4)	\$
	Amount to be distributed to AAFCWF	
	5 percent of (4)	\$
	Total amount to be distributed	\$

* Determined per AR 215-7

ATTACHMENT 2

DESCRIPTION OF GENERAL LEDGER ACCOUNTS

This attachment gives a description for each general ledger account and the typical transactions for each account. It does not include all the possible transactions that may be needed.

ASSETS

Current Assets

Cash

101-US Cash Account

Used for: ALL NAFIs.

Normal balance: Debit

Purpose: Record all US cash receipts and check disbursements. NAF Financial Services will use for central bank transactions only.

Typical transactions:

- (1) Debit with all collections of US cash.
- (2) Credit with all US check disbursements and related adjustments.

Normal contra GLACs: Use as applicable.

102-Foreign Currency Cash Account

Used for: NAFIs outside CONUS

Normal balance: Debit

Purpose: Record all foreign currency receipts and disbursements.

Typical transactions:

- (1) Debit with all foreign currency receipts and related adjustments.
- (2) Debit with the increase in value at the equivalent US dollar. Contra to GLAC 828.
- (3) Credit with all foreign currency disbursements and related adjustments.
- (4) Credit with the decrease in value at the equivalent US dollars. Contra to GLAC 828.

Normal contra GLACs: Use as applicable.

103-US Payroll Cash Account

Used for: Payroll offices. Does not apply to the individual NAFIs serviced by the Payroll Branch of NAF Financial Services (NFS) at Texarkana, TX.

Normal balance: Debit

Purpose: Separate checking account for payroll.

Typical transactions:

- (1) Debit with deposits in the gross amount of US salaries and wages and employer's share of benefits from each serviced NAFI each pay period.
- (2) Credit with the disbursement of the net amount of salaries and wages.
- (3) Credit with the disbursements for all employee withholdings (such as taxes and garnishments) and employer contributions for employee benefits (such as FICA and retirement).

Normal contra GLACs: 202 and payroll-related 2XX.

104-Foreign Currency Payroll Cash Account

Used for: NAFIs outside of CONUS. Does not apply to the individual NAFIs serviced by the Payroll Branch of NAF Financial Services at Texarkana, TX.

Normal balance: Debit

Purpose: Separate checking account for payrolls in foreign currency.

Typical transactions:

- (1) Debit with deposits in the net amount of salaries and wages to be paid foreign employees each pay period.
- (2) Credit with the net amount of salaries and wages disbursed.

Normal contra GLACs: 102.

105-Cash Change Fund

Used for: ALL NAFIs.

Normal balance: Debit

Purpose: Record the amount of change fund cash kept on hand for use in daily operations.

Typical transactions:

- (1) Debit with the amount of all established change funds and approved increases.
- (2) Credit with the amount prescribed by the NAFI manager to reduce the cash on hand.

Normal contra GLACs: 101.

106-Foreign Currency Conversion Fund

Used for: NAFIs outside CONUS.

Normal balance: Debit

Purpose: Record the amount of cash to be used for acquiring foreign currency.

Typical transactions:

- (1) Debit with the US dollar equivalent of foreign currency acquired.
- (2) Debit with the increase in value at the equivalent US dollar value.
- (3) Credit with US dollar equivalent of disbursement or transfer of foreign currency units. Use the rate of exchange at which the currency is shown in this account.
- (4) Credit with the decrease in value at the equivalent US dollar value.

Normal contra GLACs: 101.

107-US Petty Cash

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of petty cash kept on hand.

Typical transactions:

- (1) Debit with the amount of all authorized petty cash funds and increases thereto.
- (2) Credit with the amount approved by the NAFI manager to reduce the fund balance.

Normal contra GLACs: 101.

108-Foreign Currency Petty Cash

Used for: NAFIs outside of CONUS.

Normal balance: Debit.

Purpose: Record the amount of foreign currency petty cash kept on hand.

Typical transactions:

- (1) Debit with the amount of authorized petty cash funds and increases thereto.
- (2) Debit with the increase in value at the equivalent US dollar amount.
- (3) Credit with the amount approved by the NAFI manager to reduce the balance.
- (4) Credit with the decrease in value at the equivalent US dollar amount.

Normal contra GLACs: 102 and 828.

109-Bingo Petty Cash

Used for: ALL NAFIs.

Normal balance: Debit

Purpose: Record the amount of petty cash kept on hand to pay small cash bingo prizes.

Typical transactions:

- (1) Debit with the amount of authorized bingo petty cash funds and increases thereto.
- (2) Credit with the amount approved by the NAFI manager to reduce the balance.

Normal contra GLACs: 101 and 102.

110-Commercial Credit Card Compensating Balance

Used for: All NAFIs

Normal balance: Debit

Purpose: Record commercial credit card clearing activities.

Typical transactions:

- (1) Debit for commercial credit card deposits to the bank account.
- (2) Credit for transfers to the central bank, credit card processing fees, and credit card adjustments that reduce the bank account balance.

Normal contra GLACs: Use as applicable.

111-Local Bank Compensating Balance

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record accounts at local banks for Central Banking Program (CBP) participants.

Typical transactions:

- (1) Debit for NAFI deposits and bank credit memos to the local bank account.
- (2) Credit for returned checks and other adjustments, such as bank debit memos, to the local bank account.
- (3) Credit with amount transferred to the central bank.

Normal contra GLACs: Use as applicable.

112-Foreign Currency Change Fund

Used for: ALL OCONUS NAFIs.

Normal balance: Debit

Purpose: Record the amount of foreign change fund cash kept on hand for use in daily operations.

Typical transactions:

- (1) Debit with the US dollar equivalent amount when change funds are established or increases are approved.

- (2) Credit with the amount prescribed by the NAFI manager to reduce the foreign currency cash on hand.

Normal contra GLACs: 102.

113-Emergency Local Checking Account

Used for: All NAFIs

Normal balance: Debit

Purpose: Record the amount of authorized emergency checking account balance when approved by the NAF accounting office. The account will be maintained in the Central Bank.

Typical transactions:

- (1) Debit with initial amount authorized to establish the account, and any authorized increases in the balance.
- (2) Credit with downward adjustments to the authorized balance.

Normal contra GLACs: 101.

Investments

Investments

115-NAF Centralized Investment Program

Used for: NAFIs not included in the Centralized Banking and Investment Program.

Normal balance: Debit

Purpose: Record only the current unencumbered portion of the Centralized Investment Program.

Typical transactions:

- (1) Debit to increase the balance in the master cash central account.
- (2) Credit for amounts set aside in sinking funds (GLACs 187 and 188).

Normal contra GLACs: 101, 102, 187, and 188.

116-Savings Account

Used for: NAFIs not included in the Centralized Banking and Investment Program.

Normal balance: Debit.

Purpose: Record cash deposited in approved banking or savings institutions to earn interest.

Typical transactions:

- (1) Debit with deposits of cash.
- (2) Credit with withdrawals of principal or interest.
- (3) Debit with interest earned. Contra credit to GLAC 801.

Normal contra GLACs: 101, 102, and 801.

117-Marketable Securities

Used for: NAFIs not included in the Centralized Banking and Investment Program.

Normal balance: Debit

Purpose: Record the amount of securities purchased for investment.

Typical transactions:

- (1) Debit with the acquisition cost of investments at the time of purchases.
- (2) Credit with the acquisition cost of investments at the time of sale or conversion.

Normal contra GLACs: 101 and 102.

Receivables**119-Advances Receivable**

Used for: All NAFIs

Normal balance: Debit

Purpose: Record the amount of advances given, such as advances to travelers on TDY orders and PCS orders.

Typical transactions:

- (1) Debit with the amount of advances provided to travelers.
- (2) Credit with the amount of the advance when it is refunded or earned by the traveler and recorded as a travel expense.

Normal contra GLAC: 101, 102, 692, 732, and 754.

120-ARM Income Receivable

Used for: OCONUS

Normal balance: Debit

Purpose: Record the amount of slot machine income the NAFI expects to receive.

Typical transactions:

- (1) Debit with the amount of income expected, based on documentation received or based on projected income.
- (2) Credit with the original estimate when the actual income is received.

Normal contra GLACs: 101 and 524.

121-Member Receivables

Used for: All NAFIs

Normal balance: Debit

Purpose: Record the amounts owed by members.

Typical transactions:

- (1) Debit with the amount of member charge sales, dues, and other credit transactions.
- (2) Credit with the amount of payments received from members and amounts written off as uncollectible.

Normal contra GLACs: 101, 102, 110, 111,302, 501, 509, and 661.

★122-Donations Receivable

Used for: All NAFIs

Normal Balance: Debit

Purpose: Record the amount of private donations owed by the U.S. Treasury to recipient NAFIs

Typical transactions:

- (1) Debit with the amount of donations sent to the U.S. Treasury for processing and still owed to recipient NAFIs by the U.S. Treasury
- (2) Credit with the amount of donations returned by the U.S. Treasury to the recipient NAFIs after processing by Treasury.

Normal contra GLACs: 101, 267, 807

123-Concessionaire Receivables

Used for: ALL NAFIs.

Normal balance: Debit

Purpose: Record the computed amount of concessionaire and other commission fees due.

Typical transactions:

- (1) Debit with the amount of concessionaire and other commission fees due the fund.
- (2) Credit with same amount debited when payment is received.

Normal contra GLACs: 101, 102, and 502.

124-Returned Checks Receivable

Used for: All NAFIs

Normal balance: Debit

Purpose: Record the amount of checks dishonored by banks and penalty fees charged by the bank.

Typical transactions:

- (1) Debit with the amount of checks returned and any service fees charged.
- (2) Credit with the amounts received from the makers of dishonored checks, and with the amount of checks determined to be uncollectible.

Normal contra GLACs: 101, 102, 111, and 661.

125-AAFES Receivable

Used for: All NAFIs except for MWR Army Simplified Dividend transactions

Normal balance: Debit

Purpose: Record the amount of the non-ASD distribution the NAFI expects to receive from the AAFES.

Typical transactions:

- (1) Debit with the amount expected from AAFES.
- (2) Credit with the amount originally debited when the check is received.

Normal contra GLACs: 101, and 549.

126-Loans Receivable

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of loans to other NAFIs.

Typical transactions:

- (1) Debit with the amount of loans made to other NAFIs.
- (2) Credit with the amount of payments received from debtors.

Normal contra GLACs: 101, 102, and 801.

127-Claims Receivable

Used for: All NAFIs

Normal balance: Debit

Purpose: Record the amount of claims against third parties covering the destruction or loss of assets due to fire, theft, or other causes.

Typical transactions:

(1) Debit with the net book value of assets lost, stolen, damaged, or destroyed, less the deductible.

(2) Credit with the amounts received as insurance settlements.

Normal contra GLACs: 101, 102, 111, 599, 827, and fixed asset and inventory GLACs.

128-Deposits Receivable

Used for: All NAFIs

Normal balance: Debit

Purpose: Record the amount on deposit with vendors in connection with the purchase of bottled, cased, or barreled merchandise. Adjust the balance to the dollar value of the physical inventory at the end of the accounting period.

Typical transactions:

(1) Debit with the amount of the deposit required by vendors.

(2) Debit with the amount of the deposit given to customers when bottled or cased goods are returned by customers.

(3) Credit when bottled or cased goods are sold to customers or returned to vendors.

Normal contra GLACs: 101, 102, and 741.

129-Guest Ledger Receivables

Used for: Hotel and Lodging NAFIs.

Normal balance: Debit

Purpose: To record the charges made by hotel and lodging customers.

Typical transactions:

(1) Debit with the amount of customer charges.

(2) Credit with the amount of payments received from customers.

Normal contra GLACs: 101, 102, 110, 111, 501, and 537.

130-Accrued Interest Receivable

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of interest income earned but not yet received.

Typical transactions:

(1) Debit with the amount of accrued interest at the end of the accounting period.

(2) Credit with the accrual amount when interest is received.

Normal contra GLACs: 101, 102, 115, 116, 117, and 801.

131 Inter NAFI Receivable IMPAC

Used for: All NAFIs.

Normal balance: Debit.

Purpose: Record the amount due from the bank for IMPAC rebates and refunds.

Typical transactions:

(1) Debit with the amount from IMPAC rebates and refunds on purchases.

(2) Credit with the amount collected from the Bank.

Normal contra GLACs: 101 and 2XX 515, 6XX, 7XX.

132-Dividends Receivable

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of dividend allocations due. Reconcile monthly with GLAC 206 of the next higher echelon providing the dividend.

Typical transactions:

- (1) Debit at IMCOM with the amount of the dividend allocation given by higher HQ.
- (2) Debit at garrisons with the amount of the allocation received from the IMCOM.
- (3) Credit at IMCOM with the amount of cash transferred, including the amount transferred directly to garrisons, by higher HQ.
- (4) Credit at garrisons with the actual amount of cash received.

Normal contra GLACs: 101, 206, and 806.

133-Reserve Component Dividends Receivable

Used for: IMCOMs only.

Normal balance: Debit

Purpose: Record an advance dividend credit allocation issued to a garrison for reserved component units.

Typical transactions:

- (1) Debit with the amount of the advance dividend credit allocation.
- (2) Credit with the advance amount when the quarterly dividend is received.

Normal contra GLACs: 206.

134-Allowance for Doubtful Accounts

Used for: All NAFIs. (Use this account only when the NAFI expects uncollectible accounts to total \$300 or more during the fiscal year.)

Normal balance: Credit

Purpose: Record the calculated amount set up to allow for uncollected accounts.

Typical transactions:

- (1) Debit with the amounts written-off as they are determined to be worthless.
- (2) Credit with the monthly estimate set up for uncorrectable charges.

Normal contra GLACs: 121, 124, 140, and 661.

135-Inter NAFI Receivables-Inside IMCOM Region

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record amount due from other NAFIs inside IMCOM Region.

Typical transactions:

- (1) Debit with the amount due.
- (2) Credit with the amount received.

Normal contra GLACs: 101, 102, and others as applicable.

136-Inter NAFI Receivables-Outside IMCOM Region

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record amount due from other NAFIs outside IMCOM Region.

Typical transactions:

- (1) Debit with the amount due.
- (2) Credit with the amount received.

Normal contra GLACs: 101, 102, and others as applicable.

137-USA Income Receivable

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record amount due from Appropriated Funds (APF) under the Morale, Welfare, and Recreation Utilization, Support, and Accountability (MWR USA) Practice program.

Typical transactions:

- (1) Debit with the amount due from APF for MWR USA authorized programs.
- (2) Credit with the amount received from APF.

Normal contra GLACs: 101, 111, 561 and 562

138-Layaway Receivables

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record amount due on layaway sales.

Typical transactions:

- (1) Debit with the amount due on layaway sales.
- (2) Credit with the amount received or the balance due at the time a layaway is cancelled or expires.

Normal contra GLACs: 101, 303, and 516.

139-Commercial Credit Card Receivable

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record credit card charge sales made by customers to a credit card company such as American Express, Diners Club, and Discover. Do not use this account for internal charge sales where payment will not be made to a credit card company.

Typical transactions:

- (1) Debit with the amount due from credit card charge sales.
- (2) Credit with the amount of payment when received.

Normal contra GLACs: 101, 302, 5XX, and 743.

140-Miscellaneous Other Receivables

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount due the NAFI that can not properly be recorded in another receivable GLAC.

Typical transactions:

- (1) Debit with the amounts due the NAFI.
- (2) Credit with the payments received or adjustments.
- (3) Credit with amounts determined to be uncollectible.

Normal contra GLACs: 101, 110, 111, 134, 302, 5XX, and 661.

Inventories

141-Warehouse/Storeroom Inventory

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of inventory held in the central warehouse for resale at the end of the statement period. The entry will be reversed at the beginning of the following accounting period.

Typical transactions:

(1) Debit with the cost of inventory held in the warehouse for resale at the end of the accounting period.

(2) Credit with the cost of inventory held in the warehouse for resale at the beginning of the accounting period.

Normal contra GLACs: 900. Do not use other GLACs.

142-Sales Outlet Merchandise Inventory

Used for: All NAFIs

Normal balance: Debit

Purpose: Record the value of resale inventory at the end of an accounting period for the sales outlets. The entry will be reversed at the beginning of the following accounting period.

Typical transactions:

(1) Debit with the cost of merchandise on hand at the end of the accounting period.

(2) Credit with the cost of merchandise on hand at the beginning of the accounting period.

Normal contra GLACs: 900. Do not use other GLACs.

143-Inventory In Transit

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of merchandise that has been shipped free on board and held by a common carrier on the last day of the accounting period. (The CAO should have a document from the vendor to support this transaction.) The entry will be reversed at the beginning of the following accounting period.

Typical transactions:

(1) Debit with the cost of merchandise in transit at the end of the accounting period.

(2) Credit with the cost of merchandise in transit at the beginning of the accounting period.

Normal contra GLACs: 900. Do not use other GLACs.

144-Work-in Progress Inventory

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of partially manufactured goods in inventory at the end of the accounting period.

Typical transactions:

(1) Debit with the cost of partially manufactured goods on hand at the end of the accounting period.

(2) Credit with the cost of partially manufactured goods on hand at the beginning of the accounting period.

Normal contra GLACs: 900. Do not use other GLACs.

Prepaid Expenses

151-Prepaid Supplies and Equipment

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of prepaid supplies and equipment held by the NAFI and/or stored in a central warehouse. These supplies and equipment will be expensed at a later date or issued from a central warehouse.

Typical transactions:

(1) Debit with the cost of items received.

(2) Credit with the cost of supplies and equipment when they are expensed or transferred.

Normal contra GLACs: 201, 726, and 742.

152-Prepaid Taxes and Licenses

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of prepaid taxes and licenses.

Typical transactions:

(1) Debit with the amount of taxes and licenses paid in advance.

(2) Credit with the amount expensed during the period, using the straight-line method.

Normal contra GLACs: 201 and 736.

153-Prepaid Insurance

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of prepaid insurance premiums paid.

Typical transactions:

(1) Debit with the amount of insurance premiums paid in advance.

(2) Credit with the amount expensed for the period, using the straight-line method.

(3) Credit with the amount refunded when insurance is cancelled.

Normal contra GLACs: 201, 607, 733, and 734.

154-Prepaid Maintenance and Repair

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record advance payments of \$240 or more on maintenance or repair contracts that will span later months and will result in a monthly expense of \$20 or more. Amortization is not mandatory, larger amounts may be expensed immediately if it does not materially distort net income for the reporting period.

Typical transactions:

- (1) Debit with the amount paid in advance.
- (2) Credit with the amount expensed for the accounting period.

Normal contra GLACs: 201 and 658.

155-Prepaid Tableware, Kitchenware, Linens, and Uniforms

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of prepaid china, glassware, flatware, linens, utensils, and uniforms on hand in the fund. This account also applies to items stored in a central warehouse.

Typical transactions:

- (1) Debit with the cost of the prepaid items.
- (2) Credit with the cost of these items when put into use.

Normal contra GLACs: 201 and 749.

156-Prepaid Bingo Prizes

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of prepaid merchandise on hand for use as bingo prizes.

Typical transactions:

- (1) Debit with the cost of the prepaid items.
- (2) Credit with the cost of these items when put into use.

Normal contra GLACs: 201 and 750.

157-Prepaid Rent

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of prepaid rent.

Typical transactions:

- (1) Debit with the cost of the prepaid rent.
- (2) Credit with the cost of rent as it is used.

Normal contra GLACs: 201 and 746.

158-Prepaid Guest Supplies

Used for: Army Lodging NAFIs and MEDCOM MWR Guest Houses (Program Code KH).

Normal balance: Debit.

Purpose: Record the cost of guest amenities such as soap, shampoo, lotions, etc. purchased and/or stored at a central location. The amenities will be issued and expensed at a later date.

Typical transactions:

- (1) Debit with the cost of supplies received.
- (2) Credit with the cost of supplies removed from storage and placed in service.

Normal contra GLACs: 201 and 668

159-Prepaid Items In Transit

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of prepaid items in transit when title passes to the NAFI before receiving the assets.

Typical transactions:

- (1) Debit with the cost of the prepaid items in transit at the end of the accounting period.
- (2) Credit with the cost of these items when received.

Normal contra GLACs: 201

160-Miscellaneous Other Prepaid Expenses

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record all prepaid expenses that can not be properly recorded in another prepaid expense GLAC.

Typical transactions:

- (1) Debit with the amount of expenses paid in advance.
- (2) Credit with the amount expensed for the accounting period.

Normal contra GLACs: 101, 201, 6XX, and 7XX.

Fixed Assets

161-Buildings

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the costs of a building that is not located on government land.

Typical transactions:

- (1) Debit with the amount of construction costs.
- (2) Credit with the cost when a building is disposed of.

Normal contra GLACs: 179 and 196.

162-Accumulated Depreciation-Buildings

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record depreciation expense for assets in GLAC 161.

Typical transactions:

- (1) Debit with the accumulated depreciation on a building when disposed of.
- (2) Credit with the amount of depreciation expense for each accounting period.

Normal contra GLACs: 851.

163-Furniture, Fixtures, and Equipment

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of nonexpendable furniture, fixtures, and equipment. The items must have an expected life of two years or more and meet the minimum cost requirements outlined in A0404.

Typical transactions:

- (1) Debit with the purchase cost of nonexpendable furniture, fixtures and equipment.

(2) Credit with the cost when an item is disposed of.

Normal contra GLACs: 201

164-Accumulated Depreciation-Furniture, Fixture, and Equipment

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record depreciation expense for assets in GLAC 163.

Typical transactions:

(1) Debit with the amount of accumulated depreciation when assets are disposed of.

(2) Credit with the depreciation expense for each accounting period.

Normal contra GLACs: 853.

165-Vehicles, Aircraft, and Boats

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of vehicles, aircraft, and boats (transportation equipment).

Typical transactions:

(1) Debit with the cost of transportation equipment.

(2) Credit with the cost of transportation equipment when disposed of.

Normal contra GLACs: 201.

166-Accumulated Depreciation-Vehicles, Aircraft, and Boats

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record depreciation expense for assets in GLAC 165.

Typical transactions:

(1) Debit with the amount of accumulated depreciation when transportation equipment is disposed of.

(2) Credit with the amount of depreciation expense for the accounting period.

Normal contra GLACs: 854.

167-Breeding Livestock

Used for: All NAFIs.

Normal balance: Debit.

Purpose: Record the cost of breeding livestock.

Typical transactions:

(1) Debit with the cost of breeding livestock.

(2) Credit with the cost when the asset is disposed of.

Normal contra GLACs: 201.

168-Accumulated Depreciation-Breeding Livestock

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record depreciation expense for assets in GLAC 167.

Typical transactions:

(1) Debit with the amount of accumulated depreciation on individual fixed assets when disposed of.

(2) Credit with the amount of depreciation expense for the accounting period.

Normal contra GLACs: 856.

169-Building Improvements

Used for: All NAFIs

Normal balance: Debit

Purpose: Record the cost of building improvements to buildings that are not located on government land.

Typical transactions:

(1) Debit with the cost of building improvement.

(2) Credit with the cost of improvements when the building is disposed of.

Normal contra GLACs: 179.

170-Accumulated Depreciation-Building Improvements

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record depreciation expense for assets in GLAC 169.

Typical transactions:

(1) Debit with the amount of accumulated depreciation when disposed of.

(2) Credit with the amount of depreciation expense for the accounting period.

Normal contra GLACs: 852.

171-Land Improvements

Used for: All NAFIs

Normal balance: Debit

Purpose: Record the cost of land improvements.

Typical transactions:

(1) Debit with the cost of land improvements.

(2) Credit with the cost of improvements when the land is disposed of.

Normal contra GLACs: 179 and 201.

172-Accumulated Depreciation-Land Improvements

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the depreciation expense for GLAC 171.

Typical transactions:

(1) Debit with the amount of accumulated depreciation when disposed of.

(2) Credit with the amount of depreciation expense for the accounting period.

Normal contra GLACs: 855.

173- Maintenance and Repair of Facilities

Used for: All NAFIs.

Normal balance: Debit.

Purpose: Record the cost of maintenance and repairs that exceed \$2,500 which will prolong the useful life of property by two years or more IAW paragraph A0404.

Typical transactions:

- (1) Debit with the cost of maintenance and repairs.
- (2) Credit with the cost when the property is disposed of.

Normal contra GLACs: 201.

174-Accumulated Depreciation- Maintenance and Repair of Facilities

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record depreciation expense for assets in GLAC 173.

Typical transactions:

- (1) Debit with the amount of accumulated depreciation when disposed of.
- (2) Credit with the amount of depreciation expense for the accounting period.

Normal contra GLACs: 859.

175-Government Titled Buildings and Improvements

Used for: All NAFIs.

Normal balance: Debit.

Purpose: Record purchases of government titled buildings and improvements procured with NAF dollars and retained by the NAFI, title to which is transferred to the Government.

Typical transactions:

- (1) Debit with the cost of government titled buildings and improvements.
- (2) Credit with the cost when the property is disposed of.

Normal contra GLACs: 179 and 201.

176-Accumulated Depreciation-Government Titled Buildings and Improvements

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record depreciation expense for assets in GLAC 175.

Typical transactions:

- (1) Debit with the amount of accumulated depreciation when disposed of.
- (2) Credit with the amount of depreciation expense for the accounting period.

Normal contra GLACs: 858.

177-Other Government Titled Fixed Assets

Used for: All NAFIs.

Normal balance: Debit.

Purpose: Record purchases of equipment procured with NAF dollars and retained by the NAFI, title to which is transferred to the Government.

Typical transactions:

- (1) Debit with the cost of the equipment.
- (2) Credit with the cost when the property is disposed of.

Normal contra GLACs: 201.

178-Accumulated Depreciation-Other Government Titled Fixed Assets

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record depreciation expense for assets in GLAC 177.

Typical transactions:

(1) Debit with the amount of accumulated depreciation when disposed of.

(2) Credit with the amount of depreciation expense for the accounting period.

Normal contra GLACs: 857.

179-Minor Construction in Progress

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record garrison payments for minor construction funded locally. This includes construction cost, architectural fees, surveys, commissions, legal fees, insurance, and alterations on the uncompleted project.

Typical transactions:

(1) Debit with progress payments on projects.

(2) Credit with the total cost of the project when completed or ready for occupancy.

This transfers the asset to the proper fixed asset account.

Normal contra GLACs: 101, 161, 171, 175, 177, and 201.

180-Fixed Assets in Transit

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of fixed assets in transit when ownership passes to the NAFI before receiving the asset.

Typical transactions:

(1) Debit with the cost of the asset in transit.

(2) Credit with the cost of the asset when received.

Normal contra GLACs: 101 and 201.

181-APF Authorized Fixed Assets.

Used for: MWR NAFIs.

Normal balance: Debit

Purpose: Record the NAF cost of all fixed assets purchases and capitalized items to include buildings and improvements, land improvements, furniture, fixtures and equipment, vehicles and capitalized maintenance and repair that are authorized to be paid with APF. If UFM funding is received at a later date, the asset would be removed from the balance sheet and would be reported as an expense in the applicable APF support department.

Typical transactions:

(1) Debit with the NAF purchase cost.

(2) Credit with initial cost when an item is disposed of or an expense is recorded when APF funds are received.

Normal Contra GLAC: 201 and 240.

182-Accumulated Depreciation-APF Authorized Fixed Assets.

Used for: MWR NAFIs.

Normal balance: Credit.

Purpose: Record the amount of depreciation expense for assets in GLAC 181.

Typical transactions:

(1) Credit with the depreciation expense for each accounting period.

(2) Debit with the amount of accumulated depreciation when disposed of.

Normal Contra GLAC: 860.

Other Assets

185-Long-term Loans Receivable

Used for: All NAFIs

Normal balance: Debit

Purpose: Record the amount of loans that are due beyond the next 12 months.

Typical transactions:

(1) Debit with the original amount of loans.

(2) Credit with the amount transferred to GLAC 126.

Normal contra GLACs: 126.

186-Artifacts

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of art or other items of historic or intrinsic value at cost if purchased or appraised value if donated IAW paragraph A0404.

Typical transactions:

(1) Debit with the cost or appraised value of the artifact.

(2) Credit with the recorded value when items are disposed of.

Normal contra GLACs: 201 and 291.

187-Capital Commitments

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record transfer of funds reserved for capital fixed asset purchases/contracts from cash.

Typical transactions:

(1) Debit with the amount of each purchase order or contract issued for capital assets or projects.

(2) Credit with the amount of cash replenishment.

Normal contra GLACs: 101

188-Employee Separation Allowance Sinking Fund

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the funds set aside for employee separation allowances. Normally, cash for payment of separation pay will be invested in the central banking fund; however, deposits may be made in local currency accounts. A review of the related accounts will be made at least at the end of each fiscal year. The balance in these accounts will be adjusted to show the correct liability and sinking fund reserve.

Typical transactions:

- (1) Debit with the amount of funds set aside for separation allowances.
- (2) Credit with the amount paid to separating employees.

Normal contra GLACs: 101, 102, and 619.

190-ALF/CWF/PRF Sinking Fund

Used for: Army Lodging, Civilian Welfare and Post Restaurant Funds

Normal balance: Debit

Purpose: Record the amount of cash segregated for future fixed asset purchases.

Typical transactions:

- (1) Debit with the amount of cash identified for future fixed asset purchases.
- (2) Credit with the amount transferred back to cash to purchase fixed assets.

Normal contra GLACs: 101.

195-Payroll Deposit Receivable

Used for: ALL NAFIs.

Normal balance: Debit

Purpose: Record the amount either sent to NFS or electronically transferred by NFS from NAFI bank account at the central bank for payroll expenses.

Typical transactions:

- (1) Debit with the gross amounts of payroll expenses.
- (2) Credit with the gross amounts of payroll expenses.

Normal contra GLACs: 101 and 601-625.

196-Local Payments for NAF Major Construction

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount provided to higher HQ for major construction projects funded partially by the local garrison and partially by higher headquarters.

Typical transactions:

- (1) Debit with the amount advanced local payment.
- (2) Credit when the asset is transferred to the appropriate GLAC.

Normal contra GLACs: 101 and 292.

199-Miscellaneous Other Assets

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of assets that can not properly be recorded in other asset accounts. Subsidiary records will be maintained and reconciled to this account monthly.

Typical transactions:

- (1) Debit with the cost of the asset.
- (2) Credit when the asset is disposed of or moved to another account.

Normal contra GLACs: 201.

LIABILITIES

Current Liabilities

Payables

201-Accounts Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount due creditors.

Typical transactions:

(1) Credit with the amount of the liability on receipt of the goods or services.

(2) Debit with the amount of the cash payment, allowance, credit documents from creditors, or any other event that reduces the debt.

Normal contra GLACs: 101, 102, and many others.

202-Deposits Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record deposits that will be refunded or transferred to the proper account within the next 12 months (i.e., deposits collected for special orders and party arrangements) The payroll branch of NFS will use this account to record the amounts sent by the serviced funds for later payrolls.

Typical transactions:

(1) Credit with the amount of the deposits received.

(2) Debit with the amount of the deposit refunded or transferred to the proper account.

Normal contra GLACs: 101, 102, and others as applicable.

203-Short-term Loans Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of loans payable that are due within the next 12 months.

Typical transactions:

(1) Credit with the amount of loan.

(2) Debit with the amount paid on the loan.

Normal contra GLACs: 101, 102, and 268.

204-Current Term Capital Lease Payables

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of capital lease liability due within the next 12 months.

Typical transactions:

(1) Credit with the amount of capital lease liability for the next 12 months.

(2) Debit with the amounts paid on the liability.

Normal contra GLACs: 101, 111 and 273.

206-Dividends Payable

Used for: IMA/MACOM Region and garrison IMWRFs, post restaurants, and civilian welfare funds.

Normal balance: Credit

Purpose: Record the amount of dividends owed to subordinate funds and the amount of dividend declared, but not yet paid, at the end of the statement period by post restaurants to their CWFs, and to the ACWF.

Typical transactions:

- (1) Credit at IMA/MACOM Region with the amount of dividends allocated to garrisons.
- (2) Credit at garrison with the amount of dividends allocated to isolated or reserve units.
- (3) Debit at IMA/MACOM Region with the amount of cash transferred to garrisons.
- (4) Debit at IMCOM with the amounts cancelled or withdrawn from the garrisons. This entry applies when withdrawal is made before the receipt of cash. IMCOMs will not record an entry when withdrawal is made after the receipt of cash by a garrison. Then, the cash and allocation would be returned to the original organization that provided the funds.
- (5) Debit at garrison with the amount of cash transferred to isolated units.
- (6) Debit with the amount of dividends paid.

Normal contra GLACs: 101, 102, 132, 292, and 809.

207-Reserve Components Dividends Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of advance dividend credit allocations for reserve component units (See AR 215-1).

Typical transactions:

- (1) Credit with the amount of advance dividend credit allocation.
- (2) Debit when the dividend credit allocation is distributed.

Normal contra GLACs: 101, 102, 133, and 831.

208-Vending Machine Revenue Sharing Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of vending machine profits owed to state licensing agencies or other third parties.

Typical transactions:

- (1) Credit with the amount of vending machine profits owed to state licensing agencies or others.
- (2) Debit with the amounts paid to state licensing agencies and with special dividends to the ACWF and garrison CWF.

Normal contra GLACs: 101, 102, and 698.

209 Unclaimed Wages Payable

Used for: All NAFIs

Normal balance: Credit

Purpose: Record the amount of checks for wages that were not claimed. The entry will remain in this account for no more than one month after issue.

Typical transactions:

- (1) Credit with the amount of unclaimed wages.
- (2) Debit with the amount of wages claimed.
- (3) Debit with the amount of checks for wages that remain unclaimed after one month.

Normal contra GLACs: 101, 102, and 825.

210-Federal Withholding Taxes Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of Federal income tax withheld from employee pay, including tips and service charges.

Typical transactions:

- (1) Credit with the amount of taxes withheld.
- (2) Debit with the amounts paid to the IRS.

Normal contra GLACs: 101 and 202

211-State Withholding Taxes Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of state tax withheld from employee pay.

Typical transactions:

- (1) Credit with the amount of state taxes withheld.
- (2) Debit with the amount paid to the state involved.

Normal contra GLACs: 101 and 202

212-Local Withholding Taxes Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of city, county, and area taxes withheld from employee pay.

Typical transactions:

- (1) Debit with the amount withheld from employee pay.
- (2) Credit with the amount paid to the local governing unit.

Normal contra GLACs: 101 and 202.

213-FICA Taxes Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of FICA taxes due.

Typical transactions:

- (1) Credit with the amount withheld.
- (2) Debit with the amount paid to the IRS.

Normal contra GLACs: 101, 202 and 611.

214-Health and Life Premiums Payable

Used for: ALL NAFIs.

Normal balance: Credit

Purpose: Record the amount of insurance premiums due.

Typical transactions:

(1) Credit with the amount withheld.

(2) Debit with the amount paid to the insurer.

Normal contra GLACs: 101, 102, 202 and 612.

215-Retirement Plan Contributions Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of retirement premiums due.

Typical transactions:

(1) Credit with the amount withheld.

(2) Debit with the amount paid to the retirement plan.

Normal contra GLACs: 101, 102, 202, and 613.

216-Employee Supplemental Insurance Premiums Payable

Used for: NFS only.

Normal balance: Credit

Purpose: Record the amount of supplemental insurance premiums withheld from employee pay.

Typical transactions:

(1) Credit with the amount of insurance premiums withheld.

(2) Debit with the amount paid to the insurer.

Normal contra GLACs: 101, 102, and 202.

217-Employee Garnishment Withholdings Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount deducted from employee pay for pay garnishments, such as delinquent taxes and child support payments.

Typical transactions:

(1) Credit with the amount withheld from employee pay.

(2) Debit with the amounts paid to the taxing authority or court.

Normal contra GLACs: 101, 102, and 202.

218-Employee Savings Bonds Deductions Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amounts withheld from employee pay for the purchase of savings bonds.

Typical transactions:

(1) Credit with the amount deducted from employee pay.

(2) Debit with the amount paid to the bond issuer.

Normal contra GLACs: 101, 102, and 202.

219- Employee Charitable Deductions Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount employees volunteered to be deducted from their pay for the Combined Federal Campaign.

Typical transactions:

(1) Credit with the amount deducted from employee pay.

(2) Debit with the amount paid to the agency and the amount kept by the NAFI as a service fee.

Normal contra GLACs: 101, 102, 202, and 825.

220- Employee Savings Allotment Deductions Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of allotments employees authorize to be deducted from their pay and paid to the savings institution.

Typical transactions:

(1) Credit with the amount of allotments deducted from employee pay.

(2) Debit with the amount paid to the savings institution.

Normal contra GLACs: 103 and 202

221- Employee Union Dues Deductions Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount deducted from employee pay for union dues.

Typical transactions:

(1) Credit with the amount deducted for union dues.

(2) Debit with the amount paid to the union.

Normal contra GLACs: 103 and 202.

222- Employee Meal Deductions Payable

Used for: Used by NFS only.

Normal balance: Credit

Purpose: Record the amount withheld from employee pay for meals charged.

Typical transactions:

(1) Credit with the amount withheld from employee pay.

(2) Debit with the amount paid to the NAFI.

Normal contra GLACs: 103 and 202.

223- Inter NAFI Payable IMPAC

Used for: All NAFIs .

Normal balance: Credit

Purpose: Record the amount of IMPAC charges payable to another NAFI.

Typical transactions:

(1) Credit with the amount of IMPAC charges payable to another NAFI.

(2) Debit with the amount paid to the other NAFI.

Normal contra GLACs: Use as applicable.

224-Foreign Withholding Taxes Payable

Used for: NAFIs outside CONUS.

Normal balance: Credit

Purpose: Record the amount of tax withheld from local foreign national pay.

Typical transactions:

- (1) Credit with the amount of taxes withheld.
- (2) Credit with the amount of increases due to changes in the foreign exchange rate at year end.
- (3) Debit with the amount paid to the foreign government.
- (4) Debit with the amount of decreases due to changes in the foreign exchange rate at year end.

Normal contra GLACs: 102 and 828.

228-Manual Pay Reimbursements Payable

Used for: NFS Only.

Normal balance: Credit

Purpose: Record the amount paid employees independent of the payroll system that must be repaid to the NAFI.

Typical transactions:

- (1) Credit with the amount of the manual payment to the employees.
- (2) Debit with the amount withheld from the employee and paid back to the NAFI.

Normal contra GLACs: 101 and 102.

229-401k Deduction Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of 401k deductions which were deducted from employees pay and have not yet been forwarded.

Typical transactions:

- (1) Credit with the amount of the deduction.
- (2) Debit with the amount paid to the 401k account.

Normal contra GLACs: 101 and 626.

230-Tips Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of tips and service charges earned by employees that are collected by the fund.

Typical transactions:

- (1) Credit with the amounts that appear on customer charge slips and cash tips turned over to the NAFI.
- (2) Debit with the amount paid to the employees.

Normal contra GLACs: 101 and 102.

231-Inter NAFI Payables Within IMCOM Region or MACOM

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount owed to other NAFIs. Subsidiary records will be maintained and reconciled against GLAC 135 on the other NAFIs monthly.

Typical transactions:

(1) Credit with the amount owed to other NAFIs.

(2) Debit with the amount paid to the other NAFI.

Normal contra GLACs: 101 and 102

232-Inter NAFI Payables - Outside IMCOM Region or MACOM

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount owed to other NAFIs. Subsidiary records will be maintained. For garrisons serviced by NFS, subsidiary records will be reconciled monthly against GLAC 136 on the other NAFI, if NFS services both garrisons.

Typical transactions:

(1) Credit with the amount owed to other NAFIs.

(2) Debit with the amount paid to the other NAFI.

Normal contra GLACs: 101, 102, and many others.

233-U.S. Unemployment Insurance Payable

Restricted for use of FMWR only.

234-ARM Distribution Payable

Restricted for use of FMWR only

235-Demand Deposits Payable

Restricted for use of FMWR only

236-Claims Payable

Restricted for use of FMWR only

237-Construction Contracts Payable

Restricted for use of FMWR only

238-Surcharge Payable

Used for Lodging Funds only.

Normal balance: Credit

Purpose: Record the amount of lodging surcharge payable to the HQ Army Lodging Fund.

Typical transactions:

(1) Credit with the amount of surcharge.

(2) Debit with the surcharge paid.

Normal Contra GLACs: 101, 111, and 758.

239-Thrift Savings Plan Deductions Payable

Used for: Used by Payroll Branch of NFS Only.

Normal balance: Credit

Purpose: Record the amount of thrift savings deducted from employees pay and the employers matching amount payable to the Federal government.

Typical transactions:

- (1) Credit with the amount deducted and the NAFIs matching contribution.
- (2) Debit with the amount paid to the Federal government.

Normal Contra GLACs: 101 and 627.

240-Miscellaneous Other Payables

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of current liabilities that can not properly be recorded in other current liability accounts.

Typical transactions:

- (1) Credit with the amount of miscellaneous payables.
- (2) Debit with the amount paid.

Normal contra GLACs: Use as applicable.

Accruals

241-Interest Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of interest due on all outstanding interest bearing obligations.

Typical transactions:

- (1) Credit with the amount of interest accrued as of the end of the accounting period.
- (2) Debit with the amount of interest paid.

Normal contra GLACs: 101, 102, and 826.

242-Salaries and Wages Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of salaries and wages earned but not paid at the end of each accounting period.

Typical transactions:

- (1) Credit with the amount of salaries and wages earned but not paid.
- (2) Debit at the beginning of the next accounting period with the amount of the credit balance in this GLAC.

Normal contra GLACs: 101, 102, 601, and 602.

243-Annual Leave Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of leave accrued but not yet taken for all full time and part time employees. Adjustments necessary to bring the accrued annual leave account into balance with

the aggregate individual leave records will be made monthly for those CAOs using NAFISS. The adjustment will be made at the end of each accounting year for those not using NAFISS.

Typical transactions:

- (1) Credit with the amount of leave accrued during the accounting period.
- (2) Debit with the amount of leave taken or paid during the accounting period.

Normal contra GLACs: 103, 603, 808, and 833.

244-Payroll Taxes Payable

Used for: All NAFIs

Normal balance: Credit

Purpose: Record the accrued payroll taxes on the unpaid salaries and wages recorded in GLAC 242 at the end of the accounting period.

Typical transactions:

- (1) Credit with the amount of the employer's share of the tax liability.
- (2) Debit at the beginning of the next accounting period with the amount of the balance shown in this GLAC.

Normal contra GLACs: 103 and 104.

245-Employee Bonuses Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the estimated amount of bonuses accrued, but not yet paid, to employees.

Maintain subsidiary records for each type bonus and reconcile to the control account monthly.

Typical transactions:

- (1) Credit with the amount of bonus earned by employees, but not yet paid.
- (2) Credit with the amount of the employer's share of payroll taxes incurred against bonuses.
- (3) Credit with the amount of the increase in the payable due to changes in the foreign exchange rate at year end.
- (4) Debit with the excess amount of the accrual over the amount paid.
- (5) Debit with the amount of bonuses paid to employees.
- (6) Debit with the amount of the decrease in the payable due to changes in the foreign exchange rate at year end.

Normal contra GLACs: 103, 104, 617, 618, and 828.

246-Other Employee Benefits Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the estimated amount of other employee benefits that can not properly be recorded in other GLACs.

Typical transactions:

- (1) Credit with the amount of benefits earned.
- (2) Credit with the amount of employer's share of payroll taxes incurred against the benefits.
- (3) Credit with the amount of increase in the payable due to changes in the foreign exchange rate at year end.
- (4) Debit with the amount paid to employees.
- (5) Debit with the excess amount of the accrual over the amount paid.

(6) Debit with the amount of decrease in the payable due to changes in the foreign exchange rate at year end.

Normal contra GLACs: 103, 104, 624, 625, and 828.

247-US Employee Compensatory Time Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of compensatory time earned, but not yet paid to employees.

Typical transactions:

(1) Credit with the amount of compensatory time earned, but not yet paid.

(2) Debit with the amount of compensatory time paid or used.

Normal contra GLACs: 103 and 621.

249-APF US Reimbursed Payroll Payable.

Used for: MWR NAFIs.

Normal balance: Credit.

Purpose: Record the projected reimbursable salaries and wages under UFM that will be earned but not paid during the accounting period. Record the amount owed to APF sources for reimbursable APF US payroll.

Typical transactions:

(1) Credit with the amount to be reimbursed to APF.

(2) Debit with the amount paid to APF.

Normal contra GLACS: 101 and 649.

250-Bingo Cash Jackpot Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of cash bingo prizes not yet awarded.

Typical transactions:

(1) Credit with the amount not yet paid.

(2) Debit with the amount accrued when prizes are awarded.

Normal contra GLACs: 101 and 750.

252-APF Foreign National Reimbursed Payroll Payable.

Used for: OCONUS.

Normal balance: Credit.

Purpose: Record the projected reimbursable salaries and wages, under UFM, that will be earned but not paid during the accounting period. Record the amount owed to APF sources for reimbursable APF Foreign national Payroll.

Typical transactions:

(1) Credit with the amount to be reimbursed to APF.

(2) Debit with the amount paid to APF.

Normal contra GLACs: 101 and 648.

★253-Flexible Spending Accounts (FSA) Payable

Used for: All NAFIs

Normal Balance: Credit

Purpose: Record the amount of Flexible Spending Account withholdings deducted from employees' pay and payable to the Flexible Spending Account administrator.

Typical Transactions:

- (1) Debit with the amount forwarded to the Flexible spending Accounts administrator.
- (2) Credit with the amount deducted from the employees' pay.
- (3) Credit with the amount charged to the employing installation for FSA administration fees.

Normal contra GLACs: 202

★254-Donations Payable

Used for: All NAFIs

Normal Balance: Credit

Purpose: To record the amount of private donations received and yet to be remitted to the U.S. Treasury for processing.

Typical Transactions:

- (1) Credit with the amount of donations collected from donors but not yet remitted to the U.S. Treasury for processing.
- (2) Debit with the amount transferred to the U.S. Treasury.

Normal contra GLACs: 101

256-Audit Expense Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the estimated cost of commercial audits.

Typical transactions:

- (1) Credit with the estimated cost each month until the audit is performed.
- (2) Debit with the amount of the accrual when the audit fee is paid.

Normal contra GLACs: 101, 102, and 738.

257- Maintenance Expense Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of anticipated maintenance costs for major items that occur infrequently but are properly expensed over the accounting year.

Typical transactions:

- (1) Credit with the amount of estimated maintenance expense accrued.
- (2) Debit with the amount accrued when the maintenance is paid for.

Normal contra GLACs: 101, 102, 657, 658, and 659.

260-Miscellaneous Other Accruals

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of accruals that can not properly be recorded in other accounts.

Typical transactions:

- (1) Credit with the amount of the accrual.

(2) Debit with the amount when the item is paid for.
Normal contra GLACs: 101 and 102.

Unearned Income

261-Special Event Advance Ticket Sales

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of the liability for tickets sold in advance of an event.

Typical transactions:

(1) Credit with the amount of tickets sold.

(2) Debit when the event is held.

Normal contra GLACs: 101, 102, and 503.

262-Dues and Assessments Advance Payments

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of dues and fees received in advance.

Typical transactions:

(1) Credit with the amount received in advance.

(2) Debit with the amount earned.

Normal contra GLACs: 101, 102, and 509.

263-Advance Payments on Accounts

Used for: All NAFIs

Normal balance: Credit

Purpose: Record the amount of fees paid in advance that can not properly be recorded in GLAC 262. For example, fees for lodging or mess.

Typical transactions:

(1) Credit with the amount received in advance.

(2) Debit with the amount earned.

Normal contra GLACs: 101 and 5XX.

264-Unearned Income-IMCOM/Central-UFM

Used for: MWR NAFIs

Normal balance: Credit

Purpose: Record UFM income received from central sources prior to expense recognition.

Typical transactions:

(1) Credit with the unearned amount received and held for future accounting periods.

(2) Debit with the amount earned and transferred to income GLAC 508/526.

Normal contra GLACs: 101, 508, and 526.

265-Unearned Income-Local MOA-UFM

Used for MWR NAFIs

Normal balance: Credit.

Purpose: Record UFM income received from local sources prior to expense recognition.

Typical transactions:

- (1) Credit with the unearned amount received and held for future accounting periods.
- (2) Debit with the amount earned and transferred to income GLAC 561/562.

Normal contra GLACs: 101, 111, 561, and 562.

266-Deferred Income-Family Readiness Groups

Used for ACS only

Normal balance: Credit

Purpose: To record cash gifts donated in the ACS supplemental mission program prior to expense recognition.

Typical transactions:

- (1) Credit with the deferred amount received and held for future accounting periods.
- (2) Debit with the amount earned as expense incur and transferred to applicable income account.

Normal contra GLACs: 101, 111 and 807.

★276-Deferred Income – UFM – Special

Normal Balance: Credit

Purpose: Record UFM income for special projects prior to expense recognition.

Typical transactions:

- (1) Credit with the unearned amount received and held for future accounting period.
- (2) Debit with the amount earned and transferred to income GLAC 563/564

Normal contra GLACs: 101, 111, 563 and 564

267-Miscellaneous Other Unearned Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of the liability for deferred income that can not properly be recorded in other GLACs.

Typical transactions:

- (1) Credit with the amount of deferred income.
- (2) Debit with the amount earned or moved to another GLAC.
- (3) Debit to transfer the months amortized portion of the discount/interest from major construction projects to GLAC 801.

Normal contra GLACs: 101, 102, 196, 5XX, and 801.

Long Term Liabilities

268-Long-term Loans Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of loans due beyond the next 12 months.

Typical transactions:

- (1) Credit with the original amount of the loan.
- (2) Debit with the amount moved to GLAC 203.

Normal contra GLACs: 203.

270-US Employee Allowances Payable

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount accrued for various types of allowances to pay each group of US employees upon transfer or separation, such as transportation or severance allowances and separation pay.

Typical transactions:

(1) Credit each month with the amount accrued for allowances.

(2) Debit with the amount paid.

Normal contra GLACs: 101 and 628.

271-Foreign l Employee Allowances Payable

Used for: OCONUS NAFIs.

Normal balance: Credit

Purpose: Record the amount accrued for various types of allowances to pay each group of employee upon separation, under local foreign government statutes.

Typical transactions:

(1) Credit with the amount accrued for allowances.

(2) Debit with the amount paid.

Normal contra GLACs: 102, 614, 615, 616, and 619.

272-Reserve for Claims

Restricted for use of FMWR only.

273-Long-term Capital Lease Liability

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the long-term portion (amount of liability due beyond the next 12 months) of the long term lease liability.

Typical transactions:

(1) Credit with the amount payable.

(2) Debit with the amount transferred to GLAC 204 – Current Term Capital Lease Payables

Normal contra GLACs: 204.

275-Miscellaneous Other Long-term Liabilities

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of other long term liabilities of the NAFI that cannot properly be recorded in another GLAC.

Typical transactions:

(1) Credit with the amount accrued.

(2) Debit with the amount paid.

Normal contra GLACs: Use as applicable.

288-Superfund Clearing Account

Used for: All NAFIs operating under the Single Fund concept.

Normal balance: Can have either a debit or credit balance at each NAFI, but the balance within each IMCOM's or MACOM's Single Fund group must be zero.

Purpose: Record the amounts transferred between funds and the Single Fund. The amounts will be recorded in this account under either the fund or the Single Fund with an offsetting entry on the other within the same accounting period.

Typical transactions:

(1) Credit with the amount transferred out of the fund or Single Fund.

(2) Debit with the same amount transferred into the fund or Single Fund.

Normal contra GLACs: Those accounts designated by the Single Fund Region Headquarters.

289-Location Clearing Account

Used for: All NAFIs.

Normal balance: None

Purpose: Record the amounts transferred between locations in the same fund. The amounts will be recorded in this account with an offsetting entry made within the fund in the same accounting period.

Typical transactions:

(1) Credit with the amount transferred out of one location.

(2) Debit with the same amount transferred into the other location.

Normal contra GLACs: Use as applicable.

Equity

291-Contributed Capital

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of capital from sources outside the NAFI. For example, the amount of approved grants.

Typical transactions:

(1) Credit with the amount of funds or value of assets received from higher HQ and other NAFIs.

(2) Credit with the amount of dividends found by AOB to be CPMC equity share.

(3) Credit to record funds provided from outside sources to make payments and CPMC purchases.

(4) Debit at IMCOM with cash grants transferred to garrisons.

Normal contra GLACs: 101, 102, and 196.

292-Retained Earnings

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of retained earnings. Transactions affecting retained earnings not requiring DFAS approval are limited to the following: net income; net loss; entries associated

with dissolution of a NAFI; the declaration of retained earnings distributions by resale and revenue-sharing funds; approved inter-NAFI transfers; and transfers from GLAC 900 at the end of each fiscal year. Retained earnings adjustments will be explained in a footnote to the Balance Sheet.

Typical transactions:

- (1) Credit with the amount of net income for the accounting period.
- (2) Credit with the amount of DFAS approved adjustments.
- (3) Debit with the amount of net loss for the accounting period.
- (4) Debit with the amount of DFAS-approved adjustments.
- (5) Debit with the amount of post restaurant dividend distributions.

Normal contra GLACs: 206 and 900.

INCOME & EXPENSES

From Operations

Sales

301-Cash Sales

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of cash sales of goods. Some examples are sales made by dining rooms, bars, snack bars, and book departments. This account may be used for hotel telephone operations that are accounted for as an annex or activity of the hotel.

Typical transactions:

Credit with the amount of cash sales.

Normal contra GLACs: 101 and 111.

302-Credit Sales

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of charge sales.

Typical transactions:

Credit with the amount of charge sales.

Normal contra GLACs: 110, 121, 122, 139, and 140.

303-Layaway Sales

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of sales of items on layaway.

Typical transactions:

Credit with the amount of layaway sales.

Normal contra GLACs: 138.

304-Sales Returns and Allowances

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of returns of, or allowances on, goods previously sold and later returned. See GLAC 653 for customer rejected meals and beverages which were rejected before the customer paid for them.

Typical transactions:

Debit with the amount of sales returns.

Normal contra GLACs: 101, 110, 111, 121, and 139.

305-Customer Discounts

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of sales discounts given on the sale of items.

Typical transactions:

Debit with the amount of discounts given on the sale of items.

Normal contra GLACs: 301 and 302.

306-Employee Discounts

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of sales discounts given to NAFI employees.

Typical transactions:

Debit with the amount of employee sales discounts.

Normal contra GLACs: 301 and 302.

307-Intrafund Sales

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of sales made to another activity of the same fund, when the items sold are from a resale inventory and are not transferred at cost. The sale will be recorded at a mutually agreed-upon price.

Typical transactions:

Credit with the amount of sales to other activities of the same fund.

Normal contra GLACs: 798.

Cost of Goods Sold**401-Purchases**

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of merchandise purchased for resale including shipping and handling. This account may also be used to record local and long distance telephone service charges when charged as part of a hotel or separate operation. Purchase transactions for warehouse storage and later issue will be identified by use of the fund code of the entity operating the warehouse.

Purchase transactions for immediate use by a facility will be identified by use of the assigned facility code with the fund code.

Typical transactions:

- (1) Debit with the cost (net of discount) of all merchandise purchased for resale from all sources.
- (2) Credit with the balance at the end of the accounting period.
- (3) Credit with the discounts received after the purchase cost is recorded.

Normal contra GLACs: 201, 204, 240, and 260.

402-Warehouse/Storeroom Requisitions

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of merchandise moved from the warehouse to various locations within the same NAFI.

Typical transactions:

- (1) Debit with the amount of merchandise moved from the warehouse.
- (2) Credit with the balance at the end of the accounting period.

Normal contra GLACs: 412 ONLY.

403-Transfers From Other Funds

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of resale merchandise received from another NAFI (must match GLAC 413 within same garrison).

Typical transactions:

- (1) Debit with the cost of resale merchandise received from another NAFI.
- (2) Credit with the balance at the end of the accounting period.

Normal contra GLACs: 101, 231, and 232.

404-Transfers From Other Locations/Departments

Used for: All NAFIs

Normal balance: Debit

Purpose: Record the amount of resale merchandise received from another location or department in the same NAFI.

Typical transactions:

- (1) Debit with the cost of resale merchandise received.
- (2) Credit with the balance at the end of the accounting period.

Normal contra GLACs: 414 ONLY.

411-Purchase Returns and Allowances

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of merchandise returned or allowances taken.

Typical transactions:

- (1) Credit with the amount of merchandise returned or allowances taken.
- (2) Debit with the balance at the end of the accounting period.

Normal contra GLACs: 201.

412-Warehouse/Storeroom Issues

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the cost of merchandise moved from the warehouse or storeroom to departments or locations in the same NAFI.

Typical transactions:

- (1) Credit with the cost of merchandise moved.
- (2) Debit with the balance at the end of the accounting period.

Normal contra GLACs: 402 ONLY.

413-Transfers to other Funds

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the cost of resale merchandise issued to another NAFI (must match GLAC 403 within the same garrison).

Typical transactions:

- (1) Credit with the cost of resale merchandise issued.
- (2) Debit with the balance at the end of the accounting period.

Normal contra GLACs: 135 and 136.

414-Transfers to Other Locations/Departments

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the cost of resale merchandise transferred to another department or location in the same NAFI.

Typical transactions:

- (1) Credit with the cost of resale merchandise transferred.
- (2) Debit with the balance at the end of the accounting period.

Normal contra GLACs: 404 ONLY.

416-Other Inventory Reductions

Used for: All NAFIs.

Normal balance: Credit.

Purpose: Deduct the cost of unusual reductions in inventory from cost of goods sold, such as losses that result from insurance claims. Also used when transferring amounts to an operating expense GLAC or to net to zero in the cost of goods sold section for a non-resale NAFI other than a warehouse. Also includes the cost of meals provided to employees free of charge.

Typical transactions:

Credit with the amount of the loss or transfer.

Normal contra GLACs: 131, 6XX, 730, and 7XX.

432-Cost of Goods Sold, Inventory Overages

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the value of inventory overages resulting from the physical inventory count of resale merchandise.

Typical transactions:

Debit with the amount of inventory overages.

Normal contra GLAC: 512 ONLY.

452-Cost of Goods Sold, Promotions Expense.

Used for: All NAFIs.

Normal balance: Credit.

Purpose: Deduct the cost of merchandise consumed during promotions within the NAFI from cost of goods sold.

Typical transactions:

Credit with the cost of the merchandise given away.

Normal contra GLAC: 652 ONLY.

453-Cost of Goods Sold, Customer Rejected Goods

Used for: All NAFIs.

Normal balance: Credit

Purpose: Deduct the cost of meals and beverages rejected by customers before sales are consummated from cost of goods sold.

Typical transactions:

Credit with the cost of rejected meals and beverages.

Normal contra GLAC: 653 ONLY.

454-Cost of Goods Sold, Resale Merchandise, Spoilage, Breakage, and Obsolescence

Used for: All NAFIs.

Normal balance: Credit

Purpose: Deduct the cost of food and bar items or other resale merchandise broken or spoiled from cost of goods sold.

Typical transactions:

Credit with the cost of merchandise losses.

Normal contra GLAC: 654 ONLY.

455-Cost of Goods Sold, Warehouse/Storeroom Spoilage, Breakage, and Obsolescence

Used for: All NAFIs.

Normal balance: Credit

Purpose: Deduct the cost of broken or spoiled warehouse inventory items from cost of goods sold. This includes inventory obsolescence losses reported to the garrison commander.

Typical transactions:

Credit with the cost of merchandise losses.

Normal contra GLAC: 655 ONLY.

456-Cost of Goods Sold, Inventory Shortage

Used for: All NAFIs.

Normal balance: Credit

Purpose: Deduct the cost of inventory shortage discovered in the physical inventory count from cost of goods sold.

Typical transactions:

Credit with the cost of inventory shortages.

Normal contra GLAC: 656 ONLY.

Other Operating Income

501-Service/Recreation Activity Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of income from recreation fees and services, or income from the NAFIs recycling supplemental mission sale of recyclable material to a commercial dealer.

Typical transactions:

Credit with the amount of income received.

Normal contra GLACs: 101, 110, 111, 121, 139, and 140.

502-Concessionaire Commission Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of fees received or due from vending machines, restaurants, snack bars, and such, operated under a concessionaire contract. Also record the amount received from hotels, tour operators, etc. for referrals and bookings.

Typical transactions:

Credit with the amount received or due.

Normal contra GLACs: 101, 110, 111, and 123.

503-Special Events Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of income received from special events sponsored by a NAF activity that can not be properly recorded in GLAC 501.

Typical transactions:

Credit with the amount of income received.

Normal contra GLACs: 101, 110, 111, 121, 122, 139, 140, and 261.

504-Rental and Usage Fees Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of fees received from or billed to customers and others for the use of facilities, equipment, utilities, delivery services, and other charges.

Typical transactions:

Credit with the amount of fees received or billed.

Normal contra GLACs: 101, 110, 111, 121, 122, 139, and 140.

505-TV and Radio Rights Income

Used for: ALL NAFIs.

Normal balance: Credit

Purpose: Record the amount of income received or billed from TV and radio coverage of athletic and special events. Also includes amounts received from cable franchise fees.

Typical transactions:

Credit with the amount of income received or billed.

Normal contra GLACs: 101, 110, and 111.

506-Program and Brochure Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of income received from the sale of programs and brochures at athletic and special events.

Typical transactions:

Credit with the amount of income received.

Normal contra GLACs: 101, 110, and 111.

507-Guaranteed Participation Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of income received for taking part in athletic and special events where the host guarantees income.

Typical transactions:

Credit with the amount of income received.

Normal contra GLACs: 101, 110, and 111.

508-UFM Income – IMCOM Central Payroll

Used for: MWR NAFIs.

Normal balance: Credit

Purpose: Record the UFM funds recognized from IMCOM/Central sources for UFM NAF Payroll only. All other IMCOM/Central UFM income will be recorded in GLAC 526. Income is to be recognized as expenses are incurred.

Typical transactions:

Credit with the amount recognized.

Normal contra GLACs: 101, and 264.

509-Dues and Assessments Income

Used for: NAFIs which charge dues.

Normal balance: Credit

Purpose: Record the amount of dues billed, collected, or moved from GLAC 262.

Typical transactions:

Credit with the amount of dues billed, collected, or moved from GLAC 262.

Normal contra GLACs: 101, 121, 122, and 262.

510-Foreign Government Reimbursements Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amounts received from foreign governments, such as Japan, as reimbursement for expenses incurred.

Typical transactions:

Credit with the amount of reimbursements received.

Normal contra GLACs: 101.

511-Cash Overage Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of the overages of cashiers.

Typical transactions:

Credit with the amount of the overages.

Normal contra GLACs: 101, 110, and 111.

512-Inventory Overage Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of inventory overages identified in the physical inventory count.

Typical transactions:

Credit with the amount of inventory overages.

Normal contra GLACs: 432 ONLY.

513-Public/Private Venture Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the revenue received from public/private ventures.

Typical transactions:

Credit with the amount of income received.

Normal contra GLACs: 101.

514-Unofficial Travel Surcharge Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of unofficial travel surcharges collected by and due from the garrison lodging fund.

Typical transactions:

Credit with the amount to be received.

Normal contra GLACs: 101 and 135.

515-Vendor Reimbursement Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of vendor reimbursement received for services or supplies provided to the concessionaire by the NAFI. Also use to record vendor rebates, such as from the International Merchant Purchase Authorization Card (IMPAC) credit card.

Typical transactions:

Credit with the amount received.

Normal contra GLACs: 101.

516-Forfeited Layaway Sales Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of revenue received when a layaway order is cancelled or expires.

Typical transactions:

Credit with the amount or revenue received.

Normal contra GLACs: 101.

517-Late Charge Assessment Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount charged for late payment.

Typical transactions:

Credit with the amount charged.

Normal contra GLACs: 101.

518-POV Registration Fee Income

Used for: IMCOM-Europe Vehicle Registration Fund.

Normal balance: Credit

Purpose: Record the amount of revenue received from the registration of privately owned vehicles involving issuing license plates.

Typical transactions:

Credit with the amount received from the sale of license plates.

Normal contra GLACs: 101.

519-Operator License Fee Income

Used for: IMCOM-Europe Vehicle Registration Fund.

Normal balance: Credit

Purpose: Record the amount of revenue received from the issue of operator licenses.

Typical transactions:

Credit with the amount received from the sale of license plates.

Normal contra GLACs: 101.

520-Re-registration Fee Income

Used for: IMCOM-Europe Vehicle Registration Fund.

Normal balance: Credit

Purpose: Record the amount of revenue received from the issue of registration decals.

Typical transactions:

Credit with the amount received for registration decals.

Normal contra GLACs: 101.

521-Non-operational Vehicle Fee Income

Used for: IMCOM-Europe Vehicle Registration Fund.

Normal balance: Credit

Purpose: Record the amount of revenue received from the issue of documents which lets an owner keep a vehicle but doesn't allow it to be driven.

Typical transactions:

Credit with the amount of non-operational fees received.

Normal contra GLACs: 101.

522-Weapons Registration Fee Income

Used for: IMCOM-Europe Vehicle Registration Fund.

Normal balance: Credit

Purpose: Record the amount of revenue received from the registration of privately owned weapons.

Typical transactions:

Credit with the amount of registration fees received.

Normal contra GLACs: 101.

523-Returned Check Service Charge Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of revenue received from locally assessed service charge for collecting returned checks. For IMWRFs, this GLAC will normally be reported in program code RF, since debt collection is usually a responsibility assigned to the Financial Management Division.

Typical transactions:

Credit with the amount of service charge assessed or collected.

Normal contra GLACs: 101, 121, and 140.

524-ARM Profit Distribution Income

Used for: OCONUS.

Normal balance: Credit

Purpose: Record the amount of revenue received from the ARM program at the time the money is removed from the machines and/or when the ARM profit distribution advice is received from FMWR.

Typical transactions:

Credit with the amount of the revenue or profit distribution advice received.

Normal contra GLACs: 101, and 120

525-ARM Expense Reimbursement Income

Used for: OCONUS.

Normal balance: Credit

Purpose: Record the amount of income received from FMWR as reimbursement for the cost of providing a facility for and operating the slot machines.

Typical transactions:

Credit with the amount of reimbursement received or expected.

Normal contra GLACs: 101, and 120.

526-UFMIMCOM/Central - Non-payroll

Used for: MWR NAFIs.

Normal balance: Credit.

Purpose: Record the UFM funds received from IMCOM/Central sources for UFM non-payroll items. This includes funding for items such as: payroll service charge, 401k admin surcharge, travel and transportation of personnel and things, rent, communications, utilities, printing, reproduction, other contractual services, supplies, materials, acquisition of capital assets (if funded through UFM, see GLAC 742) etc. Also includes funding for APF US and Foreign National reimbursed personnel.

Typical transactions:

Credit with the amount of income received.

Normal contra GLACs: 101 and 264.

527-Service Charge Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of revenue earned as service charges, other than from returned checks.

Typical transactions:

Credit with the amount of service charges added to customer bills.

Normal contra GLACs: 101 and various receivables.

528-Warehouse Price Variance Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the price adjustments when the amount to be paid for inventory purchases is less than the amount recorded as the original purchase. Use only for warehouse inventories under stock record control. Do not use for retail inventories.

Typical transactions:

Credit with the amount of service charges added to customer bills.

Normal contra GLACs: 101 and 201.

529-Fishing Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the fees earned from fishing activities.

Typical transactions:

Credit with the amount of revenue.

Normal contra GLACs: 101 and 121.

530-Hunting Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the fees earned from hunting activities.

Typical transactions:

Credit with the amount of revenue.

Normal contra GLACs: 101 and 121.

531-Greens Fee Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the revenue earned as golf course green fees.

Typical transactions:

Credit with the amount of revenue earned.

Normal contra GLACs: 101 and 121.

532-Driving Range Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the revenue earned from golf course driving ranges.

Typical transactions:

Credit with the amount of revenue earned.

Normal contra GLACs: 101 and 121.

533-Golf Cart Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the revenue earned from renting golf carts.

Typical transactions:

Credit with the amount revenue earned.

Normal contra GLACs: 101 and 121.

534-Instruction Fee Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the revenue earned as instruction fees.

Typical transactions:

Credit with the amount of revenue earned.

Normal contra GLACs: 101 and 121.

535-Lane Fees Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the revenue earned as bowling lane fees.

Typical transactions:

Credit with the amount of revenue earned.

Normal contra GLACs: 101 and 121.

536-Shoe Rental Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the revenue earned from bowling or golf shoe rentals.

Typical transactions:

Credit with the amount of revenue.

Normal contra GLACs: 101 and 121.

537-Local Telephone Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the revenue earned from customer use of telephones.

Typical transactions:

Credit with the amount of revenue.

Normal contra GLACs: 101.

538-Recyclable Material Income (Grant/Distribution)

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the payment received from non-NAFI recycling programs, such as a grant or distribution from the Garrison Recycling Budget Clearing Account (U.S. Treasury). This account will not be used for the revenue earned by the NAFI from selling recyclable materials when the NAFI runs the recycling program.

Typical transactions:

Credit with the amount of the payment.

Normal contra GLACs: 101.

539-Amusement Machine Income (Non-Concessionaire)

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the revenue earned from NAFI controlled amusement machines and from Army Recreation Machine Program (ARMP)-supplied electronic amusement machines.

Typical transactions:

Credit with the amount of revenue.

Normal contra GLACs: 101.

540-Recyclable Material Income (MWR Operation)

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the income received from the Garrison Recycling Budget Clearing Account (U.S. Treasury), when a MWR recycling operation assigns recyclable materials to the Defense Reutilization and Marketing Office (DRMO).

Typical transactions:

Credit with the amount of revenue.

Normal contra GLACs: 101 and 111.

541-Commercial Travel Office Commission Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the income the garrison receives.

Typical transactions:

Credit with the amount of income.

Normal contra GLACs: 101.

542-APF Contract Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the income received from APF contracts where the NAFI performs a service or provides materials to the U.S. Government, such as income resulting from an appropriated fund contract when the MWR performs related recycling functions such as refuse/materials curb-side pick-up on the garrison.

Typical transactions:

Credit with the amount of income.

Normal contra GLACs: 101 and 140.

543-USDA Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the income received from the U.S. Department of Agriculture for meals provided to children through child care centers, youth centers, and School-Age Latchkey (SALK) programs, and for administrative costs incurred in the operation of the food programs. This account will not be used for amounts paid to the IMWRF for disbursement to in-home family child care providers.

Typical transactions:

Credit with the amount of income.

Normal contra GLACs: 101 and 140.

545-AAFES Dividend Income

Used for: All NAFIs

Normal balance: Credit

Purpose: Record the Army Simplified Dividend (ASD) received from the military exchange service.

Typical transactions:

Credit with the amount of income.

Normal contra GLACs: 101

★546-Insurance Premiums Income

Used for: FMWR only

547-Income from Allocation of Expenses

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of income from other funds when costs are distributed between various funds, such as with the overhead cost allocation between IMWRF and Lodging Fund.

Typical transactions:

Credit with the amount of cost allocated to other funds.

Normal contra GLACs: 101 and 119.

548-Coupon and Special Offer Discounts

Used for: All NAFIs.

Normal balance: Debit (Contra income account)

Purpose: Record the amount of coupon and special offer discount granted to customers.

Typical transactions:

Debit with the amount of discounts granted.

Normal contra GLACs: 101, 110, 111, 139 and 5XX.

549-AAFES Other Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the other income received from the military exchange service that is not ASD.

Typical transactions:

Credit with the amount of income.

Normal contra GLACs: 101 and 125.

550-Consignment Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the gross profit received from sales of consignment items, such as tickets to sports and entertainment events. Includes tickets sold via automated ticketing machines. The gross profit is the amount for which the item was sold, less the amount owed to the consignor.

Typical transactions:

Credit with the amount of gross profit on consignment items sold.

Normal contra GLACs: 101, 110, 111, 121, 139, 140, 201, and 240.

551-Communications Services Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the revenue earned from customer use of communications equipment including electronic mail, faxes, etc.

Typical transactions:

Credit with the amount of revenue.

Normal contra GLACs: 101, 110, 111, 121, 139, and 140.

553-Commercial Sponsorship Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the cash or checks received from commercial sponsors of MWR events, functions, or promotions.

Typical transactions:

Credit with the amount of cash or checks received.

Normal contra GLACs: 101, 110, and 111.

554-Food Purchase Rebate Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the rebates received from food vendors involved in the food purchase rebate program.

Typical transactions:

Credit with the amount of rebate received.

Normal contra GLACs: 101, 110, and 111.

555-Garnishment Processing Income

Used for: NFS only.

Normal balance: Credit

Purpose: Record the amount of garnishment processing revenue received from individuals whose wages are garnished.

Typical transactions:

Credit with the amount of revenue collected.

Normal contra GLACs: 101.

557-Advertising Revenue Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of revenue earned from the sale of advertising space. The revenue should be recorded in the department, location, and program code where the advertising occurs, where expenses related to production of the ads are incurred, or where the revenue is intended to provide support.

Typical transactions:

Credit with the amount of income earned.

Normal contra GLACs: 101, 111, and 140.

558-Abandoned Automobile Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of income earned from the sale of automobiles that were abandoned on NAFI property.

Typical transactions:

Credit with the amount of income earned.

Normal contra GLACs: 101, 102, and 111.

559-VTO Concession Fee Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of income earned from Virtual Ticket Offices.

Typical transactions:

Credit with the amount of income earned.

Normal contra GLACs: 101 and 140.

560-FMWR Sponsored Promotions

Used for: All NAFIs.

Normal balance: Debit (Contra income account).

Purpose: Record the amount of FMWR special promotions/sweepstakes offer/discount granted to customers.

Typical transactions:

Debit with the amount granted.

Normal contra GLACs: 101-111 and 501-504.

561-UFM/USA/MFP Income-Local MOA-Payroll

Used for MWR NAFIs.

Normal balance: Credit.

Purpose: Record the funds received from local APF sources for UFM/USA NAF payroll only. All other local MOA income will be recorded in GLAC 562.

Income Recognition (1) Under UFM-income (if available in GLAC 265) is to be recognized as expenses are incurred. (2) Under USA-income is to be recognized when proper funding documents have been received and expenses can be reflected as funded.

Typical Transactions:

Credit with the amount received.

Normal contra GLACs: For (1) above-101 and 265 and for (2) above-101 and 137.

562-UFM/USA/Income-Local MOA-Non-payroll

Used for: MWR NAFIs.

Normal balance: Credit.

Purpose: Record the funds received from APF sources for USA/UFM non-payroll items. This includes funding for items such as payroll service charge, 401k admin surcharge, travel and transportation of personnel and things, rent, communications, utilities, printing, reproduction, and other contractual services, supplies, materials, acquisition of capital assets (if funded through UFM/USA Local MOA), etc. Also includes funding for APF reimbursed personnel.

Income recognition: (1) Under UFM-income is to be recognized when proper funding documents have been received and expenses can be reflected as funded.

Typical transactions:

Credit with the amount received.

Normal contra GLACs: For (1) above-101 and 265. For (2) above-101 and 137.

★563-UFM Income – Special – Payroll

Normal Balance: Credit

Purpose: Record the funds received for UFM payroll items.

Typical transactions:

Credit with the amount received.
Normal contra GLACs: 101 and 276.

★564-UFM Income – Special – Non-Payroll

Normal Balance: Credit

Purpose: Record the funds received for UFM non-payroll items. This includes funding for items such as payroll service charge, 401k admin surcharge, travel and transportation of personnel

Typical transactions:

Credit with the amount received.

Normal contra GLACs: 101 and 276.

★565-Athletic Hosting Reimbursements

Used for: West Point Army Athletics Program

Normal Balance: Credit

Purpose: To record reimbursements received from athletic and academic dignitaries (athletic directors, deans, etc.) and guests attending hosting events at West Point athletic events.

Typical Transactions:

Credit with reimbursements received from visitors at hosting events.

Normal contra GLACs: 101, 110, 111.

★575-Cadet Athlete At-Home Meal Reimbursements

Used for: West Point Army Athletics Program

Normal Balance: Credit

Purpose: To record the amount of reimbursements received from the Treasurer, USMA, for cadet athletes' meals purchased and paid for by the Army Athletic Association and not taken at the Academy mess hall. Do not use this account to record the expense of meals taken while on team travel.

Typical Transactions:

Credit with the amount of the reimbursement received for cadet athletes' at-home meals not taken as USMA mess halls.

Normal contra GLACs: 101, 111

598-Intrafund Transaction Revenue

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of revenue earned from the sale of goods or services to another activity within the same fund, when the goods are not items from a resale inventory. The income will be at a mutually agreed-upon price.

Typical transactions:

Credit with the amount of sales of goods or services to other activities.

Normal contra GLACs: 798.

599-Miscellaneous Other Operating Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of income received that can not properly be recorded in any other operating income GLAC.

Typical transactions:

Credit with the amount of income received.

Normal contra GLACs: 101 and 140.

Operating Expenses

Labor

601-US Salaries and Wages Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of gross salaries and wages paid to U.S. employees.

Typical transactions:

(1) Debit with the gross amount of salaries and wages paid, including overtime.

(2) Debit with the gross amount of salaries and wages earned but not paid, at the end of the accounting period. This entry will be reversed at the beginning of the new accounting period.

(3) Credit with the amount of annual and sick leave paid.

Normal contra GLACs: 242, 243, 603, 605, and 623.

602- Foreign Salaries and Wages Expense

Used for: OCONUS NAFIs

Normal balance: Debit

Purpose: Record the amount of salaries and wages paid to foreign national employees.

Typical transactions:

(1) Debit with the gross amount of salaries and wages paid.

(2) Debit with the gross amount of salaries and wages earned, but not paid, at the end of the accounting period. This entry will be reversed at the beginning of the new accounting period.

(3) Credit with the amount of annual and sick leave paid.

Normal contra GLACs: 242, 243, 604, and 606.

603- US Annual Leave Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of annual leave earned each payroll period.

Typical transactions:

Debit with the amount of annual leave earned at the end of each payroll period.

Normal contra GLACs: 243.

604-Foreign Annual Leave Expense

Used for: OCONUS NAFIs.

Normal balance: Debit

Purpose: Record the amount of annual leave earned by foreign national employees at the end of each payroll period.

Typical transactions:

Debit with the amount of annual leave earned at the end of each payroll period.
Normal contra GLACs: 243.

605- US Sick Leave Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of sick leave paid to U.S. employees during the payroll period.

Typical transactions:

Debit with the amount of sick leave paid during the accounting period.

Normal contra GLACs: 101, 103, and 601.

606-Foreign Sick Leave Expense

Used for: OCONUS NAFIs.

Normal balance: Debit

Purpose: Record the amount of sick leave paid to foreign national employees during the payroll period.

Typical transactions:

Debit with the amount of sick leave paid at the end of each payroll period.

Normal contra GLACs: 102, 104, and 602.

607- US Workers' Compensation Insurance Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of the NAFI's cost for Worker's Compensation Insurance for US employees. Expense is computed as part of each payroll processed by NFS.

Typical transactions:

Debit with the amount paid.

Normal contra GLACs: 242.

608-Foreign Workers' Compensation Insurance Expense

Used for: NAFIs outside CONUS.

Normal balance: Debit

Purpose: Record the amount of the NAFI's cost for Worker's Compensation Insurance for foreign national employees.

Typical transactions:

Debit with the cost of Worker's Compensation insurance.

Normal contra GLACs: 102, 201, and 242.

609-US Retroactive Wage Increases Expenses

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of wage increases granted retroactively to U.S. employees. When such an increase is anticipated, the amount may be estimated and apportioned monthly over the period covered.

Typical transactions:

Debit with the estimated or actual amount of the wage increase for the accounting period.

Normal contra GLACs: 246.

610-Foreign Retroactive Wage Increases Expense

Used for: OCONUS NAFIs.

Normal balance: Debit

Purpose: Record the amount of wage increases granted retroactively to foreign national employees. When such an increase is anticipated, the amount may be estimated and apportioned monthly over the period covered.

Typical transactions:

Debit with the estimated or actual amount of the wage increase for the accounting period.

Normal contra GLACs: 246.

611-Employer's Share of FICA

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of the NAFI's share of FICA taxes, which matches the amount deducted from the employee's wages.

Typical transactions:

Debit with the amount of the NAFI's share of FICA taxes.

Normal contra GLACs: 213 and 242.

612- Employer's Share of Health and Life Insurance Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of the NAFI's share of group health and life insurance premiums.

Typical transactions:

Debit with the amount of the NAFI's share of group health and life insurance premiums.

Normal contra GLACs: 214 and 242.

613-Employer's Share of Retirement Plan Contributions Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of the NAFI's share of NAF group annuity retirement plan.

Typical transactions:

Debit with the amount of the NAFI's share of NAF group annuity retirement plans.

Normal contra GLACs: 215 and 242.

614-Foreign Unemployment Insurance Taxes Expense

Used for: OCONUS NAFIs.

Normal balance: Debit

Purpose: Record the amount of the NAFI's share of foreign national unemployment insurance taxes.

Typical transactions:

Debit with the amount of the NAFI's share of foreign national unemployment insurance taxes.

Normal contra GLACs: 224 and 242.

615-Foreign Medical Insurance Taxes Expense

Used for: OCONUS NAFIs.

Normal balance: Debit

Purpose: Record the amount of the NAFI's share of foreign national medical insurance taxes.

Typical transactions:

Debit with the amount of the NAFI's share of foreign medical insurance taxes.

Normal contra GLACs: 224 and 242.

616-Foreign Welfare and Pension Taxes Expense

Used for: NAFIs outside CONUS.

Normal balance: Debit

Purpose: Record the amount of the NAFI's share of foreign national welfare and pension taxes.

Typical transactions:

Debit with the amount of the NAFI's share of foreign national welfare and pension taxes.

Normal contra GLACs: 224 and 242.

617-US Employee Bonuses and Awards Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of U.S. employee bonuses, to include the amount of cash and non-cash awards.

Typical transactions:

Debit with the amount of employee bonuses and awards.

Normal contra GLACs: 242 and 245.

618-Foreign Employee Bonuses and Awards Expense

Used for: OCONUS NAFIs.

Normal balance: Debit

Purpose: Record the amount of estimated accruals for bonuses to be paid to foreign national employees, to include cash and non-cash awards.

Typical transactions:

Debit with the estimated amount of the bonuses or awards accrued for the accounting period.

Normal contra GLACs: 245.

619-Foreign Employee Separation Pay Expense

Used for: OCONUS NAFIs.

Normal balance: Debit

Purpose: Record the estimated accruals for separation pay to be paid to foreign national employees.

Typical transactions:

Debit with the amount accrued each month for separation pay.

Normal contra GLACs: 271.

620-US Unemployment Insurance Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of NAFI unemployment compensation insurance costs. Expense is computed as part of each payroll processed by NFS.

Typical transactions:

Debit with the amount of unemployment compensation insurance expense for the period.

Normal contra GLACs: 242.

621-US Employee Compensatory Time Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of compensatory time earned by US employees.

Typical transactions:

Debit with the amount of earned compensatory time.

Normal contra GLACs: 247.

623-Home Leave Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the expense when home leave is taken. Do not accrue home leave.

Typical transactions:

Debit with the amount of home leave expense.

Normal contra GLACs: 601

624-Other Benefits-US Employees

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of employee related expenses that can not properly be recorded in another GLAC. For example, quarters allowances and tuition fees for dependents.

Typical transactions:

Debit with the amount of expense for the accounting period.

Normal contra GLACs: 246.

625-Other Benefits-Foreign Employees

Used for: OCONUS NAFIs

Normal balance: Debit

Purpose: Record the amount of employee related expenses that can not properly be recorded in another GLAC. For example, expense for foreign national employee's recreation and welfare required by the foreign government.

Typical transactions:

Debit with the amount of expense for the accounting period.

Normal contra GLACs: 246.

626-Employer's Share of 401k Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the employer share of 401k contributions on behalf of employees.

Typical transactions:

Debit with the amount of expense for the accounting period.
Normal contra GLACs: 101.

627-Employer's Share of Thrift Savings Plan Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the employer share of thrift savings plan contributions on behalf of employees.

Typical transactions:

Debit with the amount of expense for the accounting period.

Normal contra GLACs: 101.

628-US Employee Severance Pay Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the estimated severance cost of U.S. employees when the fund can reasonably expect to have to separate employees in the foreseeable future.

Typical transactions:

(1) Debit with the amount of the estimated severance cost.

(2) Debit with actual severance costs processed through the payroll, when no severance pay was previously accrued.

(3) Credit to back out any BRAC-related severance costs that were processed through the payroll, but which will be reimbursed by appropriated funds. This entry will be recorded only when BRAC appropriated funds are available and become obligated for NAF severance pay.

Normal contra GLACs: 140, 242, and 270.

629-US Post-Retirement Medical Benefits Assessment

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the assessment charged to all employing NAF garrisons for funding of the NAF employees' post-retirement medical benefits program.

Typical transactions:

Debit with the amount of expense calculated by the NAF payroll system.

Normal contra GLACs: 242

★630-Post Allowance Expense

Used for: ALL OCONUS NAFIs

Normal Balance: Debit

Purpose: To record the amount of employee post allowance expense.

Typical Transaction:

Debit with the amount of employee post allowance expense.

Normal contra GLACs: 242

★631-FSA Administration Fee Expense

Used for: All NAFIs

Normal Balance: Debit

Purpose: Record the fees paid for administering the Flexible Spending Accounts (FSAs).

Typical Transaction:

Debit with the amount of the expense paid to the FSA administrator.

Normal contra GLACs: 242

648-APF Foreign National Reimbursed Payroll

Used for: All NAFIs.

Normal balance: Debit.

Purpose: Record NAF cost associated with repayment of APF Foreign National Payroll to APF sources.

Typical transactions:

Debit with the amount to be reimbursed to APF.

Normal contra GLACs: 252

649-APF US Reimbursed Payroll

Used for: MWR NAFIs.

Normal balance: Debit.

Purpose: Record NAF cost associated with repayment of APF US payroll to APF sources.

Typical transactions:

Debit with the amount to be reimbursed to APF.

Normal contra GLACs: 249

650-Capitalized Labor Costs

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of in-house labor costs associated with the construction of a CPMC project. The actual labor costs will remain in the labor expense accounts (GLACs 601 through 629). GLAC 650 is a contra account and will always have a credit balance.

Typical transactions:

Credit with the amount of labor costs being capitalized.

Normal contra GLACs: 179

Other Operating Expenses

651-Manager's Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of reimbursable expenses incurred by the NAFI manager in the administration of the NAFI. This includes customer relation items and the cost of comparative shopping.

Typical transactions:

Debit with the amount of the expense.

Normal contra GLACs: 101 and 201.

652-Promotions Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of nonreimbursable expenses incurred by the manager in the administration of the NAFI. This includes the cost of free food and beverages to members and the cost of sampling meals for the purpose of testing the quality of the food and service.

Typical transactions:

Debit with the cost of the promotion item.

Normal contra GLACs: 452 only.

653-Customer Rejected Goods Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of meals and beverages rejected by customers before payment and before the sales transaction is completed.

Typical transactions:

Debit with the cost of rejected meals and beverages.

Normal contra GLACs: 453 only.

654-Resale Merchandise, Spoilage, Breakage, and Obsolescence Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of food and bar items or other resale merchandise broken or spoiled. This includes inventory obsolescence losses reported to the garrison commander.

Typical transactions:

Debit with the amount of losses.

Normal contra GLACs: 454 only.

655-Warehouse/Storeroom Spoilage, Breakage, and Obsolescence Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of broken or spoiled warehouse inventory items recorded in GLACs 141, 151, 155, and 156. This includes inventory obsolescence losses reported to the garrison commander.

Typical transactions:

Debit with the cost of the losses.

Normal contra GLACs: 455 only.

656-Inventory Shortage Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of inventory shortages identified in physical inventories. Individual DA Forms 1991 should show all adjustments.

Typical transactions:

Debit with the amount of losses.

Normal contra GLACs: 456 only.

657-Facility Maintenance and Repair Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of repairs and maintenance of facilities. This includes NAFI-owned and non-NAFI-owned facilities. Generally, amounts over \$2,500 will be capitalized.

Typical transactions:

Debit with the cost of repairs and maintenance.

Normal contra GLACs: 201.

658-Equipment Maintenance and Repair Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of repairs and maintenance of equipment. This includes NAFI-owned and non-NAFI-owned equipment. Generally, amounts over \$2,500 will be capitalized.

Typical transactions:

Debit with the cost of repairs and maintenance.

Normal contra GLACs: 201.

659-Vehicle Maintenance and Repair Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of maintaining and repairing vehicles owned by the NAFI.

Typical transactions:

Debit with the amount of the expense.

Normal contra GLACs: 201.

660-Training Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of training employees.

Typical transactions:

Debit with the cost of the training.

Normal contra GLACs: 201.

661-Bad Debt Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of returned checks and other receivables that are considered uncollectible; i.e., when there is little chance of collecting them. Accounts for which no collection has been made in the past year will be considered uncollectible.

Typical transactions:

Debit with the uncollectible amounts.

Normal contra GLACs: 12X, 134, and 140.

662-Discount Lost Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of discounts lost because the payment was not made within the time shown on the vendor invoices.

Typical transactions:

Debit with the amount of discounts lost.

Normal contra GLACs: 201.

663-Bank Service Charge Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of maintaining a bank account. For IMWRFs, this GLAC will normally be reported in program code RF – Financial Management Division.

Typical transactions:

Debit with the amount of the expense.

Normal contra GLACs: 101, 110, and 111.

664-Vehicle Operating Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of normal operating costs of vehicles such as gas.

Typical transactions:

Debit with the amount of vehicle operating expenses.

Normal contra GLACs: 101 and 201.

665-Printing Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of printing and reproduction costs.

Typical transactions:

Debit with the amount of the expense.

Normal contra GLACs: 101 and 201.

666-Vehicle License Plate Expense

Used for: IMCOM-Europe Vehicle Registration Fund only.

Normal balance: Debit

Purpose: Record the NAFT's cost of license plates bought for the vehicle registration program.

Typical transactions:

Debit with the cost of license plates bought for the vehicle registration program.

Normal contra GLACs: 101 and 201.

667-Vehicle Decal Expense

Used for: IMCOM-Europe Vehicle Registration Fund only.

Normal balance: Debit

Purpose: Record the NAFT's cost of decals bought for the vehicle registration program.

Typical transactions:

Debit with the cost of decals bought for the vehicle registration program.

Normal contra GLACs: 101 and 201.

668-Guest Supplies Expense

Used for: Lodging NAFIs and MEDCOM MWR Guest Houses (Program Code KH).

Normal balance: Debit

Purpose: Record the cost of amenities such as soap, shampoo, lotions, etc. provided to guest.

Typical transactions:

Debit with the cost of the supplies.

Normal contra GLACs: 158.

669-Door Prize and Promotion Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of merchandise or other prizes given away, including bingo, which are not normally found in the NAFIs resale inventory.

Typical transactions:

Debit with the cost of door prize or promotion merchandise.

Normal contra GLACs: 101 and 201.

670-Sports Activities Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost incurred for operating sports programs, such as travel and entry fees.

Typical transactions:

Debit with the cost incurred.

Normal contra GLACs: 101 and 201.

671-Awards and Trophies Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of cash awards and the cost of trophies and other non-cash awards. This does not apply to employee awards. See GLACs 617 and 618 for employee awards.

Typical transactions:

Debit with the amount of awards and trophies, both cash and non-cash.

Normal contra GLACs: 101 and 201.

672-Sports Officials Expense

Used for: All authorized NAFIs.

Normal balance: Debit

Purpose: Record the amount of officiating expenses incurred by the NAFI to include MSF activities and Army Athletic Association events.

Typical transactions:

Debit with the amount of officiating expenses.

Normal contra GLACs: 101 and 201.

673- Recruiting Expense

Used for: All authorized NAFIs.

Normal balance: Debit

Purpose: Record the cost incurred in recruiting potential scholar-athletes.

Typical transactions:

Debit with the cost incurred.

Normal contra GLACs: 101 and 201.

674-Scouting Expense

Used for: All authorized NAFIs.

Normal balance: Debit

Purpose: Record the costs incurred in the scouting of opponents sporting events.

Typical transactions:

Debit with the cost incurred.

Normal contra GLACs: 101 and 201.

★675 - Cadet Athlete At-Home Meal Expense

Used for: West Point Army Athletics Program.

Normal balance: Debit

Purpose: To record the cost of meals not provided to cadet athletes by the USMA mess halls, but purchased and paid for by the Army Athletic Association or donors..

Typical transactions:

Debit with the expense of non-USMA mess hall meals incurred for cadet athletes..

Normal contra GLAC: 201.

676-Visiting Team Billeting and Meals Expense

Used for: All authorized NAFIs.

Normal balance: Debit

Purpose: Record the cost incurred in feeding and housing visiting teams.

Typical transactions:

Debit with the cost incurred.

Normal contra GLACs: 101 and 201.

677-Program and Brochure Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the costs in buying and selling programs and brochures.

Typical transactions:

Debit with cost incurred.

Normal contra GLACs: 101 and 201.

678-Volunteer Service Expense

Used for: All NAFIs.

Normal balance: Debit (Credit for the child care center).

Purpose: Record the NAFI cost to care for the children of authorized volunteers who give their services to command approved MWR programs. The activity or fund receiving the benefit of the volunteers' services is charged with compensating the child care program for costs incurred or

for reimbursing the volunteer for amounts paid to child care providers if the volunteer does not use the IMWRF child care program. Credit this account at the child care center. The resulting credit balance in an expense account will not require an explanatory footnote to the financial statements. Crediting the expense rather than an income account prevents overstatement of income and expense.

Typical transactions:

(1) Debit with the amount charged to the NAFI or activity for compensating the child care program.

(2) Debit with the amount paid to the volunteer as a reimbursement for child care services outside the IMWRF.

(3) Credit for the child care program with the amount of revenue received.

Normal contra GLACs: 135, 136, 201, 231, and 232.

679-Condolences/Memorials Expense

Used for: Civilian Welfare Funds only.

Normal balance: Debit

Purpose: Record the costs for condolences and memorials.

Typical transactions:

Debit with the cost incurred.

Normal contra GLACs: 101 and 201.

680-Warehouse Price Variance Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the price adjustments when the amount to be paid to the warehouse for inventory purchases is more than the amount recorded as purchases. Use only for warehouse inventories under stock record control. Not to be used for retail inventories.

Typical transactions:

Debit with the cost incurred.

Normal contra GLACs: 101 and 201.

681-Commissions Paid Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the costs incurred by NAFIs under agreement with travel agencies, businesses, or individuals that provide business referrals.

Typical transactions:

Debit with the costs incurred.

Normal contra GLACs: 101 and 201.

682-Civilian Personnel Services Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the NAFI's share of the cost of civilian personnel services.

Typical transactions:

Debit with the NAFI's share of the cost of civilian personnel services.

Normal contra GLACs: 201.

683-Administrative Support Branch Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the NAFI's share of the cost of Administrative Support Branch Services.

Typical transactions:

Debit with the NAFI's share of the cost.

Normal contra GLACs: 231 and 232.

684-Central Procurement Office Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the NAFI's share of central procurement office services.

Typical transactions:

Debit with the NAFI's share of the cost.

Normal contra GLACs: 231 and 232.

685-Central Accounting Office Expense

Used for: All NAFIs that use an off site accounting office.

Normal balance: Debit

Purpose: Record the NAFI's share of the accounting office expenses.

Typical transactions:

Debit with the NAFI's share of the cost.

Normal contra GLACs: 231 and 232.

686-Contractual Services Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost for all services performed for the NAFI on contract or agreement.

Typical transactions:

Debit with the cost of all services performed for the NAFI on contract or agreement.

Normal contra GLACs: 201.

688-Common Service Fund Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the NAFI's share of common service expenses.

Typical transactions:

Debit with the NAFI's share of expense.

Normal contra GLACs: 231 and 232.

689-Payroll Service Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the NAFI's share of the payroll service expense. Record at the department code level.

Typical transactions:

Debit with the NAFI's share of expense.

Normal contra GLACs: 242.

690-Data Processing Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the NAFI's share of ADP expenses.

Typical transactions:

Debit with the NAFI's share of the expense.

Normal contra GLACs: 201.

691-Meals and Snack Expense

Used for: CDS and YA in MWR and Lodging only

Normal balance: Debit

Purpose: Record the cost of meals and snacks served by CDS/YA when the cost is a part of the child development program or to record the costs associated with the continental breakfast when provided by Lodging. Do not use to record sales.

Typical transactions:

Debit with the amount of the expense.

Normal contra GLACs: 101 and 201.

692-Training Travel Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of travel by NAF civilian employees to attend training.

Typical transactions:

Debit with the amount of travel expense for training.

Normal contra GLACs: 101 and 119.

693-Claims Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of claims paid by the NAFI.

Typical transactions:

Debit with the amount of claims paid by the NAFI.

Normal contra GLACs: 101, 236, and 272.

694-Studies and Analysis Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of contract studies and analysis.

Typical transactions:

Debit with the amount of contract studies and analysis paid by the NAFI.

Normal contra GLACs: 101 and 201.

695-Annuity Expense
Restricted for use of FMWR only.

696-Grants Expense
Restricted for use of FMWR Only.

697-Dividend Expense
Used for: MWR Funds.
Normal balance: Debit
Purpose: Record the amount of dividends provided to deployed unit funds.
Typical Transactions:
Debit with the amount of dividends provided.
Normal contra GLACs: 101 and 206.

698-Vending Machine Income Sharing Expense
Used for: All NAFIs.
Normal balance: Debit
Purpose: Record the amount of the NAFI's vending machine profits subject to profit sharing or other sharing requirements.
Typical transactions:
Debit with the amount of vending machine profits payable to state licensing agencies or other outside operations.
Normal contra GLACs: 208.

699-Major Construction Expense
Restricted for use of FMWR only.

★706-Guaranteed Participation Expense
Used for: West Point Army Athletics Program
Normal Balance: Debit
Purpose: To record the amount of the expense paid to opposing teams for taking part in athletic and special events where the host (Army) guarantees payment.
Typical Transactions:
Debit with the amount of the guarantee paid to the opposing team.
Normal Contra GLAC: 201

★707-West Point Army Athletics Outside Services Expense
Used for: West Point Army Athletics Program
Normal Balance: Debit
Purpose: To record expenses for outside services (e.g., photographers, videographers, announcers, other media specialists) related to athletic events and the Athletics Department, other than sports officials. (For sports officials such as referees, use GLAC 672-Sports Officials Expense.)
Typical Transactions:

Debit with the amount of the expense.

Normal contra GLAC: 201

726-Supplies Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of supplies bought for immediate use, issued from the warehouse or transferred from the prepaid GLACs.

Typical transactions:

(1) Debit with the amount of supplies bought for immediate use.

(2) Debit with the amount of supplies received from the warehouse.

Normal contra GLACs: 151 and 201.

727-Laundry and Dry Cleaning Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost for the cleaning linens, uniforms, and such.

Typical transactions:

Debit with the amount of expense for laundry and dry cleaning.

Normal contra GLACs: 101 and 201.

728-Ice Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of ice for operations.

Typical transactions:

Debit with the amount of expense for ice.

Normal contra GLACs: 101 and 201.

729-Utilities Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of electricity, gas, water, and other utilities billed to, or paid by the NAFI.

Typical transactions:

Debit with the amount billed to or paid by the NAFI for utilities.

Normal contra GLACs: 101 and 201.

730-Communications Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost for telephone service, tolls, telegraph service, and postage charges including cost of providing toll-free service to in-calling customers.

Typical transactions:

Debit with the cost incurred.

Normal contra GLACs: 101 and 201.

731-Freight Expense

Used for: ALL NAFIs.

Normal balance: Debit

Purpose: Record the cost of moving operating supplies and equipment by commercial carriers. Freight expense that can be identified to a specific fixed asset should be included in the cost of the asset and depreciated.

Typical transactions:

Debit with the amount of the expense.

Normal contra GLACs: 101 and 201.

732-Operational Travel Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of travel by NAF civilian employees as authorized by AR 215-1.

Typical transactions:

Debit with the amount of travel expense.

Normal contra GLACs: 101 and 119.

733-Insurance Premiums Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of premiums paid for vehicles, aircraft, watercraft, fidelity bonds, and money and security insurance coverage.

Typical transactions:

Debit with the amount of premiums paid.

Normal contra GLACs: 101 and 153.

734-Building and Contents Insurance Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of premiums paid for buildings and contents insurance coverage.

Typical transactions:

Debit with the amount of premiums paid.

Normal contra GLACs: 101 and 153.

735-Advertising Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of monthly calendars and flyers, general advertising, and advertising for special events and sales.

Typical transactions:

Debit with the cost of advertising.

Normal contra GLACs: 101 and 201.

736-Taxes and Licenses Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of taxes on alcoholic beverages and any other tax or licenses required by Federal and State governments.

Typical transactions:

Debit with the amount of taxes paid or billed to the NAFI.

Normal contra GLACs: 101 and 201.

737-Tort Claims Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of tort claims paid by the NAFI per Chapter 12, AR 27-20 and AR 215-1.

Typical transactions:

Debit with the amount of claims paid by the NAFI.

Normal contra GLACs: 101, 236, and 272.

738-Audit Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of audits performed by commercial firms if the NAFI is required to pay.

Typical transactions:

Debit with the cost of commercial audits.

Normal contra GLACs: 256.

739-Cash Shortage Expense

Used for: All NAFIs.

Normal balance: Debit.

Purpose: Record the amount of shortages of cashiers.

Typical transactions:

Debit with the amount of cash shortages.

Normal contra GLACs: 101, 102, and 111.

740-Late Payment Interest Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of interest penalties paid for late payments.

Typical transactions:

Debit with the amount of the penalty paid.

Normal contra GLACs: 101.

741-Deposits Lost Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of deposits lost on containers due to breakage or loss.

Typical transactions:

Debit with the amount of the penalty paid.

Normal contra GLACs: 101 and 128.

★742-Capital Items - UFM

Used for: APF Support Departments GL, GF, GH and GJ ONLY.

Normal balance: Debit

Purpose: Record the expense of UFM process procured furniture, fixtures, and equipment identified as meeting the NAF fixed assets criteria.

Typical transactions:

Debit with the amount of expense items.

Normal contra GLACs: 201.

743-Commercial Credit Card Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount charged by commercial credit card companies for handling member credit card charge sales. This GLAC should be recorded under the operating program code where the credit card charge was made, when identifiable.

Typical transactions:

Debit with the fees charged by commercial credit card companies.

Normal contra GLACs: 101, 110, 111, 139, and 201.

744-General Entertainment Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of general entertainment activities.

Typical transactions:

Debit with the amount of general entertainment expense.

Normal contra GLACs: 101 and 201.

745-Special Events Entertainment Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of items or entertainment associated with special events for which an admission fee may be charged.

Typical transactions:

Debit with the expense of entertaining for special events.

Normal contra GLACs: 101 and 201.

746-Rental Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of renting equipment, buildings, vehicles, and other items.

Typical transactions:

Debit with the amount paid by or billed to the NAFI.

Normal contra GLACs: 101 and 201.

747-Flowers and Decorations Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of flowers, plants, floral arrangements, and other decorations.

Typical transactions:

Debit with the amount paid or billed to the NAFI.

Normal contra GLACs: 101 and 201.

748- Official Hosting and Representation and Membership Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of official hosting and representation activities, dues in authorized organizations, and the cost of complimentary tickets.

Typical transactions:

Debit with the amount paid or billed to the NAFI.

Normal contra GLACs: 101 and 201.

749-Tableware, Kitchenware, Linen, and Uniforms Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of china, glassware, silverware, utensils linens, and uniforms bought for immediate use, issued from the warehouse, or transferred from the prepaid GLAC. This GLAC includes the cost of renting.

Typical transactions:

Debit with the amount of the expense.

Normal contra GLACs: 101, 155, and 201.

750-Bingo Prize Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of bingo prizes awarded or accrued.

Typical transactions:

Debit with the amount of the expense.

Normal contra GLACs: 101, 156, 201, and 250.

751-Collection Agency Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of collection agency charges.

Typical transactions:

Debit with the fees charged by collection agencies.

Normal contra GLACs: 101 and 201.

753-ARM Distribution Expense
Restricted for use of FMWR only.

754-PCS Expense
Used for: All NAFIs.
Normal balance: Debit
Purpose: Record the cost related to PCS of NAF employees including travel, per diem, movement and storage of household goods, and any other related expenses.
Typical transactions:
Debit with the cost of the PCS expense.
Normal contra GLACs: 101, 119, and 201.

755-Interest Expense
Used for: All NAFIs
Normal balance: Debit
Purpose: Record the amount of interest paid by the fund to vendors.
Typical transactions:
Debit with the amount of interest paid.
Normal contra GLACs: 101 and 201.

757-Commercial Communication Expense
Used for: All NAFIs.
Normal balance: Debit
Purpose: Record the cost for commercial communication services incurred for customer paid services provided. Includes electronic mail, fax, etc.
Typical transactions:
Debit with the cost incurred.
Normal contra GLACs: 101 and 201.

758-Army Lodging Fund Surcharge Expense
Used for: Army Lodging NAFIs only.
Normal balance: Debit
Purpose: Record the amount of Lodging Capital Assessment (LCA) and Lodging Fund (ALF) surcharge that is paid to the HQ Lodging Fund NAFI.
Typical transactions:
Debit with cost incurred.
Normal contra GLACs: 238.

759-Cable/Pay TV Expense
Used for: All NAFIs.
Normal balance: Debit
Purpose: Record the cost of cable and pay TV services purchased.
Typical transactions:
Debit with cost incurred.
Normal contra GLACs: 201.

760-401k Administrative Surcharge Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the fee charged to NAFIs by the 401k program administrator at the FMWR for administering the 401k program.

Typical transactions:

Debit with the amount of expense calculated by the NAF payroll system.

Normal contra GLACs: 229 and 242.

★761-Expendable Furniture and Equipment Expense

Used for all NAFIs

Normal Balance: Debit

Purpose: Record the cost of NAF funded and UFM/MWR procured expendable items and equipment which does not meet the NAF fixed asset criteria.

Typical Transactions:

Debit with the amount of the expense for the equipment.

Normal contra GLAC: 101, 102 or 201.

★762-Mass Transit Subsidy Expense

Used for all NAFIs

Normal Balance: Debit

Purpose: Record the cost of Mass Transit Subsidies for employees.

Typical Transactions:

Debit with the amount of the expense for the subsidies

Normal contra GLAC: 201 or 202.

★765-Athletic Hosting Expense

Used for: West Point Army Athletics Program

Normal Balance: Debit

Purpose: To record the cost of facilities and catering for hosting visiting athletic and academic dignitaries (athletic directors, deans, etc.) and guests during West Point athletic events.

Typical Transactions:

Debit with the amount of the expense for hosting athletic events' guests.

Normal contra GLAC: 201

798-Intrafund Transaction Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of goods or services bought from another activity within the same fund. The expense will be at a mutually agreed-upon price.

Typical transactions:

Debit with the amount of the goods or services.

Normal contra GLACs: 307 and 598.

799-Miscellaneous Operating Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of operating expenses that can not properly be recorded in other operating expense accounts.

Typical transactions:

Debit with the amount of the expense.

Normal contra GLACs: 240 and 260.

Other Income

801-Interest Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of interest income earned on bank deposits and securities. Only record at fund administration level. Appreciation in the value of bonds not providing for periodic payments of interest will also be credited to this account.

Typical transactions:

(1) Credit with the amount of interest income accrued during the accounting period.

(2) Credit with the amount of interest income received in addition to the amount accrued.

(3) Credit with the amount of appreciation to the value of bonds not providing for periodic payments of interest.

Normal contra GLACs: 101, 111, 130, and 267.

803-Gain or Loss On Disposal Of Other Fund-Owned Property

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount received from the sale of NAFI-owned property that was expensed when bought. Record at the location where the property was located. This account is not to be used to record gains from the sale or other disposal of fixed assets.

Typical transactions:

Credit with the amount received from the sale of property.

Normal contra GLACs: 101 and 111.

805-ALF Payment for Guest House Investment Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record payment due from the Army Lodging Fund (ALF) for the local share of the book value of assets, prepaid items, and inventories transferred to the Garrison Lodging Fund (ILF). Record in IMWRF Administration, Program Code RP.

Typical Transactions:

Credit with the amount due from the ALF.

Normal contra GLACs: 136.

806-Non-operating Sources of Revenue

Used for: All NAFIs

Normal balance: Credit

Purpose: Record the amount of nonoperating revenue received by the NAFI. The revenue will be recorded under the fund administration location unless the funds are specified for a particular NAFI program. If the funds are designated, the revenue will be recorded in the administration department of the recipient location. An example is a cash distribution from a higher HQ to a garrison NAFI.

Typical transactions:

Credit with the amount of the nonoperating revenue.

Normal contra GLACs: 101 and 111.

807-Contributions From Charitable Sources

Used for: All NAFIs

Normal balance: Credit

Purpose: Record the contributions received from the Combined Federal Campaign or other charitable organizations. Record the contribution in the administrative department of the recipient location.

Typical transactions:

Credit with the amount of the contribution.

Normal contra GLACs: 101 and 111.

808-NAF To APF Conversion Income

Used for: All NAFIs

Normal balance: Credit

Purpose: Record the amount of accrued leave removed from the NAFI books when a NAF employee moves to the APF payroll and the NAFI is not required to transfer funds to the APF books for the accrued leave. Record in fund administration (program code RP on IMWRFs).

Typical transactions:

Credit with the amount of the accrued leave.

Normal contra GLACs: 243.

809-AMWRF Dividends

Used for: MWR or Lodging Fund NAFIs (Fund Codes 1 or F).

Normal balance: Credit

Purpose: Record the amount of Army Morale, Welfare, and Recreation Fund (AMWRF) or Lodging Fund dividends revenue received. Record reimbursements from AMWRF for the purchase of expendable equipment items in association with a NAF Major Construction project. Also, record income in association with the ALR for deployed troops program.

Typical transactions:

Credit with the amount of the dividends or reimbursements.

Normal contra GLACs: 111, 136, 267 and 697.

825-Miscellaneous Other Non-operating Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of income that can not properly be recorded in another income GLAC. Only record at fund administration (program code RP on IMWRFs). Some examples are

unclaimed wages held for 6 months, and amounts of checks that have not cleared the bank within 6 months after issue, or on which stop payment orders have been made.

Typical transactions:

Credit with the amount of the income.

Normal contra GLACs: 101.

Other Expenses**826-Interest Expense**

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of interest expense incurred. Only record at fund administration level.

Typical transactions:

- (1) Debit with the interest expense accrued for the accounting period.
- (2) Debit with the amount of interest paid in addition to the amount accrued.

Normal contra GLACs: 101 and 241.

827-Loss or Gain on Disposal of Fixed Assets

Used for: All NAFIs.

Normal balance: Debit if loss, Credit if gain.

Purpose: Record the amount of loss or gain on the sale or other disposal of fixed assets, other than in BRAC or business-based closures. Record in the location where the asset was used.

Typical transactions:

- (1) Debit with the amount of the asset's current book value in excess of the amount received.
- (2) Credit with the amount of cash received in excess of the assets current book value.

Normal contra GLACs: Fixed Asset GLACs.

828-Loss or Gain on Foreign Currency Transactions.

Used for: All NAFIs.

Normal balance: Debit if loss, Credit if gain.

Purpose: Record the amount of losses or gains resulting from differences between foreign currency units and the equivalent US dollar. Only record at fund administration level.

Typical transactions:

- (1) Debit with the amount of the loss.
- (2) Credit with the amount of the gain.

Normal contra GLACs: 102.

830-Isolated Unit Dividend Expense

Restricted for use of FMWR only.

831-Reserve Component Dividend Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of dividends reserved for or paid to reserve components.

Typical transactions:

- (1) Debit for IMCOMs with the amount of reserve component dividends reported by each NAFI.
- (2) Debit for IMCOMs with the amount of dividends paid directly to reserve component units.
- (3) Debit for NAFIs with the amount of dividends paid to reserve component units.

(4) Debit for NAFIs with the amount of dividends due to non-troop program reserve component units.

(5) Credit with the amount of adjustments as applicable.

Normal contra GLACs: 101 and 206.

832-Loss Due to Closure - Business Based

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record all costs associated with closing down a business, such as losses on disposal of buildings, improvements, and furniture, fixtures, and equipment. Record at the location that applies to the facility or business activity being closed. Does not apply to base closure (see GLAC 890).

Typical transactions:

Debit with the amount of book value of assets written off as a result of closing down a segment of the NAFI's business.

Normal contra GLACs: Fixed assets and various other asset GLACs.

833-APF to NAF Conversion Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the cost of the accrued leave which must be established on the NAFIs books when an employee transfers from APF to NAF and the NAFI must fund the employees transferred accrued leave. Record in fund administration (program code RP on IMWRFs).

Typical transactions:

Debit with the amount established as accrued leave for the employee.

Normal contra GLACs: 243.

834-Capital Reinvestment Assessment

Used for: MWR Funds

Normal balance: Debit

Purpose: Record the fund's assessment for capital reinvestment payable to the Army MWR Fund (IAW annual FMWR NAF budget guidance)

Typical transactions:

Debit with the amount owed to the Army MWR Fund

Normal contra GLACs: 238.

850-Miscellaneous Other Non-operating Expenses

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of nonoperating expense that can not properly be recorded in other expense GLACs. Record the cost associated with major construction projects that are cancelled. Record at fund administration level (program code RP on IMWRFs).

Typical transactions:

Debit with the amount of expense.

Normal contra GLACs: 201 and 260.

Depreciation and Amortization Expense**851-Buildings Depreciation Expense**

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of depreciation expense for buildings financed by the NAFI.

Typical transactions:

Debit with the amount of depreciation expense for the accounting period.

Normal contra GLACs: 162.

852-Building Improvements Depreciation Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of depreciation expenses for building improvements that have been capitalized.

Typical transactions:

Debit with the amount of depreciation expense for the accounting period.

Normal contra GLACs: 170.

853-Furniture, Fixtures, and Equipment Depreciation Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of depreciation expense for furniture, fixtures, and equipment capitalized by the fund.

Typical transactions:

Debit with the amount of depreciation expense for the accounting period.

Normal contra GLACs: 164.

854-Vehicles, Aircraft, and Boats Depreciation Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of depreciation expense on vehicles, aircraft, and boats capitalized by the NAFI.

Typical transactions:

Debit with the amount of depreciation expense for the accounting period.

Normal contra GLACs: 166.

855-Land Improvements Depreciation Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of depreciation expenses for land improvements that have been capitalized.

Typical transactions:

Debit with the amount of depreciation expense for the accounting period.

Normal contra GLACs: 172.

856-Breeding Livestock Depreciation Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of depreciation expense on breeding livestock.

Typical transactions:

Debit with the amount of depreciation expense for the accounting period.

Normal contra GLACs: 168.

857-Other Government Titled Fixed Assets Depreciation Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of depreciation expense on fixed assets bought by the NAFI and then moved to the Government.

Typical transactions:

Debit with the amount of depreciation expense for the accounting period.

Normal contra GLACs: 178.

858-Government Titled Buildings and Improvements Depreciation Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of depreciation expense on buildings and improvements paid for by the NAFI and then turned over to the Government.

Typical transactions:

Debit with the amount of depreciation expense for the accounting period.

Normal contra GLACs: 176.

859-Maintenance and Repair of Facilities Depreciation Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record the amount of depreciation expense on capitalized maintenance and repairs of facilities.

Typical transactions:

Debit with the amount of depreciation expense for the accounting period.

Normal contra GLACs: 174.

860-APF Authorized Fixed Asset Depreciation Expense

Used for: MWR NAFI.

Normal balance: Debit

Purpose: Record the depreciation cost for the accounting period of all fixed asset purchases and capitalized items (includes buildings and improvements, land improvements, furniture, fixtures and equipment, vehicles and capitalized maintenance and repair) purchased with NAF which are eligible for APF funding.

Typical transactions:

Debit with the amount of expense.

Normal contra GLACs: Use as applicable.

Extraordinary Items

890-Loss Due to BRAC/Re-stationing.

Used for: All NAFIs.

Normal balance: Debit

Purpose: Record all expenses that are directly and legitimately attributable to the BRAC/Restationing action except for US employee severance pay. (US employee severance pay will be recorded in GLAC628). Record at the location code that applies to the business activity being closed.

Typical transactions:

Debit with the amount of expense.

Normal contra GLACs: Use as applicable.

891-Extraordinary Expense

Used for: All NAFIs.

Normal balance: Debit

Purpose: THIS ACCOUNT IS USED VERY SELDOM. Record the amount of the expense incurred for unusual and infrequent items. Losses must meet the following criteria to be considered extraordinary: material in nature, of a character significantly different from typical NAFI activities, and NOT EXPECTED TO EVER OCCUR AGAIN. All entries to this account require DFAS approval.

Typical transactions:

Debit with the amount of the expense.

Normal contra GLACs: Use as applicable.

892-Extraordinary Income

Used for: All NAFIs.

Normal balance: Credit

Purpose: THIS ACCOUNT IS USED VERY SELDOM. Record the amount of income received from unusual and infrequent items. Gains must meet the following criteria to be considered extraordinary: material in nature, of a character significantly different from typical NAFI activities, and NOT EXPECTED TO EVER OCCUR AGAIN. All entries to this account require DFAS approval.

Typical transactions:

Credit with the amount of income.

Normal contra GLACs: Use as applicable.

Income and Expense Summary

900-Income and Expense Summary

Used for: All NAFIs.

Normal balance: Credit

Purpose: Record the amount of expenses and income in order to compute the amount of net income or net loss for the accounting period. Amounts recorded in several accounts will be recorded as contra entries to this account. At the end of each period, this account is closed into fund equity.

Typical transactions:

- (1) Debit with the amount of expenses at the end of each accounting period.
- (2) Credit with the amount of income at the end of each accounting period.
- (3) Credit with the amounts recorded in inventory GLACs.

Normal contra GLACs: Various and 292.