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Services

PROCEDURES FOR NONAPPROPRIATED FUNDS FINANCIAL MANAGEMENT AND ACCOUNTING

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This manual implements AFI 34-209, *Nonappropriated Funds Financial Management and Accounting*, by explaining procedures for financial management and accounting for all Services (SV) nonappropriated fund (NAF) instrumentalities (NAFI). This manual applies to the same NAFIs covered by AFI 34-209. It is applicable to the Air National Guard (ANG) only upon mobilization. This manual requires collecting and maintaining information protected by the Privacy Act of 1974, authorized by 10 U.S.C. 8013 and E.O. 9397. Systems of records F176 AFMP A and F176 AFMP D apply.

SUMMARY OF REVISIONS

This revision incorporates Interim Change IC 2006-01. This change incorporates changes which update payroll and accounts payable information to include electronic funds transfer, off-line payroll processing, changes in the fixed and bulk assets, and redefines the aged accounts receivable schedule. **Attachment 2**- **Attachment 5** have been updated to include all cost center codes and general ledger account codes that have been added/changed. A bar (□) indicates revisions from the previous edition. The NAF AO and SSC are interchangeable where the accounting system is at the SSC.

This interim change 5 implements new guidelines to update guidance for Services' activities acceptance of commercial credit cards, the use of Club Plus to process recurring charges, and limitations on the use of authorized in-house accounts receivable programs, *AFMAN 34-214*,

Procedures for Nonappropriated Funds Financial Management and Accounting, Chapter 9 is hereby appended with the following paragraphs:

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Chapter 1

PRINCIPLES, STANDARDS, AND REQUIREMENTS

1.1. Establishment, Merger, or Dissolution of NAFIs. AFI 34-201, *Use of Nonappropriated Funds (NAF),* contains basic policy and actions required for establishing, merging or dissolving NAFIs. The servicing Resource Management Flight Chief (RMFC) notifies, by letter or message, the Major Air Command (MAJCOM/SVF) and HQ AFSVA/SVF (in turn), 10100 Reunion Place, Suite 400, San Antonio TX 78216-4138, a minimum of 3 weeks in advance of any Nonappropriated Fund instrumentality (NAFI) dissolution or merger. Include in the letter or message the effective date, NAFI identification, location, and month in which the base expects to complete the action. Cash in bank and the Cash Management and Investment Program (CMIP) account must balance before the merger or dissolution.

1.2. Procedures for NAFI Dissolutions:

1.2.1. **Dispositions.** For dissolutions, dispose of assets and liquidate liabilities as required by AFI 34-201 or AFJI 34-122, *Civilian Nonappropriated Funds and Morale, Welfare, and Recreation Activities*. While the activity or NAFI is operating, account for disposed assets according to **Chapter 7**. Once the base closes, dispose of the remaining assets according to paragraph **1.2.4** If the base is not closing (just disbanding an activity), continue to use **Chapter 7** to dispose of assets instead of paragraph **1.2.4**

1.2.2. **Transfers.** Record property transferred from the dissolving NAFI to other Air Force NAFIs or the successor fund according to **Chapter 7**.

1.2.3. **Reporting.** Prepare financial statements showing the end-of-month (EOM) results of operations after the NAFI has completed all dissolution actions.

1.2.4. **Write-off of NAF Assets.** Write-off all NAF assets that Services (SV) does not physically transfer, sell, or turn into the Defense Reutilization and Marketing office (DRMO). These assets will still be on the base when it closes. Expense the remaining net book value for facilities, facility improvements, equipment or the remaining value of inventory. Use the appropriate discontinued operations general ledger account code (GLAC). Secretary of the Air Force, Financial Management, Cost and Economics, Business Management Division (SAF/FMCEB) approves, in writing, requests to use these GLACs. SV submits approval requests through the MAJCOM/SVF and HQ AFSVA/SVFA. Include supporting documentation (for example, annotated property list) with the approval request. The NAF Accounting Office (NAF AO) retains the approval and supporting documentation in the life-of-the-fund (LOF) file. Footnote the financial statement explaining the cause of the transaction and the month completed.

1.2.5. **Severance Expense.** Refer to paragraph **6.23**

1.2.6. **Physical Transfer of Balance Sheet Accounts.** The NAFI transfers cash, other assets, and liabilities to the successor NAFI by letter according to previous agreements. In many cases, the successor fund is the MAJCOM.

1.2.7. **Financial Statement Transfer.** To transfer final balance sheet accounts, the NAF AO prepares a journal voucher to close balance sheet GLACs (remaining residual assets) to

GLAC 287, Transferred Equity. Do not close GLACs 290 and 291. After the NAF AO posts the journal voucher (JV), the only GLACs that will have balances other than $0.00 will be GLACs 287, 290, and 291. The NAF AO closes income and expense GLACs. Send the financial statement to the successor NAFI and the RCS: HAF-SV(Q) 7407 report, as prescribed in AFI 34-209, to the MAJCOM/SVF.

1.2.8. **Final Documentation.** The NAF AO forwards documentation for unpaid liabilities, uncollected receivables, etc., to the successor NAFI as well as the LOF file.

1.2.9. **Final Payroll Documentation.** Forward current year and prior year payroll documentation according to AFI 37-139, *Records Disposition-Schedule*, to the successor NAFI.

1.2.10. **HQ AFSVA/SVF Procedures for NAFI Dissolutions:** On notification from the MAJCOM, HQ AFSVA/SVF provides dissolution instructions for CMIP. After the dissolution date of a NAFI, HQ AFSVA/SVFB closes the NAFI's account after all outstanding checks have cleared the bank and they have completed a final deposit validation.

1.2.11. **Successor NAFI Procedures for NAFI Dissolutions.** The closing base transfers NAFI residual assets to the successor NAFI. The successor NAFI records receipt of residual assets and liabilities, if any. The successor NAFI establishes the assets and liabilities in the appropriate balance sheet GLACs using GLAC 282 to record the net of assets and liabilities transferred. The base-level transfer-out amount should equal the amount transferred-in to the successor NAFI. The successor NAFI is responsible for any outstanding liabilities and reports not completed by the dissolving NAFI (refer to AFI 34-201).

1.3. Management Fee Agreements Management services provided in support of activities (other than where the manager is assigned) must be based on the actual time spent in the activity. The activity receiving management services processes a transfer of labor between the applicable cost center codes (CCC).

1.3.1. Each pay period, NAF activity managers document the actual hours spent providing management services to other activities. Provide this documentation to the serviced activities so they can prepare the labor transfer. Include the CCC where the manager is originally assigned, number or hours worked in other activities, and the receiving activity where the manager performed the work.

1.3.1.1. As an alternative to tracking hours by pay period, the SV commander or director may establish a distribution formula based on actual time spent during a 30 day period.

1.3.1.2. Activity managers must validate the distribution formula by tracking the actual time spent by the servicing manager for a 30 day period once every 6 months.

1.3.1.3. Keep the documentation supporting the formula in the LOF file.

1.3.2. The activity manager signs the supporting documents and sends them to the NAF AO after each payroll cycle. If using a distribution formula, the activity manager certifies the validity of the formula and sends the certification to the NAF AO not later than the first business day following the end of the month.

1.3.3. The NAF AO posts the payroll transfer (wages plus benefits) in the actual payroll accounts (for example, GLAC 701 to 701; 703 to 703.). Attach the signed supporting documents to the transfer voucher.

1.3.4. NAF activity managers may not normally transfer more than 40% of their total salary plus benefits to any individual activity in any month. The installation commander must approve distribution formulas that allot more than 40% to a single activity.

1.4. Management of Services Snack Bar Operations. When a snack bar is physically located with a non-club activity (e.g., golf course, bowling center, community center, etc.), account for and report it in the cost center code (CCC) for that activity's snack bar operation. You may operate a snack bar that is in a separate free standing facility as an annex to a club when it is a natural extension of the club program and there are management efficiencies to be gained. When operated as a club annex, report the entire operation on the parent club's financial statements. If the free-standing snack bar is not an extension of a parent club; report it in CCC T3, Snack Bars; or T4, Fine Dining; as appropriate. Regardless of which CCC is used to record the income or expense, clubs or any other activity may give management assistance to a snack bar according to paragraph **1.3** above.

1.5. Assets. Assets are economic resources obtained or controlled by NAFIs as a result of past transactions or events. The NAF AO classifies assets on financial statements as either current or noncurrent items.

1.5.1. **Current Assets.** Classify those items of cash and other assets or resources that the NAFI can reasonably expect to convert to cash or to consume during the normal operating cycle (12 months for Air Force NAFs) as current assets. These include cash and cash equivalents, short-term investments, accounts receivable, inventories, and prepaid expenses.

1.5.2. **Noncurrent Assets.** Classify those assets that the NAFI will not convert to cash or consume during the next 12 months as noncurrent. These include land, buildings, leasehold improvements, furniture, equipment, bulk purchases of expendable equipment, long-term investments, long-term receivables, and long-term prepaid expenses.

1.6. Liabilities. Liabilities are obligations to transfer assets, provide services, or otherwise expend assets to satisfy responsibilities resulting from past or current transactions. The NAF AO classifies liabilities as either current or noncurrent.

1.6.1. **Current Liabilities.** Classify those obligations whose liquidation the NAFI can reasonably expect to require the use of existing current assets or the creation of other current liabilities during the next 12 months. These include accounts payable, loans payable, and accrued liabilities.

1.6.2. **Noncurrent Liabilities.** Classify those liabilities the NAFI does not expect to liquidate during the next 12 months as noncurrent. These include the long-term portion of loans payable and long-term accrued liabilities.

1.7. Fund Equity. Fund equity consists of capital invested in the NAFI plus the profit or minus the loss resulting from operations since its inception. Refer to AFI 34-209, *Nonappropriated Fund Financial Management and Accounting*, for authorized transactions into and out of fund equity.

1.7.1. When a new NAFI, with pre-existing capital, is authorized, record that capital as equity (for example, a private organization that becomes a membership organization). Equity is disestablished when a NAFI is dissolved.

1.7.2. Equity may be distributed by declaring dividends to other NAFIs. An example is dividends paid by base restaurants. Special grants for new construction and facility improvements are another method of distributing equity. Equity may be transferred in the form of cash or other assets.

1.7.3. Refer to paragraph **1.8** for prior-period fund equity adjustments.

1.8. Prior-Period Fund Equity Adjustments. Prior-period fund equity adjustments are items of profit or loss related to the correction of errors in the financial statements of a prior fiscal year (FY), accounted for as adjustments to equity, and excluded from the determination of net income for the current period. Errors in financial statements resulting from mathematical mistakes in the application of accounting principles or oversight or misuse of facts that existed at the time the financial statements were prepared, qualify for prior-period fund equity adjustments. Record those prior-year adjustments that do not qualify as prior-period fund equity adjustments as current period miscellaneous income or expense.

1.8.1. Submit requests to adjust prior-period fund equity to SAF/FMCEB, through your MAJCOM/SVF and HQ AFSVA/SVF, according to AFI 34-209. Carefully review the specific circumstances related to prior-period fund equity adjustments before requesting approval for the adjustments. When requesting approval, include a complete description and any related information pertaining to the request. The MAJCOM attaches their comments and recommendation to the request and forwards it to HQ AFSVA/SVF.

1.8.2. Make no adjustments to accounting records until SAF/FMCEB provides written approval.

1.8.3. The NAF AO records approved adjustments in GLAC 283, Prior Year Adjustments. Footnote the financial statements explaining the circumstances of the adjustment and the effect it has on the operations of the prior period.

1.8.4. Adjust prior period statements when doing a comparative analysis. Maintain a copy of the fund equity approval letter in the LOF file.

1.8.5. Do not treat the following corrections and adjustments as prior-period fund equity adjustments if they are:

1.8.5.1. The result of the use of estimates in the accounting process.

1.8.5.2. Changes in estimates resulting from new information.

1.8.5.3. Subsequent developments and adjustments based on better insight or improved judgment.

1.8.6. Examples of transactions that SAF/FMCEB generally will not consider as prior-period fund equity adjustments include, but are not limited to:

1.8.6.1. Amounts considered immaterial in the determination of net income.

1.8.6.2. Changes in the estimated lives of property or equipment that affect the computed amounts of depreciation.

1.8.6.3. The undepreciated value of property or equipment no longer used due to facility renovation or replacement.

1.8.6.4. Pay and severance benefit increases that apply to wages earned in a prior year if they could have been reasonably estimated in a prior year or the increase resulting from events occurring after the close of the affected prior FY.

1.8.6.5. Gains or losses resulting from changes in foreign currency (FC) exchange rates.

1.9. Extraordinary Items. Extraordinary events and transactions are distinguished by their infrequency and unusual nature and are segregated from the results of ordinary operations. Submit requests to record a transaction as an extraordinary item to SAF/FMCEB, through your MAJCOM/SVF and HQ AFSVA/SVF, according to AFI 34-209. Carefully review the specific circumstances related to the extraordinary items before requesting the approval. When requesting approval, include a complete description and any related information pertaining to the transaction. The MAJCOM attaches their comments and recommendation to the request and forwards it to HQ AFSVA/SVF.

1.10. LOF File. The NAF AO keeps the following ocuments in the LOF (not an all-inclusive list).

1.10.1. Authority to establish the NAFI (where applicable, refer to AFI 34-201).

1.10.2. Transfer documents required in **Chapter 4**.

1.10.3. Applicable documentation authorizing change, petty cash and imprest funds, fund-storage authorizations, and inventory ceilings and signed receipts from activity managers for change, petty cash, and imprest funds issued.

1.10.4. Documentation of waivers to governing directives including waivers for small sites or small activities.

1.10.5. Documentation pertaining to approvals for adjustments to prior-period fund equity, extraordinary items, and losses from discontinued operations.

1.10.6. List of activities requiring financial analysis.

1.10.7. Letters delegating authority.

1.10.8. Records of lasting importance such as warranties, vehicle titles, and slot machine accountability forms.

1.10.9. Salvage value approval letters for fund-owned aircraft until the aero club disposes of the aircraft. File salvage value letters with disposal documentation.

1.10.10. Documentation pertaining to approvals and adjustments for mini-fitness centers and related equipment.

1.10.11. Fee-for-Service-Rendered Method computation to determine charges to other NAFIs.

1.10.12. Copy of cost analysis supporting returned check service charges in excess of the authorized amount.

1.10.13. Distribution formula computation for management fee agreements.

1.10.14. Current list of authorized check signers.

1.10.15. Late payment charge amount justifications approved by the MAJCOM/SVF.

1.11. Appropriated Fund (APF) Financial Data. The base Financial Services Office (FSO) accumulates and reports APF expenditures in support of MWR activities. The NAF AO receives copies of these reports and should use them to inform NAFI managers of the total financial condition of their respective operations. Include a footnote showing the amount of APF expenditures in support of cost centers supported by the NAFI in the quarterly financial statements.

1.12. MAJCOM Supplements. MAJCOMs may supplement this manual. HQ AFSVA/SVF approves drafts of command supplements to this manual before publication. The MAJCOMs furnish a copy of the final publication to HQ AFSVA/SVF. Coordinate command supplements involving Base Restaurant Funds (BRF) or Civilian Welfare Funds (CWF) with the Board of Directors (BOD), Army and Air Force Civilian Welfare Fund (AAFCWF) before submitting to HQ AFSVA/SVF. Send one copy of each approved command supplement involving BRF or CWF to the BOD AAFCWF, 21 Army Pentagon, Washington DC 20310-0021.

1.13. Requests for Technical Assistance or Waiver. Submit requests for clarification or interpretation of this manual through the MAJCOM/SVF or field operating agency (FOA) to HQ AFSVA/SVF. Submit each request for waiver, except those waivers authorized and granted locally according to AFI 34-201, through the MAJCOM/SVF or FOA to HQ AFSVA/SVF. The installation commander must approve waivers granted according to AFI 34-201 through the custodian, SV commander or director, as applicable. MAJCOMs submit their requests for waiver concerning BRFs and CWFs to HQ AFSVA/SVF through the BOD AAFCWF. In all waiver requests, outline the problem, identify the specific requirement to be waived, recommend an alternative, and furnish complete justification. Waivers to this Air Force manual (AFMAN) have no effect without a control number assigned by the approving authority. Review waivers at least annually or when conditions and circumstances change.

1.13.1. Waivers are valid for a period not to exceed (NTE) 3 years. At the end of the 3-year period, reevaluate waivers through the custodian, SV commander or director, MAJCOM, FOA, or HQ AFSVA/SVF, as appropriate.

1.13.2. All waivers to guidance in this AFMAN in effect before the date of issuance are void and the requesting NAFI must request another waiver.

1.14. Forms. HQ AFSVA/SVFA approves requests for changes to Air Force forms. SV may use automated formats of AF and NAF forms if content and requirements do not change.

1.15. Disposition of Records. Activity managers and NAF AO personnel establish and maintain files according to AFI 37-138, *Records Disposition -- Procedures and Responsibilities,* and dispose of records according to AFI 37-139. Dispose of Privacy Act records promptly according to AFI 37-132, *Air Force Privacy Act Program*.

1.16. Program Training Aids (PTAs). Additional guidelines can be found in the Services Program Training Aids located on the Air Force Services web site, **www-r.afsv.af.mil**/. A complete index of the PTAs can be found for various subjects.

Chapter 2

NAF AO

2.1. NAF AO Standards. The NAF AO provides centralized professional accounting and financial management services to all NAF activities established within the installation SV organization. The RMFC supervises the NAF AO personnel. The NAF AO will follow certain basic standards:

2.1.1. Document financial transactions clearly.

2.1.2. Properly classify and record transactions in the period of receipt.

2.1.3. Ensure only persons acting within the scope of their delegated authority execute transactions. SV must **2.1.1** document the delegated authority.

2.1.4. Assign key duties to maintain the segregation of duties. Examples of key duties are: authorizing, approving and recording transactions; issuing or receiving assets; vouchering and making payments; and auditing procedures.

2.1.5. Provide qualified and continuous supervision to assure that NAF AO personnel follow established procedures. Ensure that areas of personal responsibility and accountability are clear.

2.1.6. Limit access to resources to authorized personnel.

2.1.7. When the RMFC delegates authority (for example, procurement authority), make periodic comparison of the transactions with the recorded accountability.

2.1.8. Ensure that key personnel have high standards of personal and professional integrity, are educated, trained or experienced to accomplish their assigned duties.

2.1.9. Ensure NAF AO costs do not exceed the benefits derived by the activities serviced within allowable accounting parameters.

2.2. NAF AO Relation to Other Type Funds. SV or higher headquarters may task a NAF AO to provide professional accounting and financial management services (on a reimbursable basis) to other type funds such as:

2.2.1. In-flight steward funds, BRFs, and CWFs.

2.2.2. NAFIs belonging to one MAJCOM but located on an installation of another MAJCOM.

2.2.3. MAJCOM funds.

2.3. NAF AO Funding Support. The NAF AO uses a combination of NAF and APF resources. Refer to AFI 65-106, *Appropriated Fund Support of Morale, Welfare, and Recreation, and Nonappropriated Fund Instrumentalities*, for authorized APF support. The NAF AO charges service fees to NAFIs, other than the Morale, Welfare, and Recreation Fund (MWRF), that receive accounting and payroll support from the NAF AO. *EXCEPTION:* Charge fees to other MWRFs for slot machine maintenance only where the host MWRF provides regional support.

2.3.1. The RMFC works with representatives of NAFIs (other than its base MWRF) or other organizations receiving NAF AO support, to arrive at an equitable annual service fee.

2.3.1.1. **Service Fees for Other NAFIs.** The RMFC computes the service fee according to paragraphs **2.3.4** and **2.3.5** Document the basis for each NAFI's service fee by using AF Form 1735, **NAF Interfund Purchase Order**. Record the annual fee on the AF Form 1735. The NAF AO uses an AF Form 1804, **NAF Interfund Dollar Transfer**, to post the monthly expense to the services NAFIs and to post the payment to the NAFI providing the service.

2.3.1.2. **Service Fees for Other Organizations.** When the NAF AO provides a service to another organization that requires remitting funds to the organization, the NAF AO pays them by check. Service fees for the organizations (other than NAFIs) should consider benefits received from such organizations.

2.3.2. The NAF AO posts expenses for the NAF AO, Human Resources Office (HRO), Servicing Contracting Office (SCO), marketing and publicity, value added tax personnel, and related expenses in the appropriate overhead group "A" CCC. Overhead administration costs apply to all MWRF activities. Do not prorate overhead costs to other MWRF activities. *EXCEPTION:* Prorate CCC A9 (refer to **Attachment 5**) and certain marketing expenses as defined in CCC A5 (refer to **Attachment 5**).

2.3.3. The NAF AO arrives at an equitable annual service fee using a fee-for-services-rendered method of charging the NAFIs for NAF AO and HRO support. The RMFC calculates the service fee. Do the calculation twice annually (Feb and Aug). Make adjustments to the service fee at this time. Keep the results of each review (most current and prior semi-annual review) in the LOF file.

2.3.4. Compute the Fees-for-Services-Rendered Method for the NAF AO as follows:

2.3.4.1. Survey transactions processed for the month (Feb or Aug) for the NAFI to total transactions processed by the NAF AO in the accounting system. Determine the transaction count for each NAFI by checking the last reference code number for the period on the End-of-Day Posting Journals. Each journal listing will be numbered (for example, 05-0001, 05-0002) with the last number indicating total transactions for the period (for example, 05-7350 indicates 7,350 transactions processed for the NAFI during Feb).

2.3.4.2. Based on the number of transactions processed, compute the NAF AO charges to each NAFI using the following formulas:

2.3.4.2.1. Total cost of NAF AO accounting service less payroll service (payroll technician's salary plus benefits) divided by total transactions processed for all NAFIs for the period times the number of transactions processed for the specific NAFI.

2.3.4.2.2. Total cost of payroll services divided by total NAF employees on payroll (as determined by NAF employee count) times the total number of NAF employees for the specific NAFI.

2.3.4.2.3. The NAF AO service charge to a specific NAFI equals the sum of the accounting service fee and the payroll service fee.

2.3.5. For allocating HRO charges in CCC A7 to each NAFI (or, Fees-for-Services-Rendered Method for the HRO), calculate the ratio of total NAF employees supported by the

HRO for each NAFI relative to the total NAF employees of all the NAFIs supported by the HRO. Multiply the ratio times the total cost of the HRO function to determine the allocation.

2.3.6. The RMFC reviews the service fee charged to each NAFI receiving support from the NAF AO semi-annually and adjusts the service fee, if necessary, to cover inflation or changes in operational cost. Maintain the review in the LOF file for the MWRF.

2.4. NAF AO Organization. The RMFC organizes the NAF AO to ensure compliance with the basic standards listed in paragraph **2.4.1**

2.4.1. Operate the NAF AO as economically as possible while maintaining effective control and integrity of accounting functions. The functions of the NAF AO include but are not limited to:

2.4.1.1. Processing documentation received from the NAFIs serviced.

2.4.1.2. Ensuring transactions are correctly classified.

2.4.1.3. Providing individual tax payments and reports to local, state and federal agencies.

2.4.1.4. Preparing financial statements, reports, and schedules for MAJCOM and higher headquarters.

2.4.1.5. Disbursing all funds for purchase of goods and services, contractual payments, and employees' salaries.

2.4.1.6. Monitoring delegations of financial functions.

Chapter 3

BUDGETING

3.1. When to Start the Budget Process. Because it is a continuing process, SV updates budgets at least at the completion of each quarter. This includes a top-down review of goals and performance, adjustments as required, and development of the budgets for three quarters out by activity and financial managers. Refer to **Figure 3.1** and **Figure 3.2** for recommended NAF budgeting schedules. Refer to AFI 34-209 for other budgeting instructions.

3.2. Training. The RMFC ensures that management receives budget training if needed. The Nonappropriated Fund Financial Analyst (NAFFA) provides formal training, if requested.

3.3. Developing Financial Goals and Objectives. Activity managers develop financial objectives and goals with their applicable flight chiefs and RMFC based on requirements of the SV commander or director or higher headquarters.

3.3.1. Activity managers develop budgets, with guidance from the NAFFA and the RMFC, to meet established goals.

3.3.2. Make financial goals that are measurable in dollars for both the NAFI and the activities supported by the NAFI and make these goals attainable. This allows comparisons between budgeted and actual financial results. In setting goals, the activity manager considers such factors as:

3.3.2.1. Net earnings objectives.

3.3.2.2. Amount of APF support authorized.

3.3.2.3. Desire for new or revised programs.

3.3.2.4. Desired changes in inventory levels.

3.3.2.5. Desired construction and facility alterations.

3.3.2.6. Need for new equipment or repair of existing equipment.

3.3.2.7. Higher headquarters financial goals where established.

3.3.2.8. Mission changes that will affect base population operations.

3.4. How to Prepare the NAF Income and Expense (I&E) Budget. Activity Managers:

3.4.1. Prepare realistic operating budgets for each CCC under their management using the accrual basis of preparation.

3.4.2. Use the Air Force NAF Budget program to prepare their I&E budgets (refer to Air Force Services NAF Budget User's Guide).

3.4.3. Justify I&E budgets by explaining major changes in income or expense categories over the quarter just ended, seasonal variances, payroll computations, and departures from established standards or goals. Submit a copy of this documentation as part of the budget package. Keep the original in the activity with the budget. Make this information available to the NAFFA, if requested. This documentation aids the NAFFA in variance analyses. Do not make the documentation a part of the NAF's council review.

3.4.4. Ensure that when estimating supply expense, they include the current year portion from bulk purchases of high value supply items from the NAF Requirements budget (NRB) as supply expense in the operating budget.

3.5. How to Prepare the NRB.

3.5.1. Activity Managers:

3.5.1.1. Prepare NRBs for each activity before the beginning of the FY.

3.5.1.2. Prepare NRBs for a minimum of five years.

3.5.1.2.1. Describe, on the NRB, each requested asset, the asset's priority, the funding source, the cost center that will use the asset, the estimated month and year of completion or purchase, and the estimated cost of the asset.

3.5.1.2.2. The NRB includes NAF purchases of capital assets. Capital assets include fixed assets, facilities acquired or constructed, and improvements made on existing facilities from NAFs. Refer to **Chapter 7** to determine if an item qualifies as a capital asset.

3.5.1.2.3. The NRB also includes quantity expendable (bulk) assets. Include expendable equipment (like-items) that the activity purchases in bulk. Also include bulk purchases of high value supplies. **Chapter 7** specifies the type and dollar amount to qualify as a bulk purchase.

3.5.1.2.4. Annotate the budget if expected to receive higher headquarters funding for a specific asset.

3.5.1.3. Justify the requirements on their NRBs. Justifications for NAF vehicle purchases are coordinated with the vehicle control officer. See paragraphs **3.12** and **7.14** and AFI 34-204.

3.5.2. Use the Air Force NAF Budget program to complete the NRB.

3.5.3. The SV commander or director, or activity manager for BRFs and CWFs, makes recommendations to the installation commander on requests to higher headquarters for NAF funding support.

3.6. NAF Budget Review and Approval Process. All levels of management take part in the review and approval process once the activity manager completes the budget.

3.6.1. **Activity Managers.** Activity managers forward completed budgets to their flight chiefs for review, consolidation, and approval.

3.6.2. **Flight Chief Review.** Flight chiefs review and consolidate the proposed budgets for activities under their flight. Provide changes to the activity manager. Once the flight chief concurs with the activity manager's budgets, send the budget files and copies of the budget supporting documentation to the RMFC.

3.6.3. **RMFC Responsibilities.** The RMFC reviews, and consolidates (to NAFI level) all budgets to ensure the activity managers prepared them correctly. The RMFC provides the flight chiefs and activity managers with recommended budget changes. The RMFC:

3.6.3.1. Works with the resource advisor or base budget officer to determine if APF support is available for SV requirements.

3.6.3.2. Consolidates all activity NRBs into a single budget for each NAFI.

3.6.3.3. Consolidates all I&E budgets by each NAFI.

3.6.3.4. Prepares an annual cash flow budget, with quarterly breakouts, for each NAFI.

3.6.3.5. Forwards all budgets, individual and consolidated, to the SV commander or director, or appropriate BRF/CWF manager, for review and to prioritize the NRB items.

3.6.4. **SV Commander or Director Responsibilities.** The SV commander or director:

3.6.4.1. Reviews I&E budgets, including BRF and CWF and recommends revisions or corrections to the applicable activity manager.

3.6.4.2. Returns budgets not meeting financial goals to the activity manager, through the applicable flight chief, for evaluations and possible revision.

3.6.4.3. Reviews NRB items and sets the budget priorities for the total NAFI. The SV commander or director requests the budget working committee to review and recommend a priority, if established.

3.6.4.4. Ensures the activity completes appropriate needs assessments and justifications for NRB items as applicable (refer to AFI 32-1022, *Planning and Programming of NAF Facility Construction Programs*).

3.6.4.5. Forwards budgets to the NAFFA for review and comparison to goals. The NAFFA performs a review and analysis of the budgets, including the BRF and CWF budgets, and recommends revisions to the SV commander or director.

3.6.4.6. **Budget Approval.** Forwards completed budgets, except the CWF budgets, through the base NAFs council, then to the installation commander for approval. Forward completed CWF budgets through the CWF council, then to the installation commander for approval.

3.6.4.7. **Reserved**

3.6.4.8. Reviews and approves the annual NAF vehicle budget exhibit and submits it to the base NAFs council as part of the NRB budget submission.

3.6.5. **Installation Commander.** The installation commander approves the completed budgets for all NAFIs.

3.7. NAF Cash Flow Budget Preparation. Refer to AFI 34-209. The RMFC:

3.7.1. Includes anticipated cash inflows and cash outflows based on the operating budget, the NRB, and the balance sheet when developing the cash flow budget.

3.7.2. Includes budgeted NRB items in the cash flow budget for the period in which the NAFI expects to pay for the item.

3.7.3. Includes NRB items ordered in the prior FY not yet paid for.

3.7.4. Uses the automated cash flow budget for ease of computation and update.

3.7.5. Establishes an upper limit cash balance as the total cash needed to pay all operating expenses and budgeted NRB items due during the period while maintaining a healthy acid test ratio.

3.7.6. Establishes a minimum cash balance (lower limit cash balance) necessary for each NAFI to cover normal operating costs and to maintain a minimum acid test ratio. Establish a minimum balance that ensures the acid test ratio will be above 1.25 to 1.

3.7.7. Recommends revisions to financial goals or plans if projected cash flows do not show adequate cash to cover normal operations and capital requirements as budgeted.

3.8. APF Requirements Budget. Refer to AFI 34-209. The activity manager prepares a budget that includes capital items to be received from APFs (both funded and unfunded items). Use the Air Force NAF budget program to complete the budget by indicating a fund source of APFs for both funded and unfunded APF capital assets.

3.9. Budget Working Committee. Refer to AFI 34-209. If established, the committee meets, as necessary, to update or revise the current year NRBs. The SV commander or director determines the make-up of the committee and may rotate it periodically.

3.10. Variable Budgeting. Activity managers may consider variable budgeting as an optional way of developing more meaningful budgets. A variable budget is a series of I&E budgets for different levels of sales or activity revenue.

3.11. Minimum Requirements for Financial Analysis. The NAFFA completes the statistical and narrative portions of the financial analysis (working with activity managers) and sends it to the SV commander or director for review and comment (refer to AFI 65-107, *NAF Financial Management Oversight Responsibilities*, for details on the contents of the financial analysis).

- After review, the SV commander or director returns the analysis and comments to the NAFFA.

- The NAFFA finalizes the analysis, including the comments received from the SV commander or director.

- The NAFFA obtains signatures of the SV commander or director and the FM on the analysis and forwards it to the MAJCOM/SV and MAJCOM/FM.

- The SV commander or director should make the activity manager responsible for budgeted performances.

3.11.1. When an analysis is performed for either the BRF or CWF, send one copy of AF Form 262, **NAF Financial Analysis**, or computer product (statistical analysis) and the narrative summary to AAFCWF as part of the financial statement package.

3.12. NAF Vehicle Budget Exhibit. Before the beginning of each fiscal year, the vehicle control officer prepares a NAF Vehicle Budget Exhibit. This exhibit should be prepared in conjunction with the normal actions and deadlines set by the RMFC for submitting budgetary documents to the base NAFs' council. The exhibit will be an information item in the base NAFs' council agenda when submitting activity NAF Requirements budgets for approval.

3.12.1. The VCO obtains a list of all budgeted vehicles from the NAF AO. The data on this list should be for the next fiscal year. It should identify the activity, type of vehicle budgeted, estimated purchase price and estimated quarter of purchase. The VCO ensures all

vehicles budgeted by activity managers have been justified and approved by the Services commander or director using the guidance in AFI 34-204. If there is not an approved vehicle authorization, the VCO works with the applicable activity manager to prepare the needed justification documentation.

3.12.2. The VCO uses the information received from the NAF AO to develop a NAF Vehicle Budget Exhibit. Refer to the sample at **Figure 3.3** At a minimum the exhibit includes the following:

3.12.2.1. Activities requesting NAF vehicles.

3.12.2.2. Descriptions for vehicles requested.

3.12.2.3. Quarter the vehicle is programmed for purchase.

3.12.2.4. Estimated purchase price for each vehicle.

3.12.2.5. Total dollar amounts for all budgeted vehicles (by quarter and annual total)

3.12.2.6. The total proceeds received from sales of NAF vehicles during the past 12 months. Use the 12 months prior to the date the report is prepared. Annotate which months were used for determining the proceeds from sales of vehicles. Refer to paragraph **7.14** for instructions on determining the dollar amount of proceeds from sales of NAF vehicles.

3.12.3. The NAF vehicle budget exhibit is provided to the SV Commander or Director for review and approval and then submitted to the base NAFs Council as an integral part of all Services NAF budgets submitted to the installation commander for approval.

SUGGESTED NAF BUDGETING ACTIONS SCHEDULE

Figure 3.1. Suggested NAF Budgeting Actions Schedule

ACTIONS TO BE TAKEN	ACTION TIMEFRAME	ACTION OFFICER(S)
Provide budget training	10-15 Dec, Mar, Jun, Sep	RMFC, NAFFA if needed
Establish financial goals	10-15 Oct, Jan, Apr, Jul	activity managers, flight chiefs, RMFC,SV commander
Prepare I&E, NRB, and APF budgets	15-20 Oct ,Jan, Apr, Jul	activity managers
Review and consolidate I&E, NRB, and APF budgets. Make recommendations for revisions, provide guidance as needed	20-22 Oct, Jan, Apr, Jul	RMFC
Prioritize consolidated NRBs	20-22 Oct, Jan, Apr, Jul	SV commander or director or budget working committee (if est.)
Review budgets and make recommendations for revisions to the SV commander or director	23-24 Oct, Jan, Apr, Jul	NAFFA
Prepare cash flow budget	25 Oct, Jan, Apr, Jul	RMFC
Review and finalize all budgets prior to submission for approval	25 Oct, Jan, Apr, Jul	SV commander or director
Submit all completed budgets to installation commander for approval	25 Oct, Jan, Apr, Jul	NAF Council

Approve or disapprove final budgets	26,Oct, Jan, Apr, Jul	Installation commander
Distribute approved budgets to managers, MAJCOMs, and others as appropriate	27, Oct, Jan, Apr, Jul	RMFC

SUGGESTED CIVILIAN NAF BUDGETING ACTIONS SCHEDULE

Figure 3.2. Suggested Civilian NAF Budgeting Actions Schedule

Date	Action Officer	Gives Financial Data and/or Budgets to	For the Following Action:	NRB	I&E	Cash Flow	APF
20 May	RMFC, NAFFA if needed	BRF/CWF managers, RMFC	Annual budget training	X	X	X	X
31 May	BRF/BCWF activity managers (thru the Fund Budget Officer if applicable)	BRF/CWF custodian	Reviews, consolidates NRB and I&E budgets, lists requirements in priority; checks APF due-outs; makes tentative financial goals	X	X	X	X
11 Jul	RMFC		Prepares cash flow budgets, reviews I&E and NRB budgets and compares with APFs authorized			X	
15 Jul	RMFC		Provides suggested changes on budgets	X	X	X	X
20 Jul	RMFC	SV commander or director, BRF/BCWF managers	Reviews for submission to NAFFA then to BRF/BCWF Council	X	X	X	
1 Aug	SV commander or director	NAFFA	Reviews budgets and provides suggestions	X	X	X	X
10 Aug	NAFFA	SV commander or director	Finalizes budgets	X	X	X	X

Sep	RMFC	BRF/BCWF Council	Receives briefing on the NAF budgets; recommends for approval or disapproval of the budgets and financial goals	X	X	X	X
5 work-days after mtg	RMFC	Installation commander	Forwards council minutes to commander for approval (includes budgets and financial goals)	X	X	X	

Figure 3.3. Sample NAF Vehicle Budget Exhibit.

		Quarter Programmed for Purchase and Estimated Purchase Price:				
Location:	**Type of Vehicle:**	**Q1**	**Q2**	**Q3**	**Q4**	**TOTAL FY98**
ITT	**15 PAX Van**	**$45,000**				
Golf Maintenance	**Dump Truck**	**55,000**				
Officers' Club	**Mini-Van**		**$32,000**			
Enlisted Club	**Mini Van**		**32,000**			
Officers' Club	**Hatchback**			**$11,000**		
Bowling Center	**Sedan, 4 dr**				**$25,000**	
	TOTALS:	**$100,000**	**$64,000**	**$11,000**	**$25,000**	**$200,000**

Proceeds Received from Sales of NAF Vehicles During Past 12 months (Sep 96 - Aug 97) $34,000

Prepared as of: XX Aug 97

Chapter 4

CHANGES IN CUSTODIAN OR ACTIVITY MANAGER

4.1. Changes of Custodian and Activity Managers - Timing. Make changes in NAFI or activity managers, or custodian, at any time. However, when possible, schedule a change to coincide with the EOM.

4.2. Custodian or Alternate Custodian Change. The SV commander or director appoints a successor in writing according to AFI 34-201. The recommended format for transfer of accountability is at **Figure 4.1** Prepare in triplicate, provide the original to the NAF AO to file in the LOF file, and give a copy to the incoming and outgoing custodians (RMFCs). In addition:

4.2.1. Accomplish a bank reconciliation by using the CMIP statement received from HQ AFSVA as the basis for reconciliation of cash-in-bank.

4.2.2. Prepare a schedule of accounts receivable (A/R), by NAFI, for those NAFIs serviced by the NAF AO and ensure the A/R subsidiary reconciles to the general ledger (G/L) control account.

4.2.3. Prepare a schedule of outstanding obligations for all NAFIs and ensure the accounts payable subsidiary reconciles to the G/L control account.

4.2.4. Ensure other subsidiary accounts reconcile to the respective G/L control account.

4.2.5. Transfer perpetual (LOF) files established for each NAFI.

4.2.6. Transfer asset receipts for all NAFIs.

4.2.7. Transfer APF equipment assigned to the resource management flight (RMF). Refer to AFI 34-204, *Services Logistics Support Program*.

4.2.8. Transfer NAF fixed assets within the RMF. A physical inventory of accountable assets outside the RMF is not required unless requested by the incoming custodian. Refer to AFI 34-204.

4.2.9. Transfer accountability for slot machines, keys and spare locks according to AFMAN 34-212, *Control Procedures for Protecting NAF Assets* and AFMAN 34-129, *Slot Machine Controls and Procedures*.

4.3. Activity Manager Changes. The SV commander or director appoints a replacement or successor in writing according to the following procedures. Prepare a memorandum using the format at **Figure 4.2**, or similar format, in triplicate. Provide the original to the NAF AO to file in the LOF file, and give a copy to the incoming and outgoing activity managers. In addition:

4.3.1. Transfer decentralized and in-use inventories and NAF fixed assets according to AFI 34-209 and AFI 34-204.

4.3.2. Transfer APF equipment according to AFI 34-204.

4.3.3. Transfer central NAF storeroom and warehouse invent3.12.2.1. ory using the criteria in **Chapter 11**.

4.3.4. Ensure incoming lodging managers satisfy themselves as to the correctness of the A/R. They may use the financial statements to satisfy themselves as to the correctness of the A/R.

4.3.5. Transfer accountability of slot machines according to AFMAN 34-212 and AFMAN 34-129.

4.4. Acceptance of Accountability. The incoming activity manager or RMFC must accept accountability and complete certification not later than 30 days after employment begins (must be in a duty status).

4.4.1. Prepare a memorandum to the SV commander or director for all discrepancies or disputes of transfer records and attach the memorandum to the memorandum receipts. This will allow accountability acceptance and certified completion within 30 days.

4.4.2. Resolve variance, losses, and so on according to AFI 34-202. Upon resolution, file documentation with the memorandum receipts in the LOF file.

Figure 4.1. Format for Memorandum Receipt Custodian or Alternate Custodian Change

MEMORANDUM RECEIPT CUSTODIAN REPLACEMENT
OR ALTERNATE CUSTODIAN CHANGE

DATE: _____

This is to certify that I, _____(name)_____, having been designated by the SV commander or director, to replace
___(name)_____, as Custodian at _____(base)_____ AFB, effective ____(date)_____ do hereby acknowledge custodianship of the assets of the NAFIs listed below. My acceptance is based on the Financial Statements as of _____.
(***NOTE***: Financial Statements consist of Balance Sheet, Statement of Income and Expense, and Statement of Cash Flows).
NAFI:

In addition to reviewing the Financial Statements, I have reviewed the following:

Daily CMIP statement for the funds listed below:

As-of-Date	Fund ID	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____

Schedules of Accounts Receivable (last statement date may be used):

As-of-Date	Fund ID	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____

Outstanding Obligations (accounts payable) (last statement date may be used):

As-of-Date	Fund ID	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____

I accept the following documents:
The perpetual files for each NAFI listed above.
Assets receipts for each NAFI listed above.

I accept control of the following assets based on physical inventory or other means by which I have satisfied myself.
APF equipment assigned to the RMF as of _____(date)_____.
NAF fixed assets within the RMF as of _____(date)_____.

_____
Incoming Custodian (Signature)

The requirements of AFMAN 34-214 for change of Custodian have been met.

_____
SV commander or director

Figure 4.2. Format for Memorandum Receipt-Activity Manager.

MEMORANDUM RECEIPT/ASSUMPTION OF DUTIES - ACTIVITY MANAGER

_____(date)

Effective _____(date)_____ , I certify that I, _____(name)_____, having been designated by the SV commander or director to replace _____(name)_____ as _____ activity manager of the _____(Cost Center/NAFI)_____, _____(Base)_____ AFB for (a stated period of time) (NTE 30 days; 31 - 60 days; over 60 days; permanently) and will assume the duties and responsibilities of the position.
(***NOTE:*** When duties are resumed by the activity manager replace paragraph above with:)

Effective _____(date)_____ , I, _____(name)_____ resume duties as (activity manager/custodian) of (cost center/NAFI), _____(base)_____ from _____(name)_____, who has replaced me since _____(date)_____.
(***NOTE:*** Include the below when duties are both assumed and reassumed):

I do hereby acknowledge receipt of the following assets as detailed in the financial statements.

Change Funds	$_____	
Imprest Funds	$_____	
Accounts Receivable (lodging funds only)		$_____
Inventory (in use)	$_____	
Inventory (warehouse)	$_____	
Property Valued at (attach listing)	$_____	

I have reviewed the Financial Statements (refer to note), inventory listing, or otherwise satisfied myself as to the accuracy of the above.

_____
Activity Manager/Interim Activity Manager (signature)

The requirements of AFMAN 34-214 for change of activity managers have been met.

_____
SV commander or director (signature)

NOTE: Financial Statements consist of balance sheet, statement of income and expense, and statement of cash flows.

Chapter 5

COMMERCIAL CREDIT SYSTEMS AND MERCHANTS AGREEMENTS

5.1. Commercial Credit Systems. A commercial credit card contract replaces, in full or in part, the current A/R and dues collection function for a NAFI or activity. HQ AFSVA/SVF and the installation commander base the approval on clear evidence that the commercial system offers a cost advantage over the current A/R system and/or provides improved service to the membership. HQ AFSVA/SVF approval is contingent upon concurrence by SAF/FM after consultation with the office of the Comptroller, Department of Defense (DoD) (refer to AFI 34-209).

5.1.1. In cases where a NAFI or an activity does not have A/R or where the current system lacks all the features of a commercial credit system (for example, no member billing), compare the increased cost of using a commercial system with the improved service to the membership. Use this as part of your basis for approving the commercial credit system.

5.1.2. SV notifies the membership and customers of the intention to award a commercial credit contract and explains the basic features of the proposed system.

5.1.3. The checklist at **Attachment 6** provides the SV commander or director and the RMFC with a general outline of items to consider in establishing a commercial credit system. It also shows important contractual features that usually are included in all commercial credit contracts. Not all of the checklist items will pertain to every NAFI.

5.1.4. AFMAN 64-302, *Nonappropriated Fund Contracting*, contains a sample commercial credit contract format. Use the sample contract as a first bargaining position. This format may require some modifications to meet local conditions because of varied operating procedures and different competitive situations. However, to be advantageous to the NAFI or activity, all commercial credit contracts must meet certain minimum requirements:

5.1.4.1. The commercial agency has no recourse against the Air Force or its NAFIs for uncollectible bad debts unless the charge sale was made in violation of contract provisions (e.g., accepting a charge sale from a customer using an expired or revoked charge card).

5.1.4.2. Base disapproval of credit for a member or customer on an individual credit check by the commercial agency and not on grade alone.

5.1.4.3. Where the credit card involved also serves as a club membership card, do not deny membership if the individual does not qualify for a regular commercial credit card. Offer those members who do not qualify for a regular commercial credit card a proprietary commercial card which represents an extension of credit by the contracting NAFI that:

5.1.4.3.1. Restricts the individual to monthly dues only, or

5.1.4.3.2. Restricts the individual to monthly dues and charges at Services locations on the commercial credit card system. The NAFI that issues the member the credit card absorbs any bad debts charged on any such proprietary cards.

5.1.4.4. Do not have commercial credit contracts and merchant agreements exceed time limitations established by AFI 64-301.

5.1.4.5. Include the mandatory general provisions in AFI 64-301, *NAF Contracting*, in each credit contract.

5.1.4.6. In addition to the required contract provisions, include other desirable provisions in the sample contract format. Include them, when possible, as part of the negotiated commercial credit contract.

5.1.5. Write a commercial credit contract according to AFI 64-301. As a minimum, include the military banking facility in any solicitation for a commercial credit contract. Although the NAFI normally uses the bank on base as its primary banking facility, the NAFI is not precluded from processing its accounts receivable through another bank. The custodian negotiates a contract that has, as a minimum, the required provisions in paragraph **5.1.4** Do not solicit for such a contract without prior HQ AFSVA/SVF and the Secretary of the Air Force, Financial Management and Comptroller (SAF/FMPB) approval.

5.1.6. The servicing staff judge advocate's office reviews the negotiated contract when a deviation from the approved format in AFI 64-301 occurs.

5.1.7. After obtaining any required local approvals, the RMFC forwards the complete package through the MAJCOM/SVF to HQ AFSVA/SVF who in turn forwards the package to SAF/FMPB for approval. Once approved, HQ AFSVA/SVFB makes the necessary arrangements with the banking institution to assure that funds are moved to the concentration bank in an orderly manner.

5.1.8. The base awards the contract after the receipt of approval from HQ AFSVA/SVF and SAF/FMPB.

5.1.9. When administering a commercial credit system, these policies apply:

5.1.9.1. Other than merchants agreements, usually HQ AFSVA/SVF approves only one commercial credit system per base.

5.1.9.2. Consider developing a consolidated contract that provides for commercial credit in all activities that wish to have it available. A high volume contract usually results in a more favorable discount rate than several smaller volume contracts. However, when multiple contracts prove to be more cost effective for the overall installation, more than one contract may be approved.

5.1.9.3. Do not allow cash refunds for credit card transactions.

5.1.10. The contracts and agreements remain in the applicable NAFI's LOF file for the duration of the contract. Destroy expired contracts according to AFI 37-139.

5.2. Merchant Agreements. A merchant agreement is different from the commercial credit card system in that a NAFI uses it when it wants to accept one or more nationally recognized credit cards from its customers.

5.2.1. Merchants agreements include the negotiated discount rate.

5.2.2. Follow these procedures for merchants agreements in addition to requirements in AFMAN 64-302.

5.2.3. Attach the mandatory general provisions in AFMAN 64-302 as part of the merchant agreement.

5.2.4. Do not have the merchant agreement exceed the time limitations established by AFMAN 64-302.

5.2.5. Include the military banking facility in any solicitation for a merchant agreement.

5.2.6. Obtain legal review by the staff judge advocate and approval by HQ AFSVA/SVF (through HQ AFSVA/SVFB) before awarding the merchant agreement.

5.2.7. Once approved, HQ AFSVA/SVFB makes the necessary arrangements with the banking institution to move funds to the concentration bank in an orderly manner. HQ AFSVA/SVFB reviews all merchant agreement contracts prior to award of the contract to assure that the required field bank account is established (separate account for electronic data capture), the concentration bank is notified, and the credit card account will properly function in the CMIP system. HQ AFSVA/SVFB will assist in ensuring that the contract that is let provides the maximum service to the NAFIs, and operational ease for the employee and the NAF AO. Reporting instructions (including bank account information) and start-up date is furnished upon completion of the contract review.

5.2.8. After receipt of approval from HQ AFSVA/SVF and after all parties sign the contract agreement, award the contract and then start accepting the approved credit card for sales.

5.2.9. When administering merchants agreements, these policies apply:

5.2.9.1. Consider developing a consolidated contract that provides for accepting credit cards in all activities that wish to have it available. A high volume contract usually results in a more favorable discount rate than several smaller volume contracts. However, when multiple contracts prove to be more cost effective for the overall installation, more than one contract may be approved.

5.2.9.2. Do not allow cash refunds for credit card transactions.

5.2.9.3. Do not issue locally drawn checks against a credit card account.

5.2.9.4. The base NAFI pays all fees associated with those types of accounts, except for account maintenance and analysis.

5.2.10. The contracts and agreements remain in the applicable NAFI's LOF file for the duration of the contract. Destroy expired contracts according to *AFI 37-139*.

Chapter 6

PAYROLL

6.1. Nonappropriated Fund Management Information System (NAFMIS) Payroll. The NAFMIS payroll system operates on DISA OKC level UNISYS 2200 series computer and provides payroll support for United States Air Force (USAF) non-appropriated fund civilian employees. Reference AFCSM (Air Force Computer Systems Manual) 34-378, *NAFMIS Payroll Users Manual,* for detailed information.

6.1.1. **Time and Attendance (T&A) Report.** Before pay is processed for an employee, an authenticated T&A report must be submitted to the Payroll Technician within the Resource Management Flight. One T&A report is required for each active employee whether or not the employee is in a pay status. The Activity Manager or authorized designee certifies each T&A report with his/her signature. Facsimile and electronic signatures are NOT authorized. T&A reports are completed using the Time and Attendance Report produced by the AF approved Labor Management System. A list of individuals authorized to sign T&A reports must be forwarded to the Resource Management Flight Office and updated on a continued basis, as necessary.

6.1.2. **Overtime Approval.** Overtime payment is required for hours worked that are officially ordered or approved. Non-exempt employees must also be paid for overtime suffered or permitted. Generally, if management determines the need for overtime work, it must be approved, in writing, in advance. An exception to the prior approval rule are instances where overtime work is required on short notice and prior written authorization cannot be obtained. If management does not authorize overtime work, it must make sure that employees work only during their scheduled tour of duty. Authorizations for overtime work are handled at the activity/cost center and are NOT forwarded to the payroll processing office. Overtime payment is authorized by the employee's supervisor or designee via an authenticated Time and Attendance (T&A) Report.

6.2. Circular E. The current edition of Internal Revenue Service (IRS) Circular E contains instructions for taxes and withholding amounts in addition to the instructions contained in AFM 176-378. Each January, the NAF AO orders and maintains a current Circular E on file to ensure proper administration of the payroll.

6.3. Payroll Checks/EFT. NAF employees are federal employees and governed by federal law. EFT for payment of wages is a condition of employment or a waiver must be on file in the employee's payroll folder. The NAF AO distributes the leave and earnings statement (LES) and the payment of wages are available on the Friday following the end of the pay period. Bases with a manual or contract payroll should ensure checks are dated the Friday following the end of a pay period; pay dates in NAFMIS are handled programmatically. As an exception, pay dates are the preceding day, Thursday, when Independence Day, Veterans' Day, Christmas, or New Year's Day are observed on a payday.

6.4. Manual Pay Preparation. When manual preparation of pay is necessary due to unforeseen circumstances (for example, as a result of input error, incorrect EFT data, or miscellaneous other situations), the NAF AO will utilize the central cashier operation to make payment.

6.4.1. The payroll technician will prepare an AF Form 2539, NAF Disbursement Request. The technician will calculate the amount due to the employee and complete the request, as currently done attaching all supporting documentation. The technician will prepare an AF Form 2557, NAF Cash Receipt Voucher, pre-numbered, in triplicate. These pre-numbered forms should not have more than a maximum 5-digit numbering sequence.

6.4.2. The disbursement request must be approved for payment by the RMFC or designee.

6.4.3. The disbursement request will be vouchered through accounts payable and expensed to the employee's cost center in GLAC 812.

6.4.4. After all paperwork is completed and approved, contact the employee to report to the central cashier cage. Forward the paperwork to the central cashier. When the employee arrives, the central cashier will pay the employee the dollar amount written on the request and the AF Form 2557, verifying the two amounts are the same. The employee will sign the AF Form 2557 and receive the second copy of the form. The original signed AF Form 2557 will be attached to the AF Form 2539 as verification that the disbursement was made and accepted by the employee. The third copy of the AF Form 2557 will remain with the central cashier as supporting documentation for the daily deposit.

6.4.5. Accounts payable will process the payment to clear the voucher using the signed copy of the AF Form 2557 as proof of payment (similar to a check copy). Using the central vendor payment (CVPP) screen in the field accounting system (FAS) to clear the open item using the number from the AF Form 2557 as the check number. This process will make the appropriate general ledger entries. See the FAS users' guide, **Chapter 6**, for detailed instructions of the CVPP process.

6.4.6. **Final Pay.** NAF employees are federal employees and governed by federal law. There are no federal requirements to issue the final paycheck anytime prior to its normal issue date.

6.5. Loans to Employees. AFI 34-201 prohibits loans to employees (such as an advance payment of wages).

6.6. Payroll Interface to the General Ledger (PRIGL). The PRIGL program operates on a personal computer (PC) using information extracted from the automated payroll system. The PC PRIGL program uses the NAFMIS produced AVAP2T file to compute workers compensation and unemployment rates by CCC and to produce hard coded JVs and Cost Center Management reports for the activity managers. It also creates a file for upload to the accounting system to provide automatic posting of journal entries to the G/L. The G/L entries required (actual, accrual, and reversal) for each pay period are automatically posted to expense payroll costs, establish liabilities, show disbursements, and establish receivables for all NAF activities paid by the base level NAF AO.

6.7. Adjustments to PRIGL. The RMFC approves any adjustment to the PRIGL accrual amount. Allow adjustments to the automated payroll accrual entries only for clubs for the December accrual when a significant over-accrual occurs due to the holiday schedule (more than $5,000). The NAF AO provides the activity managers with a Cost Center Management report (CCMR). The club manager uses the CCMR from the last pay period of December to verify the projected accrual. The activity manager provides a worksheet to the NAFFA in the financial management organization for independent certification.

6.7.1. The RMFC reviews the information and authorizes the adjustment after assuring all taxes, insurance, leave, etc., is included in the request. The RMFC forwards the adjustment request, back-up worksheet, CCMR, and NAFFA certification to the NAF AO.

6.7.2. The NAF AO attaches the CCMR, worksheet, NAFFA certification, and RMFC approval to the JV as backup to authorize reversing the PRIGL and to enter the adjusted projected payroll. As a reminder, reverse any adjusting entry in January to avoid understating the payroll cost for that month.

6.8. Unclaimed Payroll Checks. Activity managers make every attempt to ensure employees receive their payroll checks. Immediately following payday, mail any unclaimed check to the employee unless the employee has made arrangements to have the check held at his or her workplace in a secure area or in the NAF AO. Forward checks that have been mailed and are returned undeliverable, or left unclaimed, to the NAF AO for cancellation. After 120 days from the date of issue, the NAF AO voids the check. Refer to the GLAC description for GLAC 225 for details.

6.9. Individual Pay Record (IPR). For bases not using the automated payroll system, the NAF AO manually maintains a permanent master record of salary payments, deductions, adjustments, and benefits affecting each employees pay on an individual pay record. Under the automated NAFMIS pay system, the master pay record AVAP6L shows the master records for each employee. Retain pay periods "Y" and "Z" or "Z" and "1" for the 56 year permanent file in accordance withAFI 37-139, Table 34-14, and enclose a copy of the NAFI ID's and CCCs with each session to provide a cross reference tool for the St. Louis Federal Records Center (FRC).

6.9.1. Protect the IPRs from loss or damage by storing the forms in files with locks or by locking the room in which these records are kept. While not mandatory, use fireproof equipment when possible.

6.9.2. Maintain IPRs and related documents for audit. SV conducts an investigation if IPRs are lost or damaged beyond reconstruction. The investigation determines whether the supervisor caused the loss or damage due to negligence. Fully document all pertinent details, including the amount involved, circumstances surrounding the loss, and whether the NAF AO recommends reconstructing the records. Include reasons to justify the recommendation.

6.10. Basis for Entitlements. The following directives show the basis for entitlements for NAF employees: AFI 34-301, *NAF Personnel Management and Administration*; AFI 34-302, *NAF Retirement Plan*; AFI 34-305, *NAF Group Health Plan*; AFI 34-306, *NAF Group Life Plan*; AFI 34-307, *NAF Flexible Benefits Plan*; AFI 34-308, *NAF Workers' Compensation*; AFI 34-309, *NAF Unemployment Compensation*; AFMAN 34-310, *NAF Personnel Program Management and Administration Procedures* and DoD 1401.1-M, *Personnel Policy Manual for NAFIs* dated December 1988 and Change 1 to DoD 1401-1M dated 27 July 1990.

6.11. Annual and Sick Leave. The NAF AO maintains annual and sick leave records.

6.12. Leave Balance Insufficient to Cover Leave Requested. Activity managers review leave balances of their employees. Inform the employee if the leave accumulated does not cover the leave requested. Document approvals of leave without pay, annual leave, or other types of leave necessary to excuse the employees absence from duty not covered by accrued leave.

6.12.1. **Individual Responsibility.** When requesting leave, each individual ensures he or she has ample leave to cover the leave requested.

6.13. Advance Annual and Sick Leave. Refer to AFMAN 34-310 for application and approval of advance annual and sick leave. Refer to AFI 34-202 for collection of advance annual and sick leave when an employee who owes the NAFI advance leave separates from NAFI employment for reasons other than death, disability, retirement or resignation for physical disability.

6.13.1. Upon receipt of an approved application, the NAF AO advances leave. The payroll technician maintains a subsidiary record to account for all advanced leave. As the employee accrues leave, post the accrued hours as leave taken on the time and attendance (T&A) report. Annotate the report with "Advance Leave Adjustment" and update the subsidiary.

6.13.2. After the NAFI recoups all authorized advance leave, discontinue adjustments and file a copy of the subsidiary and approval letter with the employees personnel folder in the NAF AO. If the employee separates for reasons other than those in paragraph **6.13** before the NAFI recoups advance leave, subtract the dollar amount from any accumulated leave or final wages earned. Refer to AFI 34-202 if funds are insufficient.

6.14. Transfer of Annual and Sick Leave. A regular employee who transfers to another NAFI at the same or another base transfers all accrued sick and annual leave hours. Procedures for transferring annual leave differ depending on whether the transfer was to a NAFI at the same or another base. Refer to Attachment 1 in AFM 176-378, Atch 1, for guidance.

6.14.1. The NAF AO completes SF 1150, **Record of Leave Data**, and annotates the balance of annual leave and sick leave hours with the associated annual leave dollar value. The losing NAFI pays the gaining NAFI the ending annual leave dollar value for the transferred leave balance. The losing NAF AO prepares the dollar transfer or check. The gaining NAFI absorbs the additional expense which results from a higher pay rate applied to the transferred employee's annual leave hours balance.

6.14.2. Transferred sick leave does not involve dollar amounts or journal entries into the general ledger. In the gaining NAFI, the NAF AO records the transferred sick leave hours in the applicable employees master record. The payroll technician ensures the NAF AO receives all necessary documentation from HRO before processing this action.

6.15. Transfer of Annual Leave Under Portability. A regular employee who transfers from APF to NAF or NAF to APF as contained in the Portability of Benefits for Nonappropriated Fund Employees Act of 1990 must transfer all accrued annual and sick leave hours. When an employee transfers under the Portability Act, the gaining and losing organizations do not exchange funds.

6.15.1. For NAF to APF transfers, the employee does not receive lump sum leave. The NAF AO adjusts the transferred employee's annual leave value to miscellaneous income for the activity.

6.15.2. For APF to NAF transfers, the NAF AO adjusts the transferred employee's annual leave value to miscellaneous expense for the activity.

6.16. Annual and Sick Leave Timekeeping Responsibilities:

6.16.1. Employees should request annual leave, and request or document sick leave, using SF Form 71, **Application for Leave**. When requesting leave, each individual ensures he or

she has ample leave to cover the leave requested by reviewing his or her leave balance as annotated on the prior pay period leave and earning statement. Since leave is not credited to employees' accounts until the end of the pay period, employees may not use current pay period earned leave until the next pay period.

6.16.2. The supervisor or the supervisor's designee approves leave requests. These should be submitted to the supervisor on an SF Form 71. At the end of the pay period, the supervisor or the supervisor's designee verifies and certifies leave hours posted on the T&A form. Return approved T&A forms to the timekeeper.

6.16.3. Timekeepers record leave, duty hours, etc. on the T&A, attach SF Form 71s, and forward to the supervisor. The activity retains SF Form 71s as the source document for employees' leave requests and to resolve any discrepancies. Forward signed and approved T&A forms to the payroll section.

6.16.4. Payroll technicians process leave hours recorded on the T&A in the appropriate employee payroll record.

6.17. Military Leave. Refer to AFMAN 34-310 to determine eligibility and the amount of military leave to grant an employee. Request for military leave must be supported by a copy of the orders, which is forwarded to the payroll office with the time and attendance report on which the absence is first reported. The employee must submit a certification by the appropriate military officer as evidence that the active military duty was performed. The activity forwards this certification to the payroll office with the time and attendance report on which the return to duty is reported. The activity timekeeper annotates the days of military leave on the T&A report in the pay period taken.

6.17.1. Employees called to active duty to enforce the law may be granted additional military leave not to exceed 22 workdays in a FY. If an employee gets military orders related to upholding public law, then the employer (NAF AO) is entitled to reduce the employee's NAF pay by the amount of military pay received during that 22 days. On receipt of a certificate from the activity stating the amount of military pay received by the employee with the T&A report, the NAF AO credits compensation received (other than travel, transportation, and per diem allowances) against the pay from the employees NAF position during the period of military service performed on a workday. Do not consider military pay received for nonworkdays.

6.18. Military Furlough. On receipt of an AF Form 2545 from HRO which places the employee in a military furlough status, the NAF AO terminates the employee, pays the employee for accrued annual leave, and notifies the HRO of the employees sick leave balance. When the employee returns to duty, reinstate the employee based on the AF Form 2545 received from HRO. The duration of military furlough counts as creditable service time for leave accrual and for the retirement program. Adjust the employees leave record by posting a sick leave balance equal to the balance available to the employee prior to being placed in a military furlough status.

6.19. Court Leave. When reporting court leave, attach the summons, if available, to the T&A report showing the first absence. Refer to AFMAN 34-310 to determine the amount of court leave to grant an employee. Regular employees on court leave receive their regular pay for such time off, or retain court fees received from the court, whichever is the greater amount. If court

fees are the lesser amount, the employee pays such fees to the NAFI. Transportation fees, when separately identified, or identifiable, need not be turned in by the employee. Transportation costs include parking fees. The NAF AO debits GLAC 101, Cash, and credits GLAC 812, Miscellaneous Income, for the court fees turned in by the employee.

6.19.1. The employee submits a statement showing the amount of court fees received and transportation costs incurred and the activity attaches it to the T&A report to provide a sufficient audit trail. When a state statute provides for reimbursement of expense or an expense allowance rather than a jury fee, employees receive regular pay and the money paid by the court.

6.20. Meals Furnished to Employees. Meals furnished to employees are provided only when they are for the convenience of the NAFI and are considered noncompensatory and therefore not taxable. Refer to AFIs 34-301 and AFMAN 34-128, *Air Force Club Program*.

6.20.1. IRS tax law defines "meals furnished for the convenience of the employer" as when:

6.20.1.1. The employer provides a meal on workdays and during working hours.

6.20.1.2. The employer requires employees to be available for emergency calls during the meal period.

6.20.1.3. The nature of the business requires employees to have a short meal period, i.e. 30 to 45 minutes, and employees could not be expected to eat elsewhere in the allotted time.

6.20.1.4. Employees cannot otherwise secure proper meals within a reasonable time in the vicinity of the employer.

6.20.2. Refer to paragraph **8.14** for discounted employee meals.

6.21. Employee Awards. NAF employees' cash incentive awards include performance awards, special act or service awards, and on-the-spot awards. The supervisor initiates the award using AF Form 1001, **Award Recommendation Transmittal**. Forward the request to the appropriate approval authority. The HRO processes all incentive awards (refer to AFMAN 34-310). Forward completed and approved forms to the HRO for distribution. Regardless of the type, the NAF AO processes all cash awards (including the cost of U.S. Savings Bonds) through the NAFMIS payroll system. Awards are taxable and must be included in wages on the TD Form W-2, **Wage and Tax Statement**. Refer to AFM 176-378 for further procedures on payroll system processing.

6.22. Unemployment Compensation. The appropriate state employment agency administers the unemployment insurance program for federal civilian employees. The state determines an employee's entitlement to compensation after reviewing information provided by the employer. AFI 34-309 contains procedures for processing unemployment compensation claims and records. When the NAF AO receives the Form ES 931, **Requests for Wage and Separation Information**, the NAF AO completes the portion pertaining to giving salary information. The NAF AO forwards the form to the HRO so they can complete the reason for separation. The NAF AO returns Form ES 931 to the state agency within the specified timeframe. Provide all information on the form including applicable salary information, the location where the person worked (i.e. lodging, CWF, Officers' Club, etc.), and the reason for separation. The AF Form 2545 may not contain the actual reason for separation for employees separated during their

probation period and for those in a temporary status at the time of separation. Nevertheless, the HRO indicates the actual reason for separation on Form ES 931 to satisfy all state requirements. The NAF AO forwards one copy of the completed form to HQ AFSVA/SVXCC.

6.23. Severance Benefits. Severance benefits are payments to employees who are being separated from employment through a business based action. This applies to either US citizens or Foreign National (FN) employees. Severance benefits may also be referred to as "notice pay" in some Status of Forces Agreements (SOFA) for FN employees. The NAFI treats severance benefits as a contingent liability. The NAFI does not accrue for contingent liabilities until the liability can be estimated and it is probable that the contingent event will occur (i.e., the business based action will occur). Do not confuse severance benefits with separation allowances which are addressed in paragraph **6.24** *NOTE:* Severance and separation allowances are tracked and accounted for separately.

6.23.1. The RMFC, working with HRO, computes any estimated severance liability and establishes an accrual by debiting GLAC 711, Severance Benefits, or GLAC 964 (if you are a closing base) to recognize the estimated severance expense, and crediting either GLAC 209, Severance Benefits Payable (if the amount is considered current) or GLAC 259 (if the amount is considered long-term) to recognize the severance liability. Ensure you record the expense in the CCC where the employee is assigned. In addition, shred the expense GLAC (711 and/or 964) between severance benefits accrued for FN employees and US employees. The NAF AO adjusts fluctuations in foreign currency ratio on a quarterly basis to coincide with financial statement reporting. Quarterly adjustments ensure the accuracy and validity of the severance liability accounts.

6.23.2. MAJCOM/SVs determine the level of funding required for each NAFI, expressed as a percentage of the estimated total liability. Compute percentages by country, base, or NAFI. Do not establish funding levels at less than 25%. Revalidate funding levels at least annually. Increase funding to 100% when the severance is payable in one year (or less). For closing bases, increase the funding level to 100% when the base is placed on the definite closure list.

6.23.2.1. The NAF AO sets aside funds to pay severance liabilities in the Severance Benefits Investment program. The NAF AO contacts HQ AFSVA/SVFB to establish a severance benefits investment account. The NAF AO shreds GLACs 108, Investment Severance Benefits/Separation Allowances (Current) and GLAC 195, Investment Severance Benefits/Separation Allowances (Non-Current), to record the amount of funding set aside for severance benefits. For example GLAC 1081 and GLAC 1951 could account for the funding set aside to pay severance liabilities established in GLAC 209 and GLAC 259.

6.23.3. Severance benefits are paid to the employees on the normal pay day which pertains to their final pay period worked.

6.23.4. If a business based action occurs and the affected employee worked less than one year in an activity of a NAFI after a transfer from another activity of the NAFI, the activity where the employee was employed initially bears the severance expense.

6.24. Separation Allowances. Separation allowances may be due FN employees in those countries where the SOFA provides for such a benefit. These allowances, also referred to as "end of employment pay", are due the FN employee regardless of the reason for terminating

NAF employment. A separation allowance is an estimable liability and is accrued, on a monthly basis, over the period of the NAF employee's NAF employment. The RMFC reviews the SOFA to determine the separation allowance provided to the FN employees in order to determine the amount of liability to accrue. *NOTE:* The RMFC must ensure the separation allowance is accounted for and tracked separately from severance benefits provided to FN employees (refer to paragraph **6.23**).

6.24.1. The RMFC, working with HRO, computes the necessary separation allowance to accrue for each FN employee each month and establishes an accrual by debiting GLAC 707, FN Benefits, to recognize the separation allowance that the employee earned for the current month, and crediting GLAC 258, Separation Allowance Payable (Non-Current), to recognize the separation allowance liability. Shred GLAC 707 to separately recognize the FN benefits that are for separation allowances. Ensure you record the expense in the cost center code where the employee is assigned. The NAF AO adjusts fluctuations in foreign currency ratio on a quarterly basis to coincide with financial statement reporting. Quarterly adjustments ensure the accuracy and validity of the separation allowance liability accounts. When the separation allowance is payable within the next 12 months, transfer the applicable portion into GLAC 222, Separation Allowance (Current), from GLAC 258.

6.24.2. MAJCOM/SVs determine the level of funding required for each NAFI, expressed as a percentage of the total liability. Compute percentages by country, base, or NAFI. Do not establish funding levels at less than 25%. Revalidate funding levels at least annually. Increase funding to 100% when the separation allowance is payable in one year (or less). For closing bases, increase the funding level to 100% when the base is placed on the final closure list.

6.24.2.1. The NAF AO sets aside funds to pay separation allowances in the Severance Benefits Investment program. The NAF AO contacts HQ AFSVA/SVFB to establish a severance benefits investment account (Use the same SEV account established in paragraph **6.23.2.1** above). The NAF AO shreds GLAC 108, Investment Severance Benefits/Separation Allowances (Current) and GLAC 195, Investment Severance Benefits/Separation Allowances (Non-Current), to record the amount of funding set aside for separation benefits. For example, GLAC 1082 and GLAC 1952 could account for the funding set aside to pay severance liabilities established in GLAC 222 and GLAC 258.

6.25. Labor Transfers. The activity manager completes labor transfers and forwards them to the NAF AO for update to the G/L. Include the individual's name on the transfer document. The NAF AO processes labor transfers between activities by increasing or decreasing the respective payroll accounts (i.e., 701, 703, etc.) for the activities involved. Transfer the amount of the expense to cover the hourly rate of pay, differential, premium, overtime, Federal Insurance Contributions Act (FICA), and applicable benefits expense.

6.26. Withholding Allowance Certificate: At the start of employment, an employee completes TD Form W-4, **Employees Withholding Allowances Certificate**, and any other forms required for withholding state or local tax. The number of allowances claimed and the employees marital status provide the basis to compute federal income tax withholding (FITW). The TD Form W-4 serves as a source document for entry into the automated payroll system. Once filed, a TD Form W-4 remains in effect until the employee furnishes an amended certificate. Once an employee submits a new TD Form W-4, the change is effective the next pay period. Do not permit

retroactive adjustments when an employee claims a TD Form W-4 on file is erroneous and submits a corrected one. When an employee fails to provide the TD Form W-4, record the employee as single with zero allowances.

6.26.1. **Allowances Claimed.** Instructions for determining the number of allowances are found on the TD Form W-4.

6.26.2. **Exemption from FITW or 10 or More Exemptions.** An employee may claim to be exempt from income tax withholding because he or she was not liable for income tax last year and does not expect to have a liability for the current year. The employee must file a TD Form W-4 each year to claim exemption from withholding. Each quarter, the NAF AO sends with the IRS Form 941 copies of any TD Form W-4s received during the quarter from employees claiming more than 10 withholding allowances or exemption from income tax withholding. The NAF AO must be able to show that TD Forms W4 are on file as supporting records. If questioned about a TD Form W-4 after authorized destruction, contact the General Services Administration, National Personnel Records Center (Civilian Personnel Records), 111 Winnebago St, St. Louis, MO 63118, and request a citation of the employees tax status as shown on the individual pay record.

6.26.3. **Additional Withholding.** An employee who wants to increase the amount of tax withheld may reduce or eliminate the number of allowances to which he or she is entitled, or authorize an amount of additional tax to be withheld on TD Form W-4. Additionally, a married employee can request to withhold taxes at the single rate. Additional withholding remains in effect until the employee changes it. The NAF AO does not refund additional tax withheld.

6.26.4. **File of TD Forms W-4.** Maintain a current file of TD Forms W-4. As forms are superseded or become obsolete, remove them from the active file and place them in an inactive file. Purge the inactive file at the end of the calendar year, and dispose of forms according to AFIs 37-133 V1 and 37-133 V2.

6.27. Advance Payment of Earned Income Credit (EIC). Employees eligible for the EIC have the option of receiving the credit on their tax returns or as advance payments through biweekly payroll processing. Those employees file TD Form W-5, **Earned Income Payment Certificate**, with the NAF AO before the first pay period of the calendar year. Renew the TD Form W-5 annually before the first pay period paid in the calendar year.

6.28. Tax Tables and Tax Periods. The payroll system computes and withholds taxes based on processed pay data on a biweekly basis (refer to AFM 176-378).

6.29. Methods of Withholding. The Internal Revenue Code provides two methods of withholding tax: the "percentage" method and the "wage-bracket" method. Graduated withholding rates are prescribed so that withholding will approximate total tax liability. Separate schedules are provided for filing married or single. TD Form W-4 gives special formulas for computing additional exemptions required when filing as head of household, widow, or widower. Compute FITW using the schedule applicable to the employees marital status as shown on TD Form W-4. For manual tax computation use either of the following methods:

6.29.1. **Percentage Method.** Under this method, compute as instructed in the current edition of Circular E using the biweekly tables for either single or married.

6.29.2. **Wage-Bracket Tables.** The IRS prescribes FITW Tables for employees paid on a monthly, semimonthly, biweekly, weekly, and daily basis. Withhold tax on the basis of the biweekly payroll period.

6.29.2.1. For regular salary payments. compute tax by using method as stated in **6.29.1** or **6.29.2** above.

6.29.2.2. If an employee is paid for less than a full pay period, compute tax under the normal tax schedules used for the payroll period.

6.29.2.3. If an employee receives regular salary covering two payroll periods, compute tax on each period separately. This allows the employee personal exemptions for each pay period.

6.29.3. **Supplemental Salary Payments.** For tax purposes, the term includes such things as dismissal pay, retroactive wage increases or other status changes, overtime pay, cash awards, lump sum leave, severance pay, service charges paid out to employees, and similar payments. Pay supplemental salary payments with regular wages, or separately during a pay period. IRS issues tax computation rules that apply to supplemental wage payments either paid concurrently with regular wages, or separately from regular wages. The provided computation rules, however, apply only to supplemental wage payments made in the same calendar year in which regular wages were paid. A supplemental wage payment paid in a year when no wages were paid must be treated as a regular wage payment.

6.29.3.1. If regular wages subject to withholding are combined with supplemental wages in a single payment, and the amount of each is indicated, a flat 28% rate of federal income tax may be withheld on the portion of the payment representing supplemental wages. The appropriate tax tables must be applied to amounts representing regular wages. The flat 28% rate must be applied without allowing for withholding exemptions claimed by the employee. The employees federal income tax liability will be the aggregate total of tax computed on regular wages plus tax computed on supplemental wages.

6.29.3.2. If supplemental wages are combined with regular wages, and the amount of each is not specifically identified compute FITW on the total or gross amount of the combined payment by using the income tax tables included in Circular E.

6.29.3.3. If a supplemental wage payment is made between pay periods, combine the payment with the employees earnings in the following pay period. As applicable, use tax withholding procedures in **6.16.1** or **6.16.2** above.

6.29.3.4. If a supplemental wage payment was made between pay periods and the applicable employee does not have earned wages in the subsequent pay period, process the supplemental payment as regular wages. Use appropriate tax withholding procedures (refer to 6.16.2.1 above).

6.29.4. **Tax Forms.** TD forms used in connection with reporting taxable income are obtained from your nearest IRS office. All TD forms may also be ordered using IRS's toll-free number 1-800-829-3676, if accessible. At a minimum, the NAF AO should order the following forms and publications annually:

6.29.4.1. Publications:

6.29.4.1.1. 15 Circular E, Employers Tax Guide.

6.29.4.1.2. 17 Your Federal Income Tax.

6.29.4.1.3. 531 Reporting Income From Tips.

6.29.4.2. Forms:

6.29.4.2.1. W-2, **(form for manual typing only)**.

6.29.4.2.2. W2-C, **Statement of Corrected Income and Tax Amounts**.

6.29.4.2.3. W3-C, **Transmittal of Corrected Income and Tax Amounts**.

6.29.4.2.4. W-4.

6.29.4.2.5. W-5.

6.29.4.2.6. 941, **Employer's Quarterly Federal Tax Return**.

6.29.4.2.7. 941C, **Statement To Correct Information Previously Reported on the Employer's Federal Tax Return**.

6.29.4.2.8. 6559, **Transmitter Report of Magnetic Media Filing**.

6.29.4.2.9. 8027, **Employer's Annual Information Return of Tip Income and Allocated Tips (CONUS bases only including Alaska, Hawaii, and the District of Columbia)**.

6.30. Adjustments to Withheld Income Taxes:

6.30.1. **Under Collection.** If no FITW tax, or less than the correct amount of FITW tax is withheld because of a computation error, deduct the amount of the under deduction from the next salary payment. If the employee is separated, make no attempt to collect. Advise the employee that he or she may have to make an adjustment when filing his or her yearly income tax return.

6.30.2. Over Collection:

6.30.2.1. If more than the correct amount of tax is deducted because of computation error, refund the over collection to the employee within the same payroll year.

6.30.2.2. If a TD Form W-2 was released, adjustments are not required since the over collection appears on the TD Form W-2 and is available for payment of income tax or refund by the IRS.

6.31. Tax Returns and Payments. Refer to Circular E, and AFI 34-201, for detailed procedures.

6.32. TD Form W-2. This form is printed in multiple copies to provide employees a means of reporting to Federal and other taxing authorities as required. The IRS requires employers to distribute TD Form W-2s on or before 31 January. For Continental United States (CONUS) and overseas bases using the automated payroll system, the Defense Finance and Accounting Service, Denver, (DFAS-DE) prints and distributes the W-2s. Bases can request W2 self-mailer forms through their Publication Distribution Office (PDO) to be used as a back-up to the DFAS-DE W2 form. Self-mailers are subject to revision each year and must be ordered by September through the base PDO.

6.32.1. The NAF AO manually prepares W-2s upon request by an employee, within 30 days after separation or transfer from the jurisdiction of the servicing payroll office during a payroll year.

6.32.2. The NAF AO informs active employees of the necessity of providing current home addresses to the payroll office to ensure individual W-2s are received in a timely manner and of the importance of safeguarding these forms for their personal records. The NAF AO provides separating employees the payroll office point of contact, address, and phone number and advises employees to forward change of addresses no later than 1 December to ensure timely receipt of W2s. Employees should be informed that the NAF AO will accept a relative's address.

6.32.3. The NAF AO retains returned TD Form W-2s which were sent to the last known address of a separated employee for 4 years according to AFIs 37-133 V1 and 37-133 V2.

6.32.4. Amended or Duplicate Statements:

6.32.4.1. If it is necessary to correct a TD Form W-2 after delivery to the employee, clearly mark the new TD Form W-2 "Corrected by Employer". Distribute copies as in **6.32.1**, **6.32.2**, and **6.32.3** above.

6.32.4.2. If the employee loses the copies of TD Form W-2, furnish substitute copies marked "Reissued by Employer."

6.32.4.3. Obtain information concerning tax withholding matters of inactive bases or retired employees records from the FRC.

6.33. Withholding in Overseas Areas. NAFI employees who are US citizens in areas outside the US are subject to all Federal taxes (FITW, FICA, and Medicare) the same as those employed in the United States.

6.34. Withholding From Nonresident Aliens in the United States:

6.34.1. **Nonresidents and Noncitizens.** IRS Publication 519, US Tax Guide for Aliens, prescribes the applicable tax rate for nonresident alien employees in the United States and its possessions.

6.34.2. **Determination of Status.** Obtain written statements or other proof from the employees to determine their tax withholding status. File these documents separately using the same filing system as for the TD Form W-4 for other employees.

6.35. Withholding From Resident Aliens. Permanent resident aliens are subject to withholding under the same rules that apply to United States citizens whether they perform their services in the United States or outside the United States.

6.36. Local and State Government Reports. Follow local and state government directives. Instead of reporting state and payroll taxes separately for each NAFI, the NAF AO files a single tax return for all NAFIs.

6.37. Foreign Payroll Deductions:

6.37.1. The NAF AO withholds taxes and deductions from the payroll of FNs (local indigenous or foreign aliens) as provided in international agreements or arrangements. Do not make foreign payroll deductions from the pay of United States citizens.

6.37.2. Generally, the amounts withheld, remittance, and documentation are based on the requirements imposed upon employers by the foreign government.

6.38. Federal Payroll Taxes. The law requires employers to withhold FITW, FICA taxes, and Medicare taxes from employees' pay. In addition, employers must contribute an amount equal to employees' FICA and Medicare deductions. The NAF AO may use tax schedules published in Circular E to compute these taxes.

6.38.1. **Withholding Agents.** NAF AOs are designated agents to withhold FICA, Medicare, FITW, and approved state, territorial, and FN income tax from earnings of employees on their payrolls. All employees for whom an AO maintains pay records are considered under the same employer for federal payroll tax purposes.

6.38.2. **Employees Subject to Federal Payroll Taxes.** All NAF employees are liable for federal taxes except nonresident aliens and third country nationals working outside the United States. Obtain the employees social security number from AF Form 2545 or TD Form W-4. Employees without a social security number should apply for one immediately. All new hires must furnish a signed, completed TD Form W-4 to their employer when they start work. Ensure you follow IRS rules when determining if an individual is a NAF employee versus a contractor.

6.38.3. **Compensation Subject to Federal Taxes.** For employees covered under the Social Security Act, compensation subject to Federal income tax is subject to FICA and Medicare deductions.

6.38.3.1. **Federal and State Taxable Wage Base.** The NAF AO advises employees of the various tax treatments on various pay and deduction amounts which could affect FITW and state income tax withholding (SITW). The FITW and SITW wage bases are equal to gross pay plus taxable tips less the sum of pretax health insurance, 401(k) deductions, charge tips, and nonforeign cost of living allowance (COLA) (if any).

6.38.3.2. **FICA and Medicare Taxable Wage Base.** FICA and Medicare taxes are computed on gross pay plus taxable tips less the sum of pretax health insurance and charge tips.

6.38.3.3. **Tips.** Tips are subject to all Federal payroll taxes and state taxes and the employee must report tips received to the employer each pay period. Refer to the current IRS Circular E for treatment of employee tips and other compensation. Reported tips are accumulated in the NAFMIS payroll system and recorded on the employee's W2 in the Social Security Tips box. Employers should inform tipped employees that the Social Security Administration (SSA) will use the tips they report when computing future social security benefits.

6.38.3.4. **Tax Withholding on Foreign Allowances and Differentials.** In areas outside the United States, the gross amount on which federal payroll taxes are computed includes the Canal Zone tropical differential and foreign post differentials. As of 1991, FICA tax withholding is prohibited on foreign area allowances such as living quarters allowance, temporary lodging allowance, post allowance, supplemental post allowance, separate maintenance allowance, official residence expenses and nonforeign cost-of-living allowance payable to nonforeign areas including Alaska and Hawaii. The NAF AO must ensure foreign allowances are not processed as wages through the payroll.

6.38.4. **FICA Wage Maximums.** New legislation normally increases the FICA taxable wage base each year. Employee deductions and employer contributions are discontinued when the employee's cumulative FICA wage for the year exceeds the maximum amount. The new maximum is highlighted in the Circular E each year.

6.38.4.1. **FICA Refunds.** Where an individual is employed by more than one employer during the calendar year and combined cumulative wages and taxes exceed the maximums established for that year, a refund of excess FICA and or Medicare tax can be claimed when filing IRS Form 1040. No refund is provided for an employer's contributions.

6.38.4.2. **FICA Adjustments.** The NAF AO processes over or undercollection of employee(er) FICA and Medicare taxes through the automated pay system. Identify and correct errors during the same quarter the error occurred. Over or under collections processed in a subsequent quarter during the same calendar year are also adjusted on IRS Form 941. Do not process over or under collections from a prior calendar year through the automated pay system. Prepare a corrected TD Form W2-C and provide the employee their copy. Forward Copy A to your regional SSA office along with a TD Form W3-C for the total of all the TD Form W2-Cs. Be sure to reflect the adjustments on the NAF FICA Report (AVAP4Q) and IRS Form 941 for the 4th quarter, else file an IRS form 941-C. Refer to AFM 176-378 for specific guidance. When an employee's salary is included erroneously after maximum FICA wages have been reached, and the error is not discovered until after the IRS Form 941 has been submitted for the quarter, refund the amount of FICA overcollected from the employee. Include an adjustment on IRS Form 941 for the quarter in which the adjustment is made.

6.39. Quarterly and Annual Reports. Circular E provides the reporting requirements for FICA tax and Federal income tax.

6.39.1. **Quarterly Reports.** File IRS Form 941 by the 30th calendar day following the end of the quarter. Use the NAFMIS listing, NAF FICA Report (AVAP4J), to complete this form.

6.39.2. **Annual Reports.** Bases with a manual payroll must file copy A of TD Form W-2s, supported by a TD Form W-3, **Reconciliation of Income and Tax Withheld From Wages**, by 28 February.

6.39.3. **Annual Magnetic Tape Reporting.** For magnetic tape reporting of TD Form W-2 information, follow established transmittal procedures in TIB-4a, Magnetic Tape Reporting, to submit wage and tax data to Federal and state agencies. Obtain the current TIB-4a from your regional SSA magnetic media coordinator. A revised publication is issued in August of each year.

6.39.3.1. **Federal Magnetic Tape Reporting.** The NAFMIS payroll system produces the AVAS4T magnetic W2 tape at year end which complies with tape specifications outlined in TIB4-A. Enclose a completed IRS Form 6559, Transmitter Report and Summary of Magnetic Media, with SSA's magnetic media shipment. Do not file paper copy TD Form W2s when filing via magnetic media.

6.39.3.2. **State Magnetic Tape Reporting.** Some states follow federal guidelines outlined in TIB-4 for reporting state wages and taxes on magnetic tape. In accordance

with TIB-4, the magnetic W2 tape produced by the NAFMIS payroll system includes a special "S" record for each employee with state wages and taxes. Contact your state for procedures on filing TD Form W2s via magnetic tape in lieu of paper copy or listing.

6.40. Annual Wage and Tax Reconciliations. Prior to filing IRS Form 941 for the 4th quarter, reconcile quarterly totals from IRS Form 941s to annual totals reflected on the IRS Summary Totals Listing, AVAP4Q and ensure cumulative wages and taxes are balanced. Refer to AFM 176-378 for specific guidance.

6.41. US Savings Bonds. The Air Force encourages purchase of US Savings Bonds through the payroll savings plan. Personal advantages of the plan are publicized from time to time.

6.41.1. **Bond Documentation.** Maintain a record of employees' bond deductions and purchases on the IPR. Do not use a subsidiary bond record.

6.41.2. **Employee Authorization for Bond Deduction.** Employees must complete the appropriate standard forms to authorize payroll deductions; change a deduction, bond denomination, bond ownership, or address; or to discontinue a deduction. Employees complete a separate form for each bond.

6.41.3. **Federal Reserve Bank (FRB) of Richmond Savings Bond Program.** The FRB - Richmond offers a means of issuing savings bonds to employees if the local financial institution discontinues this service. Information can be obtained by calling commercial (804) 697-8378 and asking for the PC Diskette Program.

6.42. Other Authorized Deductions.

6.42.1. **Types.** In addition to the deductions for which procedures have been previously prescribed, deductions are authorized for:

6.42.1.1. Meals, quarters, and utility charges.

6.42.1.2. Witness and jury fees.

6.42.1.3. Federal tax levies (refer to the note in paragraph **6.42.1.13**).

6.42.1.4. Lump sum leave refunds.

6.42.1.5. Unearned leave refunds.

6.42.1.6. Allotments union dues or other employee organizations' dues.

6.42.1.7. Allotments for charitable contributions to Combined Federal Campaign (CFC) as requested by the employee.

6.42.1.8. Allotments to financial organizations (banks, credit unions, etc.) as requested by the employee.

6.42.1.9. Allotments for alimony and child support as requested by other than variable schedule (VS) employees.

6.42.1.10. Garnishment for child support or alimony or other indebtednesses (refer to AFI 34-202) (refer to the note in paragraph **6.42.1.13**).

6.42.1.11. Collection of indebtedness to NAFIs (refer to AFI 34-202) including:

6.42.1.11.1. Travel advance refunds.

6.42.1.11.2. Collection of hospital charges incurred in relation to employment.

6.42.1.11.3. Miscellaneous authorized deductions, including indebtedness to the employing NAFI and indebtedness administratively determined under AFI 34-202.

6.42.1.12. As ordered by a Federal bankruptcy court to pay all or any part of income due the employee to a trustee under PL 95-598 (11 U.S.C. 1101, and following) (refer to the note in paragraph **6.42.1.13**).

6.42.1.13. Judgments levied by United States Federal Court under Section 124 of PL 97-276. ***NOTE:*** Forward to HQ AFSVA/SVL, (Telephone 210-652-7051, DSN 487-7051). Service of process shall not be accomplished until HQ AFSVA/SVL has been properly served. For garnishments for child support or alimony or other indebtednesses, refer to AFI 34-202.

6.42.1.14. Voluntary allotment by the employee to pay IRS back taxes.

6.42.2. **Priority of Deductions.** When there is insufficient gross pay to deduct all authorized amounts, the automated pay system follows the order of withholding precedence for deductions as outlined in Title 6--Pay, Leave, and Allowances, of the *GAO Policy and Procedures Manual for Guidance of Federal Agencies.*

6.43. Supporting Statement for Voluntary Deductions. When a voluntary payroll deduction is taken, the employee must sign a statement authorizing the deduction. The NAF AO retains all signed authorizations in the employee's payroll file.

6.44. Net Pay to Financial Institutions. When an employee requests deposit of net pay directly in a financial institution, the NAF AO payroll technician establishes documentation as required by the institution (for automated installations, refer to AFM 176-378). In all cases, be certain that all requirements of the financial institution, pertaining to the acceptance of checks, are satisfied before starting this program.

6.45. Tip Reporting and Allocation. Public Law 97-248 enacted the tip allocation as a means of estimating tip income for tipped employees for tax purposes. Tip allocation requires large employers (such as the Officers' Club, Enlisted Club, and Golf Course) located in one of the 50 states and the District of Columbia to allocate an amount to each employee equal to the difference between reported tips and 8% of the individual's share of the gross food and beverage sales. Review AFM 176-378 for detailed instructions.

6.45.1. **Tip Reporting.** Within the Air Force, all tipped employees must record all tips (cash and charge) on a daily basis using IRS Form 4070A, **Employees Daily Record of Tips**, or a similar form as long as employees receive hard copies for their personal financial records. A tipped employee is one who customarily receives more than $9 tips each pay period. At the end of the pay period, employees consolidate cash and charge tips received, as documented on their copies of IRS Form 4070A, and complete IRS Form 4070, **Employees Report of Tips to Employer**. The employee signs IRS Form 4070 and turns in the completed form to the NAFI timekeeper at the end of the pay period. The activity requires negative reports from employees. Record nontip hours for time spent working a special function(s) or in a nontipped environment in applicable employees' timecards.

6.45.2. **Computing and Reporting Allocated Tips.** The NAF AO maintains a list of all directly tipped employees by payday to include employee name, social security number,

hours worked in a tipped environment, actual taxable tips reported, and any indirect tips paid out for the calendar year. Compute and report allocated tips to employees according to AFM 176-378. Complete IRS Form 8027, **Employees Annual Information Return of Tip Income and Allocated Tips**, based on the tip allocation. Forward the 8027 to the IRS no later than 28 February annually.

6.45.3. **Reducing Tip Allocation.** Employers and employees can apply to the IRS District Director of the district in which the employers food and beverage establishment is located to have the required 8% allocation of gross receipts reduced (not below 2%). The District Director determines the best estimate to be applied against gross receipts.

6.46. Service Charges. Service charges represent amounts shown on party contracts as the additional fee a customer pays for services provided by club management and employees at a special function. The membership flight chief prepares an operating instruction (OI) which stipulates the service charges applied to party contracts. The OI establishes the amount of the service charge (all, part, or none) that the activity distributes between the employees who worked the party. Service charges paid to employees are not tips, and are treated as supplemental wage payments and processed as earnings in the payroll system. Refer to AFM 176-378 for specific guidance.

6.47. Group Health and Life Insurance. When an employee's pay is insufficient to cover insurance contributions or the employee is in a leave without pay (LWOP) status, the NAFMIS payroll system automatically charges the insufficient or unpaid employee amount to the employing NAFI. It is the employing NAFI's responsibility to collect reimbursement from the employee. Refer to AFM 176-378 for guidance. If the employee does not reimburse the NAFI by the end of the pay period following the pay period in which the insufficiency occurred, it is the responsibility of the NAF AO to contact the HRO for cancellation of the employee's insurance coverage. Collect any unreimbursed employee contributions from the employee in accordance with AFI 34-202. Make corrections to contributions through adjustments according to AFM 176-378. Do not make manual adjustments to payments made to HQ AFSVA/SVXBI.

6.48. Workers' Compensation Program. Refer to AFI 34-308 for NAF AO responsibilities with regard to workers' compensation matters.

6.48.1. **Benefits.** Employees receiving workers' compensation benefits do not receive wages unless the workers' compensation benefit is for temporary partial disability or permanent partial disability.

6.48.2. **Withholding.** Do not process workers' compensation benefits through the payroll since that benefit is not subject to withholding tax. Reverse wages and taxes from an employee's master record for any period in which leave was taken and, due to the duration or subsequent classification of the injury, the period was deemed covered and payable under the Workers' Compensation Program.

6.48.3. **Supplemental Leave.** An injured employee entitled to workers' compensation benefits may choose to take supplemental leave while receiving workers' compensation benefits. Total combined compensation received cannot exceed average weekly wages (refer to AFI 34-308). The supplemental leave payment is subject to tax withholdings. While receiving workers' compensation, an employee is in a nonpay status and does not earn leave. Refer to AFM 176-378 for detailed instructions.

6.49. SF 1150. The NAF AO receives the SF 1150 from the HRO. The payroll office completes this form for all terminating regular employees including those transferring to another base, and those changed from regular to flexible. Record the balance of sick leave and annual leave hours and annotate any lump sum leave paid and the hourly rate at which it was paid. In addition, record any family medical leave taken in the past 12 month period. Retain a copy of the SF 1150 in the payroll file. Return completed SF 1150 to the HRO.

Chapter 7

PROPERTY

7.1. When to Capitalize NAF Fixed Assets. When capitalizing NAF fixed assets, include all related expenses such as freight, installation charges, and initial training costs, net of any discounts.

7.1.1. The cost and estimated useful life of furniture, equipment, and property determines whether the NAF AO posts the item in an asset or expense account (refer to **Table 7.1**).

7.1.2. Where the activity manager and RMFC determine that the useful life may be shorter than listed in the table, due to type of use, etc., annotate the documentation. For expendable items refer to paragraph **7.16**

7.1.3. Other type assets used in the activity are recorded (for control purposes) with a zero dollar value (see AFI 34-204).

7.2. Construction-In-Progress. Construction-in-progress includes all costs attributable to an ongoing construction project to include costs of new buildings, renovations of existing buildings, and fixed assets purchased as part of the project.

7.2.1. The NAF AO assigns a separate third digit shred to the Construction-in-Progress general ledger account (GLAC 185) for each ongoing project.

7.2.2. The NAF AO maintains a separate subsidiary folder for each project. The subsidiary contains copies of all accounting related documents pertaining to the project (contract, modifications, budget approvals, copies of paid invoices, receiving reports, etc.). In addition to the detailed supporting documents, the subsidiary must contain a construction summary which lists the financial transactions relating to the project. As a minimum, the summary should list each payment, payment date, amount, and the purpose of the payment (construction, equipment, bulk purchases, supplies). The NAF AO must reconcile the subsidiary to the general ledger monthly. This summary and the back-up documents are used at the end of the project to remove items from the Construction-in-Progress account to the respective general ledger account codes

7.2.3. When starting a new renovation, the NAF AO reviews the property list of the respective activity to identify previous renovations in the same activity. The RMFC, working with the activity manager, determines which previous renovations will be substantially changed by the new renovation. If the renovation description on the property list is unclear, the RMFC makes the final determination or changes the property description to include more descriptive information to better identify the renovation area. The RMFC writes-off the undepreciated value of a previous renovation when the new renovation substantially changes the previous one, The undepreciated value is written-off to the Gain/Loss on Disposal of Assets accounts in the benefiting activity (GLAC 913 or 813). See paragraph **7.14** for information on disposal documentation.

7.2.4. During a construction or renovation project for NAF facilities or facility improvements, the NAF AO posts payments for the project to the applicable Construction-in-Progress account. This includes project payments for contract progress payments, design costs, needs assessments, purchases of equipment items which are part of the project, and

purchases of supplies which the activity will not use until the project is complete. The NAF AO posts amounts based on documentation supporting the contract completion. When contractors base progress payments on a percentage of completion clause, post the amount due, or paid, into construction-in-progress.

7.2.5. When the base takes beneficial occupancy of the building, the project is considered complete and the amounts in the Construction-in-Progress account must be moved to the appropriate asset and expense accounts. The beneficial occupancy date is when the program/function for which the facility/project was intended is operating and/or open to customers. There may be some items that require additional work, but, unless these prevent the use of the facility, the project is considered 100 percent construction complete.

7.2.5.1. The SV deputy notifies the NAF AO, in writing, as soon as a project reaches the beneficial occupancy date using the guidance in AFI 34-105, Programming for NAF Facility Requirements.

7.2.5.2. Upon receipt of the memo, the NAF AO moves the project costs from the Construction-in-Progress account to the proper asset or expense accounts within 30 days of the beneficial occupancy date.

7.2.5.2.1. If you are capturing equipment cost in construction-in-progress until the activity puts the equipment in use, record each equipment item, individually, in the fixed-asset equipment account if it qualifies to be capitalized.

7.2.5.2.2. Post the total cost of the project, except for equipment, expendable items, and supply items, into the applicable Fixed-Asset--Facilities and Renovations GLAC.

7.2.5.2.3. . The RMFC and civil engineers (CE) establish the facility depreciation periods according to **Table 7.2** Submit completion report as required by AFI 34-201.

7.2.5.3. The RMFC must certify that the project is correctly transferred out of the Construction-in-Progress account and recorded into the appropriate asset and expense accounts. The RMFC provides a certification memo and a copy of the general journal detail listing showing the transfer of the entries from the Construction-in-Progress account to the appropriate accounts to the Services deputy.

7.2.6. The Services deputy also notifies the NAF AO, in writing, when a project is canceled or put on indefinite hold. Once notified that a project is canceled or put on indefinite hold, the NAF AO must remove any project costs from the Construction-in-Progress account within 30 days of the written notification. These costs are normally design costs or needs assessment costs. The amount is expensed directly to the Gain/Loss on Disposal of Assets account in the benefiting activity. The RMFC must follow the guidance in paragraph **7.2.5.3** also.

7.2.7. Many times when a project reaches the beneficial occupancy date, the NAF AO has not received all final bills. Do no delay removing the project from the Construction-in-Progress account because all bills have not been received. If the final invoice is received within three months of the initial set-up of the project (the time the project was moved to asset and expense accounts), delete the original asset from the financial reports and re-establish the asset with the new dollar value. If the final invoice is received after 3 months, record the transactions under the same asset number and assign a suffix to identify the new

entry with the original property item. For example, if the original property number is 10010, assign 10010A, B, etc. for final invoices received after three months.

7.3. Fixed Assets-APF Titled. The activity manager, working with the logistics manager, may transfer NAF procured property or facilities to APF for maintenance when allowed by AFIs 34-201 and 65-106. The NAF AO posts these items in the NAF property records and general ledger as Fixed Assets-APF titled (signifies government title). Depreciate them according to **Table 7.2** Include the following footnote in the balance sheet: "The title of real property financed with nonappropriated funds and reported hereon is vested in the United States Government. See AFI 34-204 to determine what assets are to be recorded on the Master Fixed Asset Listing (MFAL).

7.4. Live Stock. Value horses at their purchase price plus transportation and other incidental costs of taking possession. The useful life guidelines recommended for all stallions, geldings, and mares regardless of breed is 16 years (through the 15th year of age). Depreciate according to **Table 7.2** Record any foals produced by breeding as property. Accumulate all costs associated with the pregnancy and birth of foals. If the aggregate cost of a successful birth reaches $1,000 or more, capitalize the foal and depreciate according to **Table 7.2** If the aggregate cost of a successful birth is under $1,000, expense to the applicable CCC. In this instance, record the foal on the property records with a zero book value for accountability purposes. In the case of unsuccessful births, expense all related costs.

7.5. Grants. When the base receives grant funds to acquire fixed assets, facilities, livestock, etc., refer to paragraph **8.18**

7.6. Donations. The receiving manager, working with the logistics manager, prepares AF Form 2534, **NAF Property Disposal/Transfer Receipt**, to accept a fixed asset donation. The NAF AO depreciates donations of fixed assets according to **Table 7.2** if the donation has a value of $1,000 or more and a useful life of two or more years. Refer to AFI 34-201 for donation approval levels.

7.7. Non-reimbursable Transfers. Record property items received from, or transferred to, another Air Force NAFI as a transfer of equity. The NAF AO uses the fair market value of the items transferred as the acquisition price of the transferred equity. Capitalize items transferred with a value of $1,000 or more, including all transportation, training, or related charges. These items must have a useful life of two years or more. Depreciate the asset according to **Table 7.2** Expense those items valued at less than $1,000 to the applicable receiving activity and those items with a useful life of less than two years. Refer to AFI 34-201 for additional guidance concerning inter- and intra-NAFI transfers.

7.8. General Services Administration (GSA) Seized Property. The activity may incur NAF costs to acquire GSA seized property, however the NAFI does not have title and control of this property.

7.8.1. If it meets the criteria in AFI 34-209 and **Table 7.1**, the NAF AO capitalizes the property as Fixed Assets-APF (GLAC 183).

7.8.1.1. Depreciate it to the activity receiving the benefit of the property.

7.8.1.2. Value the property at zero plus NAF costs to acquire the property (such as repair costs, transportation costs, storage fees, and so forth).

7.8.1.3. Use **Table 7.2** to determine the useful life.

NOTE: Reclassify GSA seized property recorded as fixed assets-NAF (GLAC 181) to fixed assets-APF-(GLAC 183).

7.8.2. The NAFI cannot sell or trade GSA seized property. Activity managers follow AFIs 34-201 and 34-204 when the property becomes unserviceable or when they no longer need the property.

7.8.2.1. HQ AFSVA/CC approves requests to turn in GSA seized property to DRMO.

7.8.2.2. Once approved, the activity manager turns it into DRMO.

7.8.2.3. The NAF AO uses the procedures in paragraph **7.14** to post the disposition.

7.9. DRMO Property. The activity may incur NAF costs to acquire DRMO property, however the NAFI does not have title and control of this property.

7.9.1. If it meets the criteria in AFI 34-209 and **Table 7.1**, the NAF AO capitalizes the property as Fixed Assets-APF (GLAC 183).

7.9.1.1. Depreciate it to the activity receiving the benefit of the property.

7.9.1.2. Value the property at zero plus NAF costs to acquire the property (such as repair costs, transportation costs, storage fees, and so forth).

7.9.1.3. Use **Table 7.2** to determine the useful life.

7.9.1.4. If the acquisition does not meet the criteria in AFI 34-209, expense the acquisition costs to the applicable activity.

7.9.2. The activity manager, working with the logistics manager, must mark all DRMO property to distinguish it from NAFI owned (titled) property. Refer to AFI 34-204 to account for DRMO property.

7.10. Leases:

7.10.1. 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 lessee records a capital lease as an asset (GLAC 188). The lessee amortizes the leases in a manner similar to depreciating assets. The period of amortization may vary. Amortize a capital lease over the life of the asset if:

7.10.1.1. The lease transfers ownership to the lessee at the end of the lease term, or the lease contains a purchase option. A purchase option in the lease agreement allows the lessee to purchase the leased property at the end of the lease for a price that is predetermined by amount or method of calculation.

7.10.1.2. The lease is $1,000 or more with a useful life of 2 years or more.

7.10.2. Central NAF Capital Lease Program. The following policies apply.

7.10.2.1. NAFIs will not obtain cash loans, deferred time payments, lines of credit, or capital leases from commercial or other non-Air Force sources without prior approval of HQ USAF/ILV.

7.10.2.2. This program will be operated through the Air Force Financial Management Fund (AFFMF).

7.10.2.3. All leases under this program will be established with a lease payment of both principal and interest (interest factor subject to change quarterly – Oct, Jan, Apr, and Jul equal to the interest the AFFMF would have earned on invested monies).

7.10.2.4. All leases will be for the estimated useful life of the leased property as the ownership of the asset will be transferred from the AFFMF to the applicable base NAFI once the asset is purchased.

7.10.2.5. Leases from the AFFMF are solely for equipment items; all facility acquisitions must be processed through the Air Force Base Capital Improvement Fund (AFBCIF).

7.10.2.6. HQ AFSVA/SVF will establish lease terms for repayment terms consistent with GAAP.

7.10.2.6.1. If the base cannot meet the monthly payment, the MAJCOM successor fund will be responsible for payment. If neither can fund, ownership of the asset will revert to the AFFMF and the custodian will determine appropriate disposition.

7.10.2.7. Monthly lease payments will be made through CMIP, Cash Transfer (CT).

7.10.2.8. To obtain approval for a central NAF capital lease:

7.10.2.8.1. The NAFI must budget for the lease of the capital asset to ensure cash flow will sustain the monthly payments. The installation NAFs Council and installation commander must approve the lease request. Budget of this expense is through the Income and Expense Budget.

7.10.2.8.2. The installation commander receiving the lease request takes one of the following actions:

7.10.2.8.2.1. Approves submission of the request if it is determined to be valid, forwards the request to the MAJCOM/SV to HQ AFSVA/SVF, and funds payments from available local NAFI resources.

7.10.2.8.2.2. Disapproves submission of the request in whole or in part and returns it to the initiator through channels.

7.10.2.8.3. The installation commander submits the request in writing with a description of the requirement, justification, funding source, indication of the NAF Council's support, and any additional information that supports the request.

7.10.2.8.4. The MAJCOM/SV will ensure support or non-support for the request from the MAJCOM/CC or designee, and will forward supported lease requests to HQ AFSVA/SVF and return those not supported to the requesting bases.

7.10.2.8.5. HQ AFSVA/SVF will validate the request seeking input from Agency functional representatives. If valid, the request will be forwarded to HQ USAF/ILV for decision through AFSVA/CC.

7.10.2.8.6. If approved by HQ USAF/ILV, the asset will be purchased by AFNAFPO for the AFFMF with delivery instructions to the requesting base.

7.10.2.8.7. Once the base receives the asset, AFSVA will begin to withdraw payment of principal and interest through CMIP. Amounts collected will be deposited in the AFFMF.

7.10.3. An operating lease does not meet the criteria of a capital lease as listed above. The NAF AO posts the cost of an operating lease as rental expense (GLAC 793) using the appropriate cost center code when payment is made. Make payments in accordance with the rental agreement.

7.10.4. Treat capital leases not covered in paragraph **7.10.2** as operating leases. Record rental expense (GLAC 793) to the applicable cost center over the life of the lease agreement.

7.11. Repair of Fixed Assets. The NAF AO expenses to the applicable cost center any repair costs of fixed assets that do not meet the criteria for capitalization in AFI 34-209. The procedures for capitalizing repairs of fixed assets contained in AFI 34-209 apply to repairs of NAF-purchased fixed assets, seized equipment (for example, aircraft and boats), leased aircraft, DRMO-obtained equipment, and APF equipment bought for Category C activities before 1 Oct 90 that is still in our facilities and is serviceable. Record repair costs of APF-titled equipment in Category C activities (for the equipment that was bought before 1 Oct 90) as a new asset when it meets the criteria in AFI 34-209.

7.12. Depreciation. Refer to the guidance in AFI 34-209. Depreciation accounting distributes the cost or other basic value of tangible capital assets over the estimated useful life of such assets in a systematic and rational manner. Accounting for depreciation as an expense is an integral part of the accrual basis of accounting. Accordingly, all capitalized assets paid for with NAFs are depreciated over the expected useful lives of such assets.

7.12.1. The NAF AO computes depreciation by item on a straight-line basis beginning the first month after receipt and continuing through the month of disposal or month of 100% depreciation, unless a salvage value is established (refer to paragraph **7.12.3**).

7.12.2. The NAF AO computes depreciation based on the cost of assets. Charge depreciation expense to the CCC where the property is located. Assign periods of projected life based on minimum, midpoint, and maximum ranges in **Table 7.2** Although the procedure for assignment of these periods is the same for both new, used, or repaired property, the life expectancy of used or repaired property shall not normally be greater than the midpoint shown in the table. Establish the periods based on the expected useful life as shown in the examples below. Do not change the periods of projected life during the accounting year. The number of periods may be changed at the beginning of a FY if enough evidence exists to show that the life expectancy has changed. Do not make these changes retroactively.

7.12.2.1. Establish depreciation periods in increments of 12-month periods.

7.12.2.2. Charge depreciation to the cost center where the property is actually located.

7.12.2.3. In a lodging fund, distribute depreciation based on the designation of the facility where the property is located.

7.12.2.4. Do not charge depreciation to a NAFI's or activity's administrative cost center code except when it meets the criteria in AFI 34-209.

7.12.3. Except for aircraft, DRMO or Air Force Nonappropriated Fund Purchasing Office (AFNAFPO) (Directorate of NAF Purchasing, Purchasing and Management Support Division (HQ AFSVA/SVCK)) assesses salvage value. The NAF AO uses the salvage value, when established, to determine the depreciable value.

7.12.3.1. **Aircraft.** The aero club manager uses a current aircraft price guide to determine salvage value for aircraft. The Recreation and Business Branch (HQ AFSVA/SVPAR) determines the price guide that the aero club manager will use.

7.13. Trade-In of Assets. The SV commander or director approves trade-in of fixed assets. Do not trade-in assets transferred to APF records. Refer to AFI 34-209 for additional guidance.

7.14. Disposition of Assets. The accounting procedures for disposing of NAF property contained in AFI 34-209 apply to all assets including those acquired by transfer or donation (unless there is an exception stated in this chapter). See AFI 34-204 for detailed instructions to be followed when disposing of assets.

7.14.1. Upon receipt of the AF Form 2534, the NAF AO posts the disposition in the property subsidiaries and general ledger records.

7.15. NAF Fixed Assets Inventory. As a minimum, activities must conduct a physical inventory of NAF fixed assets at least once during each fiscal year. Personnel from activities, other than the activity being inventoried, observe activity personnel as they take the impartial physical inventory. See AFI 34-204 for fixed asset inventory requirements, procedures and individual responsibilities.

7.16. Acquisition of Expendable Items: The activity marks expendable equipment items for identification of ownership.

7.16.1. **High Value Items:**

7.16.1.1. **Quantity Expendable (Bulk) Purchases.** To qualify as quantity expendable (bulk) equipment items, the purchase must meet the following criteria:

- Each equipment item in the bulk purchase must cost below $1,000.
- Each equipment item in the bulk purchase must have a useful life of two years or more.
- The entire bulk purchase must have a collective value of $2,000 or more.
- The bulk purchase is made up of like equipment items.

7.16.1.1.1. The following types of equipment items qualify as quantity expendable (bulk) purchases of equipment (if they meet the criteria in **7.16.1.1**):

7.16.1.1.1.1. Televisions, microwaves.

7.16.1.1.1.2. Tables, chairs, bar stools.

7.16.1.1.1.3. Mattresses, box springs.

7.16.1.1.1.4. Curtains, drapes, and carpets.

7.16.1.1.1.5. Other similar expendable equipment items

7.16.1.1.2. The NAF AO:

7.16.1.1.2.1. Posts the full acquisition cost to Non-Current Assets-Quantity Expendable (Bulk) Equipment items (GLAC 171).

7.16.1.1.2.2. Posts monthly amortization expense (GLAC 796, 797, 798, or 799)

in the operating statement to the benefiting CCC.

7.16.1.1.2.3. Amortizes these items according to **Table 7.2** for small or light assets. *EXCEPTION:* If the activity manager determines that the useful life is lower than that table, use the lower useful life. *NOTE*: If the activity manager determines that the useful life is under two years then you record the bulk purchase as an expense (or in a prepaid asset account). Refer to paragraph 7.16.3.

7.16.1.1.2.4. Begins amortizing these purchases in the month following receipt of the purchase.

7.16.1.1.2.5. Bulk purchased items will remain on property subsidiary until disposed of.

7.16.1.2. Volume Purchases of High Value Supplies. SV may treat certain types of bulk purchases as volume purchases of high value supply items. These items do not qualify for the procedures in paragraph **7.16.1.1** Each supply item in the bulk purchase must have a useful life of three months or more. The RMFC, working with the SV commander or division chief, sets a policy to determine the dollar value for high value supplies purchased in volume. (see AFI 34-204)

7.16.1.2.1. The following supply-type items qualify as bulk purchases of high value supplies (if they meet the criteria in paragraph **7.16.1.2**):

7.16.1.2.1.1. Stainless steelware.

7.16.1.2.1.2. Glassware.

7.16.1.2.1.3. Linens.

7.16.1.2.1.4. Glass coffee pots/servers.

7.16.1.2.1.5. Irons and ironing boards.

7.16.1.2.1.6. Bowling pins.

7.16.1.2.1.7. Other similar supply-type items.

7.16.1.2.2. The NAF AO:

7.16.1.2.2.1. Posts the acquisition costs to short-term/long-term prepaid expenses (GLAC 130/194). Items may be prorated for a maximum of three years (one year short-term and two years long-term). Do not exceed the life of the items in the volume purchase.

7.16.1.2.2.2. Posts monthly supply expense (GLAC 720) in the operating statement to the benefiting cost center (CCC).

7.16.1.2.2.3. Establishes a minimum proration of $200 or above, but do not prorate over a period that is less than 3 months, or greater than the life of the item.

7.16.2. **Small Value Items.** Other expendable items are defined as small purchases of towels, handcloths, linens, kitchen utensils, guest checks, accounts receivable statements, expendable equipment) etc.. The NAF AO posts the acquisition cost to short-term/long-term prepaid expenses (GLAC 130/194). You may prorate these for up to 2 years (1 year short-term and 1 year long-term). Do not exceed the life of the supply. Post monthly supply

expense (GLAC 720) in the benefiting cost center. The RMFC, working with the SV commander or director, establishes a local policy on when an activity uses the prepaid asset account and when the activity directly expenses the purchase. When determining whether you should post an item in the prepaid expense account, consider such factors as the amount of revenue earned by the NAFI and the materiality of the purchase to the NAFI. Apply this policy consistently from one accounting period to the next. Do not base your decision on the current financial condition of the activity. To ensure only material purchases are treated as prepaid expenses, establish a minimum proration per month of $75 or above but do not prorate the expense over a period that is greater than the life of the item.

7.17. Reserved.

7.18. Aero Clubs. Do not set up accruals for major renovations or engine overhauls to be performed in the future.

7.18.1. Aircraft Capital Improvements. The NAF AO sets up capital improvements made to an aircraft in the fixed asset system as a repair. The repair should include adequate descriptions, serial numbers etc. to enable identification of the improvement. The fixed asset system will separately identify the addition to the original aircraft as part of that aircraft but will identify it separately.

7.19. NAF Labor Costs Incurred During Self-Help Renovation Projects:

7.19.1. Capitalizing NAF labor as part of the total project cost for self-help renovation projects must meet the following criteria:

7.19.1.1. The total NAF funds spent on the project (including NAF labor) must be $1,000 or more and the construction/renovation must have a useful life of 2 years or more. HQ AFSVA/SVXF approves, in writing, requests to complete self-help projects with a total cost of $200,000 or over. Include a break-out of all the estimated costs and a justification for the project.

7.19.1.2. The base CEs must approve the self-help project (approved work order, AF Form 332, **Base Civil Engineer Work Request**, and other approvals as required by AFI 32-1022).

7.19.1.3. NAF labor costs must be material (i.e. significant) in relationship to the total project cost. The costs to capture the information accurately should not outweigh the benefits received.

7.19.1.4. Capitalize only those NAF labor costs directly related to the project. For example, capitalize labor costs for carpenters, electricians, and laborers, but do not capitalize support staff such as accounting and administrative support as these costs were not direct costs in constructing the asset.

7.19.1.5. Do not include fixed overhead costs unless they are increased because of the construction/renovation. Do not capitalize management salaries unless this expense increases because of the construction of the asset.

7.19.1.6. Do not apply this policy to instances where APFs are authorized to complete the project. Follow guidance in AFI 32-1022 and AFI 65-106 to determine whether the project is authorized APF support or not.

7.19.1.7. NAF employees allowed to work on construction/renovation projects must work within the scope of their authorized position guides/descriptions.

7.19.2. Follow these procedures to control and account for self-help renovation projects:

7.19.2.1. The activity manager includes the project (total cost including NAF labor) on the NRB according to **Chapter 3**. Total NAF labor cost includes hours worked times the rate of pay adjusted for any differentials, overtime, premiums, plus all applicable benefits (retirement, employer's share of FICA, insurance, workers compensation, and so on).

7.19.2.2. The activity manager forwards a request to the RMFC before the project starts. Include any AF Form 9s, **Request for Purchase**, for materials, individual service contracts, and an estimate of the total NAF labor cost (include employees' names for accountability purposes). Attach the approved work order from the base CEs. Annotate the work order number on all documentation relating to this project.

7.19.2.3. The RMFC establishes a project folder for each self-help project to track the obligation and expenditure of funds.

7.19.2.4. The activity manager tracks and captures the NAF labor costs. At the end of each month, forward a labor transfer memorandum to the RMFC. The manager's signature on the labor memorandum is that manager's certification that the hours annotated were worked directly in support of the project involved.

7.19.2.5. The NAF AO does not reduce the applicable personnel expense GLACs by the amount of the labor transfer. Instead, credit the Personnel Expense-Self Help Projects contra account (GLAC 680) for the amount of the labor transfer and debit construction-in-progress (GLAC 185). Use the cost center code of the activity where the employee is originally assigned. The credit to GLAC 680 offsets the personnel expense remaining in the personnel expense GLACs. If an employee works on a project for another NAFI, process a dollar transfer of funds.

Table 7.1. Criteria for Capitalizing Purchases.

If purchased goods are	and cost of each individual item is	and they have a useful life of	then record as a
furniture and equipment	less than $1,000		expense.
	$1,000 or more	less than 2 years	
		2 years or more	asset and depreciate over useful life.
facilities	less than $1,000		expense.
	$1,000 or more	less than 2 years	
		2 years or more	asset and depreciate over useful life.

If repairs are to	and cost is	and they will extend the useful life by	then record as a
fixed assets - NAF furniture and equipment	less than $1,000		expense.
	$1,000 or more	less than 2 years	
		2 years or more and extends the useful life of the asset	asset and depreciate over useful life.
fixed assets - NAF renovation of facilities and repairs	less than $1,000		expense.
	$1,000 or more	less than 2 years	
		2 years or more and extends the useful of the asset	asset and depreciate over useful life.

If purchased goods are	and cost of each individual item is	and the entire purchase cost is	and each item has a useful life of	then record
a bulk purchase of expendable equipment	less than $1,000	$2,000 or less		as an expense.
		$2,000 or more	2 years or less	
			2 years or more	as a bulk purchase asset and amortize over useful life NTE 7 years.

Table 7.2. Depreciation/Amortization Rate Schedules.

FURNITURE AND EQUIPMENT			
	Life Expectancy in Years		
Fixed Assets	**Lower Limit**	**Midpoint**	**Upper Limit**
Furniture and equipment includes those items that are not structural components of a building. Does not include communications equipment that is included in other classes. The assets presented below are not meant to be all-inclusive.			
Small or light: Outdoor furniture, canopies, pool umbrellas, hand dryers, portable air conditioners, carpets, rugs, rug shampooer, curtains, drapes, buffer, bar glass washer, liquor scales, bus carts, dish trucks, televisions, chairs, tables, carpet, wall-paper, office desks, book shelves, metal office chairs, file cabinets, light fixtures, etc.	3	5	7
Medium: Wall mirrors, room dividers, seasonal decorations, bar stools, upholstered chairs and sofa, stereo systems, tape recorders, beer coolers, coffee urns, bun warmers, ice cream cabinets, pizza ovens, microwave ovens, deep fat fryer, grills, fans, ladders, ice makers, juke boxes, portable bars, etc.	4	6	8
Heavy: Pianos, lektriever filing equipment, front bars, refrigerators, freezers, public address systems, cash registers, ranges, broilers, dishwashers, oven mixer, steam kettles, meat slicers, storage cabinets, steam tables, stainless steel work tables, service stands, lowerators, safes, vending machines, scorekeeping machines, etc.	9	11	13
Aero club assets:			
Aircraft	5	7	9
Aircraft engine overhauls/replacements	2	4	6
Avionics	2	3	5
Painting aircraft	2	3	5
Aircraft interior replacement	2	3	5
Telephone systems	7	10	13
Slot machine (at base-level)	Refer to note	Refer to note	Refer to note
Information systems: Includes computers and their peripheral equipment used in administering normal business transactions and the maintenance of business records, their retrieval and analysis. Information systems are defined as:			

Computers. Computers usually consist of a central processing unit containing extensive storage, logic, arithmetic, and control capabilities. Excluded from this category are adding machines, electronic desk calculators, etc.	4	5	6
Peripheral equipment. Consists of the auxiliary machines that may be placed under control of the central processing unit. Non limiting examples are: high speed printers, optical character readers, tape cassettes, mass storage units, paper tape equipment, data entry devices, teleprinters, terminals, tape drives, disc drives, disc files, disc packs, visual image projector tubes, card sorters, plotters, and collators. Peripheral equipment may be used on-line or off-line.	4	5	6

Furniture and Equipment (Continued.)			
	Life Expectancy in Years		
Fixed Assets	**Lower Limit**	**Midpoint**	**Upper Limit**
Computer software. A set of instructions written in computer language, that tell the computer which tasks to perform and how to perform them. In general there are 2 types of software: 1) Systems software (also called operating systems) which interprets and executes commands, manages and processes disk files, and oversees and communicates w/ the peripherals. Examples are MS-DOS and UNIX. 2) Application software is a broad range of software used for specific purposes like word processing, database management, spreadsheets, etc. The majority of software falls into this category. Examples are: Enable, Lotus 123, Harvard Graphics.	2	4	5
Data handling equipment, except computers. Includes typewriters, calculators, adding and accounting machines, copiers, and duplicating equipment	5	6	7
Land improvement. Includes improvements directly to, or added to, land provided such improvements are depreciable. Examples of such assets might include sprinkler systems, sidewalks, roads, canals, waterways, drainage, facilities, sewers, wharves and docks, bridges, fences, landscaping, shrubbery, or radio and televisions transmitting towers. Does not include land improvements that are included in any other class, and buildings and structural components. Excludes initial clearing and grading land improvements.	10	15	20
Vehicles. Forms of transportation used in the course of daily business or for pleasure such as automobiles and golf carts:			
Automobiles	2	3	4
Buses	7	9	11
Light general purpose trucks. Includes trucks for use over the road (actual unloaded weight less than 13,000 pounds)	3	4	5

Heavy general purpose trucks. Includes heavy general purpose trucks, concrete ready-mix truckers, and ore trucks, for use over the road (actual unloaded weight 13,000 pounds or more)	5	6	7
Tractor units for use over the road	3	4	5
Trailer and trailer-mounted containers	5	6	7
Golf carts/mowers	2	4	6
Water craft: Forms of transportation and working vessels and pleasure craft of lakes, seas and oceans			
Small (under 28 feet)	2	6	10
Large (28 feet and over)	5	10	15
Vessels, barges, tugs, and similar water transportation equipment	14	18	22

NOTE: Record slot machine (at base-level) with 0.00 depreciation rate.

Facility and Renovations		
Facility Property Class	**Life Expectancy in Years**	
	Lower Limit	**Upper Limit**
Buildings and structures. This relates to the erection, installation, and assembly of a new facility for the following categories. Costs associated with alterations. Additions and renovations of projects will be depreciated over the expected life of the improvement. Facilities costing less than $1,000 and expected life of 2 years or less will be expenses		
Permanent (refer to note)	20	30
Semipermanent	5	25
Temporary	2	5
Leasehold Improvements. Includes costs of approved renovation of leasehold improvement.	2	35
Real Property Installed Equipment. Those items of government-owned or leased accessory equipment, apparatus and fixtures that are essential to the function of the real property and are permanently attached or integrated to the government-owned or leased property.	3	35

NOTE: The RMFC and CE set the life expectancy.

Table 7.2. Continued.

Livestock.		
Fixed Assets	**Life Expectancy in Years**	
	Age of Animals	**Remaining Years Useful Life**
Animals: For example, horses used for trail rides and riding lessons.	6 or under	10
Horses - stallions, geldings, and mares of all breeds	7	9
	8	8
	9	7
	10	6
	11	5
	12	4
	13	3
	14 or over	2

Chapter 8

REVENUE AND PROMOTIONAL PROCESSING

8.1. Daily Revenue Processing. Refer to AFI 34-209 for activity instructions for the AF Forms 1875, **NAF Individual Cashier's Report (ICR)**, and 1876, **NAF Consolidated Cost Center Report**. The activity manager forwards the completed AF Form 1876, charge tickets, A/R payment receipts, special function forms, prorata sheets, cash refunds, redeemed coupons and redeemed gift certificates to the NAF AO. The NAF AO uses this information to post revenue transactions into the accounting systems. In this process, the NAF AO:

8.1.1. Verifies and processes AF Forms 1876 or the cash reconciliation report (for lodging).

8.1.2. Maintains A/R subsidiary records. Refer to **Chapter 9** for A/R procedures.

8.1.3. Maintains, controls, and reports delinquent accounts and returned checks.

8.1.4. Prepares schedules to support the financial statement as required.

8.1.5. Receives AF Form 1875 from activities for retention in accordance with AFIs 37-133V1 and 37-133 V2. Refer to paragraph **8.4**

8.1.6. Prepares a list, by employee, of charge tips from A/R charge tickets. Prepare this list by employee. Compare this amount with the amount reported on the AF Form 1876. Forward this list to the payroll technician at the end of each pay period. This lists supports the amount paid to the employee.

8.1.7. Receives banquet, party, or special function forms.

8.2. Special Function Gratuities. The membership support flight chief writes a local OI on the treatment of special function gratuities in SV NAF activities. In the OI, establish the percent of the gratuity, if any, that the employee working the function receives. Ensure this percent is consistent for all NAF activities. The NAF AO posts the gratuity as revenue (support service fees). Extract gratuities by employee and maintain a manual ledger through the end of the pay period. This ledger serves as a subsidiary for payments to employees for gratuities. Forward the record to the payroll technician at the end of the pay period. The payroll technician compares this information against T&A reports.

8.3. Accountability Using Point of Sale (POS) System:

8.3.1. Activities using POS systems that provide individual cashier accountability do not have to use an AF Form 1875 except to maintain a daily log of change funds issued to cashiers and total funds turned in by each cashier. Cashiers sign the AF Form 1875 for change funds received and the manager or other authorized individual signs for all cash turned in at the end of each shift. Also, use the AF Form 1875 to record individual overages or shortages and to account for controlled forms.

8.3.2. The manager or designee takes the register readings daily and determines each cashier's accountability.

8.4. AF Form 1875. The activity manager or designee accumulates ICRs and its supporting documents. Send this documentation to the NAF AO for filing.

8.4.1. The activity manager and the RMFC may agree that the activity may retain AF Forms 1875 and its supporting documents for a given period (for example, 1 week, 1 month, or a 3 month period). At the end of the designated period, the activity sends the documents to the NAF AO for filing. The RMFC documents this agreement. Both the activity and the NAF AO keep a copy of this agreement on file. The NAF AO keeps their copy in the LOF file.

8.5. Cash Refunds. The activity reports cash refunds made from receipts as a separate line item in the accountability section of AF Forms 1875 and 1876. Post the refund as a decrease to the appropriate income account and to cash-in-bank. Refer to AFI 34-202 for refund authority.

8.6. Petty Cash Purchases From Change Funds/Receipts. The activity reports purchases made from change funds/receipts as a separate line item in the accountability section of AF Forms 1875 and 1876. Post the purchase to the appropriate expense account and as a decrease to the cash-in-bank. Refer to AFI 34-202 for procedures and authority.

8.7. Returned Checks. Refer to paragraph **9.18** for instructions on recording returned checks, including NAF and bank service charges.

8.8. Telephone Charges. The NAF AO records revenue from customer telephone charges as income to Support Service Fees (GLAC 507) using the administrative cost center code and to the appropriate asset account. When the NAF AO pays the telephone company for these telephone charges, record the payment as an expense to the telephone expense account (GLAC 787).

8.9. Promotions. When SV opens the entertainment or promotional event to the entire base, the NAF AO posts the expense and revenue to a miscellaneous CCC (M3, M8 or M9, as applicable). In a membership activity, when the activity opens the entertainment or promotional event to the entire membership, the NAF AO posts the expense to the activity's administrative CCC unless another CCC is specified to be used as stated in **Attachment 3**. The activity may transfer labor expense that they specifically schedule and use in conjunction with the promotional event for a particular activity to the administrative cost center for that activity. Examples are club membership night and child development center open house. Use AF Form 2533, **NAF Transfer Between Cost Centers** (TBCC), or automated order entry registers to document cost of goods or services transferred. The NAF AO enters costs of individual items and computes totals to update financial records.

8.10. Coupons. When an activity cashier accepts a coupon, the cashier rings up the entire sale amount using the normal process and accepts the coupon as a cash substitute. Do not reduce the amount rung-up for the sale by the amount of the coupon. The general change fund cashier records all redeemed coupons as coupons redeemed on the AF Form 1876. When the NAF AO posts the AF Form 1876, they post the revenue to the applicable accounts (sales or fees and charges). The NAF AO posts the total value of redeemed coupons to coupon expense in the activity where the customer redeemed the coupon. The NAF AO posts the cost of printing coupons to supplies. Refer to AFI 34-202 for coupon (NAF and commercial) accountability procedures.

8.11. Gift Certificates. Customers buy gift certificates for later redemption of goods or services. Refer to AFI 34-202 for gift certificate issuance and control procedures.

8.11.1. When a customer purchases a gift certificate:

8.11.1.1. The activity cashier rings the purchase on the cash register for accountability.

8.11.1.2. The general change fund cashier records the total dollar amount for purchased gift certificates on the AF Form 1876 in Unearned Income (GLAC 232).

8.11.1.3. The NAF AO posts the AF Form 1876 including the credit to Unearned Income (GLAC 232) for the gift certificates purchased.

8.11.2. When a customer redeems a gift certificate:

8.11.2.1. The activity cashier treats the gift certificate as if it were cash and redeems the certificate for one purchase transaction.

8.11.2.2. The activity cashier rings up the actual retail price of the sale on the cash register.

8.11.2.3. The general change fund cashier records the total amount of the gift certificates redeemed on the AF Form 1876 as a decrease to the Unearned Income account (GLAC 232) for the face value of the gift certificate.

8.11.2.4. The NAF AO posts the AF Form 1876 including the debit to Unearned Income (GLAC 232) for the gift certificates redeemed.

8.11.2.5. The activity manager determines whether customers can be given change when redeeming gift certificates. If the activity manager allows change to be given for sales that fall below the gift certificate value, then the activity manager should set this at a minimal amount.

8.12. Recycling Program. The installation commander determines the use of recycling funds in Morale, Welfare, and Recreation (MWR) activities through the budgetary process. The NAF AO maintains accountability for recycling funds generated from DRMO through the Quality Recycling Program (QRP) separate from recycling funds generated from local NAF contractors.

8.12.1. For funds received through the DRMO process:

8.12.1.1. The installation commander instructs FSO to issue a check for the MWRF's share of the proceeds.

8.12.1.2. When received, the NAF AO posts the entire amount as Cash-in-Bank-Checking (GLAC 101) and Resource, Recovery, and Recycling Program (RRRP) income (GLAC 820) to the recycling cost center code.

8.12.2. For funds received from local NAF contracts where the SV commander or director has established a formal consolidated program:

8.12.2.1. The NAF AO posts non-DRMO revenue (SV selling bottles/cans it receives to an outside contractor) in activity revenue (GLAC 501).

8.12.2.2. The NAF AO posts expenses (payments made to individuals at redemption centers, for total poundage, for refunds per bottle/can, for other type purchases of items such as bottles and cans, and etc.) as miscellaneous operating expenses.

8.12.2.3. The NAF AO posts other normal recurring expenses incurred in conjunction with recycling (such as personnel, supplies, and depreciation) in the appropriate GLAC.

8.12.2.4. Do not record recycling revenue in sales and do not record recycling expenses in purchases.

8.12.3. For funds received from local NAF contract when the SV commander or director has not established a formal consolidated program, the NAF AO posts income and expense to the individual activity generating the revenue. Post the revenue as miscellaneous income (GLAC 812), if the source of revenue is not material and recurring. Post the revenue as activity revenue (Fees and Charges, GLAC 501), if the source of revenue is material and recurring.

8.13. Token Accountability. Refer to AFIs 34-202 and 34-115, *Air Force Club Program*, for token control and safeguard.

8.13.1. The general change fund cashier in the activity records the total amount of tokens sold on the AF Form 1876 as an increase to Unearned Income (GLAC 232).

8.13.2. When customers redeem tokens, the individual cashier rings up the entire sale and accepts the tokens instead of cash payment. The general change fund cashier in the activity records the total amount of tokens redeemed under the accountability section of the AF Form 1876 as a decrease to Unearned Income (GLAC 232).

8.13.3. Members may redeem unused tokens when they resign from the club. The general change fund cashier in the activity records the redemption in the AF Form 1876 as a decrease to Unearned Income (GLAC 232).

8.13.4. When the activity changes a series of tokens, the general change fund cashier records the unredeemed tokens from the old series as a decrease to Unearned Income (GLAC 232) and an increase to Miscellaneous Income (GLAC 812), using the activity's administrative cost center on the AF Form 1876. The NAF AO verifies this to the subsidiary record for Unearned Income (GLAC 232) and posts the transaction to the general ledger. If a shortages occurs, post this amount to Miscellaneous Expense (GLAC 912).

8.14. Discounted Revenue. When an activity gives reduced prices to customers, the activity treats this as discounted revenue. Examples of discounted sales are reduced price beverages in a bar, a percent discount allowed to club members in the dining room, an aero club member's purchase of block time at reduced rates, and sale prices of merchandise in pro-shops. The activity cashier rings up the sale at the discounted price. The activity absorbs the expense of the discounted sale in the cost of goods or as a reduction to fees and charges sold by the activity providing the discount. Account for discounted employee meals according to this paragraph.

8.15. Cash Overages and Shortages. Account for cash overages and shortages in the appropriate cost center that had the overage or shortage. The activity manager reports overages and shortages according to AFI 34-202.

8.16. Allocations. HQ AFSVA/SVF calculates the Army and Air Force Exchange Service (AAFES) simplified dividend as a percentage of AAFES revenues generated on each base. In addition, MAJCOMs receive an allocation computed on the basis of a percentage of the distributions their bases receive. HQ AFSVA distributes the amounts for the month, based on the AAFES revenues of two months prior. Therefore, the NAF AO will not normally need to accrue current month distributions if they also receive the distribution in the current month. The Air Force MWRF distributes the simplified dividend monthly through CMIP. The NAF AO posts the distribution as an allocation.

8.17. Foreign Currency. There are two types of foreign currency translations that occur:

8.17.1. **Accommodation Sales.** When NAF activities sell foreign currency, activity personnel:

8.17.1.1. Compute the gain or loss on foreign currency on hand at the beginning of each business day based on changes between the prior and current day's wholesale rates.

8.17.1.2. Purchase enough foreign currency for resale to support the immediate needs and not for speculation.

8.17.1.3. Sell the foreign currency at a rate that is no more favorable to the customer than the military banking facility (MBF) accommodation rate. Profit on the sale is the difference between the purchase (wholesale) rate and the selling (accommodation) rate.

8.17.1.4. Prepare and submit AF Forms 1876 and 2539, **NAF Disbursement Request**, on the above transactions as applicable to NAF AO.

8.17.2. **Outstanding Accounts Payable.** The NAF AO posts accounts payable adjustments for changes in foreign currency exchange rates as payments are made. The adjustment is the change in the US dollar value of foreign currencies whose rates have fluctuated or been officially revalued since the time of purchase or accrual. The NAF AO posts gains or loss on foreign currency in the administrative cost center of each NAFI (for example; cost center A1 in NAFI 51 and cost center 31 in NAFI 70).

8.18. Grants, Transfers, and Subsidies:

8.18.1. **Operating Grants.** If a higher headquarters (HQ) provides cash to a base to offset operating expenses of a specific program (sports competitions, talent contests, marketing initiatives, etc.), record the grant as an operating grant (GLAC 833) to offset the costs of the program. The higher HQ records the grant in Special Grants-Operating (GLAC 904).

8.18.2. **Nonoperating Grants.** If a higher HQ provides funds to a base for capital investment, both the base and the higher HQ post the grant as a nonoperating grant (GLAC 281). Examples are Air Force Base Capital Improvement Fund grants (including transfers of cash for expendable equipment), and a MAJCOM giving cash to bases for the purpose of getting ready to compete for an award (for example, fixing up the building, buying equipment and supplies).

8.18.3. **Transfers.** Record all cash transfers to provide working capital for normal operations or to "level cash" within the MAJCOM as Transferred Equity (GLAC 287). An example is providing start-up cash to a base after a disaster has occurred. In addition, all funds provided by or to the Command Lodging Funds (CLF) are transfers of equity (for example, CLF grants).

8.18.4. **Subsidies.** If the base receives funds from a foreign government to offset local national payroll or other expenses, the base records it to Operating Subsidies (GLAC 855) to offset the costs incurred for hiring local nationals or complying with the foreign government desires.

8.18.5. **Purchases Made with Grant Funds.** Regardless of the type of grant your base receives, always record the expense in the applicable GLAC. For example, if you buy a fixed asset, record it in an asset account (GLAC 17X or 18X, as applicable) and depreciate it over the useful life. If you buy supplies, record it as supply expense (GLAC 720).

8.19. Private Animal Care User Fee or Surcharge. Record the total amount of the user fee and surcharges collected by debiting Cash (GLAC 101) and crediting Other Payables account (GLAC 249) for the surcharge, and crediting Fees and Charges account (GLAC 501) for the user fee.

- The NAF AO makes monthly payments to the US Treasury for the total amount of user fees or surcharges collected during the prior month.

- Make payment by the 15th calendar day of the month. Send the check (mail or hand carry) to the local FSO, attached to a DD Form 1131, Cash Collection Voucher, using fund cite 573210.9999. Coordinate with your local FSO for additional information required when preparing the DD Form 1131.

8.19.1. For the purpose of the surcharge, a transaction is defined as each time monies are collected from an authorized customer, whether for animal care service, sale of medication, or miscellaneous pet supplies. Consider all charges during one visit as one transaction. The surcharge applies to all authorized customers and is collectible for all sales and services.

8.20. Commercial Sponsorship Program. Record the sponsorship donation received to the activity identified by the vendor in that activity's administrative cost center. If a specific MWRF activity is not identified by the vendor, record the sponsorship donation in the fund administrative cost center. Record commissary cause marketing and prime vendor rebates according to this paragraph.

Chapter 9

ACCOUNTS RECEIVABLE PROCESSING

9.1. A/R Processing. The amounts recorded in A/R result from credit (charge) sales of merchandise and services, and dues to be charged for which an activity anticipates payment at a later date. The NAF AO classifies amounts they expect to collect during the next 12 months as current assets. The NAF AO classifies amounts they do not expect to collect during the next 12 months as long-term assets. This chapter deals only with current A/R.

9.2. AF Form 408, NAF Accounts Receivable Batch Control. The NAF AO uses the AF Form 408 as the basis for entering and reconciling charge documents and payment receipts to subsidiary records.

9.3. Due Dates. The NAF AO makes account balances due and payable on the first day after the statement date of the month in which the activity extended credit. The NAF AO treats current month dues the same as current month charge sales. They become payable the first day after the statement date.

9.4. Scope of Credit. Activities are not authorized to extend credit or maintain in-house accounts receivable without HQ AFSVA/SVF written approval. Refer to AFI 34-209, *Nonappropriated Fund Financial Management and Accounting.*

9.5. Advance Green Fees. Advance green fees are the one-time upfront purchase of future months' green fees, with payment rendered in by cash, check, or credit card. Refer to AFI 34-209, Nonappropriated Fund Financial Management and Accounting.

9.6. DELETED. For service fee or merchandise purchase payment options, refer to AFI 34-209, *Nonappropriated Fund Financial Management and Accounting*.

9.7. Late Payment Charge. Refer to AFI 34-209 for the approval authority and the amount authorized for late payment charges. SV must base the late payment charge for all NAFIs for individual delinquent accounts upon the actual cost of collection. MAJCOM/SVF approves late payment charge amounts. MAJCOM/SVF ensures SV bases the charge upon justifiable and documented actual costs of recoupment.

9.7.1. The NAF AO forwards documentation showing computations used to arrive at the late payment charge amount to the MAJCOM/SVF for review and approval.

9.7.2. The NAF AO does not levy a late payment charge on an account that has a military pay order (MPO) action pending.

9.7.3. The NAF AO does not assess late payment charges on an account the month after the NAF AO has processed an MPO.

9.7.4. Record late fees to the NAF AO cost center (for NAFIs other than the MWRF, use the applicable NAFI's administrative CCC.)

9.8. Billing Receivables. Refer to AFI 34-209 for billing requirements.

9.9. Accounting for Advance Dues. The NAF AO posts advance dues or fees received as unearned income (GLAC 232). Prepare a journal voucher (JV) each accounting period to

transfer the amount earned to the appropriate revenue account (for example, GLAC 502) from the unearned income account (GLAC 232).

9.10. MPO Accounts. At the end of each month, capture the dollar value of delinquent accounts currently in MPO status.

9.10.1. The A/R technician should identify MPO accounts by giving them a unique A/R type code in the A/R subsidiary. The A/R technician identifies all delinquent accounts that have current MPO actions processed by running an A/R listing selecting only the unique MPO type code. Prepare a journal voucher to record the total amount of delinquent accounts with MPO actions into GLAC 121, Customer Account Receivable--MPO Actions Processed. Debit GLAC 121 and credit GLAC 111 for the dollar amount on the listing. Attach the account listing to the JV as supporting documentation. Make sure you reverse this entry at the beginning of the next month.

9.11. A/R Aging and Reporting. Refer to paragraph **13.3.4.1.1** for A/R aging reporting requirements.

9.12. Collections Before Reassignment or Separation. Personnel who fail to properly clear SV activities when reassigned or separating, cost SV in terms of delinquent account write-offs and results in time consuming collection actions. According to AFI 36-2102, *Preparation of Personnel Selected for Relocation-Base Level Procedures*, Military Personnel Flight (MPF) use a numbered machine list, daily bulletin notice, or other locally devised system to inform base agencies of impending personnel relocation as a result of assignment, separation, or TDY, no later than 30 days before the scheduled departure date, or as soon as short notice relocations are known. Numbered notices from the local MPF permit the NAF AO to track or screen departures. The SV commander or director coordinates with the MPF to establish local procedures in advising departing personnel of the requirement to settle all accounts with SV NAFIs or cost centers during the duty day. The NAF AO must implement these procedures:

9.12.1. Ensure you are on the automatic distribution for and receive all MPF published numbered departure notices.

9.12.2. Review departure notices, identify departing personnel, and use the departure date to establish a predeparture bill collection suspense date. Do not set the suspense date less than 2 days before the departure date.

9.12.3. Forward deluxe delinquent lists by organizations to unit commanders who assist in collection actions.

9.13. Follow-up Actions for Delinquent Accounts. The office which maintains the accounts' subsidiary records follows-up on delinquent accounts. SV must use the following actions as the minimum required.

- **30 days delinquent:** Notify the individual, through statement notice. If statement notice isn't possible, then generate a separate notification. Request immediate payment of the amount owed.

- **60 days delinquent:** Notify the individual in writing. Tell the individual that SV will suspend charge privileges until they receive payment. Tell the individual that SV has posted a late payment charge to the account. The NAF AO (or Lodging, if applicable) initiates an MPO and/or debt collection action if SV does not receive payment within 30 days.

- **90 days delinquent:** The SV commander or director notifies the individual, in writing, that SV has terminated membership and participation privileges. Tell the individual that SV has posted a late payment charge to the account and that the NAF AO (or Lodging, if applicable) has started MPO and debt collection actions. The individual must turn in all membership cards to the activity manager or the NAF AO.

9.13.1. Send over 30 and over 60 day delinquent lists to the unit commander or supervisor of civilian employees.

9.13.2. Upon receipt of the over 30 and over 60 day delinquent lists, the unit commander or supervisor counsels the listed individuals on their financial responsibilities and advises them that unless payment is made by the end of the month, membership and participation privileges will be terminated (applies to accounts 60 days delinquent).

9.13.3. Follow the collection procedures contained in AFI 34-202.

9.14. Reinstatement of Membership Privileges. The SV commander or director prepares letters to advise members on whether their requests for reinstatement were approved or disapproved. Send an information copy to the NAF AO.

9.14.1. The SV commander or director approves reinstatements on an individual basis.

9.14.2. Each individual must pay the total outstanding balance due the activity before the NAF AO reinstates the account. This balance would include dues owed at the date of termination. As an option, the SV commander or director may require the collection of dues from the date of termination through the date of reinstatement.

9.14.3. The SV commander or director provides a copy of the approved reinstatement to the NAF AO to file in the individual's file.

9.15. Bad Debt Write-Off Procedures. When approved for write-off according to AFI 34-202, the NAF AO removes the amount from the member's account and the general ledger. Use the NAF AO cost center to record the bad debt write off for the MWRF (for other NAFIs, use the applicable NAFI's administrative CCC). This is done through an accrual process using an allowance for bad debt account (GLAC 120) according to AFI 34-209. Base the allowance for bad debt account accrual on realistic expectations of bad debt write offs. If the NAF AO collects on an account previously written off as uncollectible:

9.15.1. If the collection is in the current year, reverse the entry made when written off and post the payment received to clear the account.

9.15.2. If the collection is made after year end closing, record as cash received (GLAC 101) and miscellaneous income (GLAC 812) in the applicable NAFI.

9.16. Reversal of Dues Incorrectly Charged. Refer to instructions in AFI 34-209.

9.17. Lodging Accounts Receivable. The lodging fund administers their own accounts receivable collections (for accounts delinquent 30 and 60 days) unless local policy is different. Prompt collection of outstanding accounts is important to the financial health of the lodging operation. Lodging is expected to send statements to temporary duty (TDY) personnel on the last day of the month if the individual has been a guest for at least fifteen days. Permanent party personnel using optional maid or housekeeping services are billed in advance on the first day of the month.

9.17.1. On the first of the month, give statements for that month to personnel who occupy unaccompanied officers' quarters (UOQ) or unaccompanied noncommissioned officers' quarters (UNCOQ) and who elect to, or are required to, pay service charges for maid or housekeeping services according to AFI 32-6005, *Unaccompanied Housing*.

9.17.1.1. For example, bill January maid service on 1 January. The bill is 30 days delinquent at close of business 31 January.

9.17.2. Report amounts not paid by the end of the accounting period as A/R in the financial statement for the lodging fund. The lodging fund manager ensures that lodging personnel review individual accounts at the close of the accounting period and that accurate reports of accounts receivable subsidiary balances are sent to the NAF AO for inclusion in the financial statement.

9.17.3. Follow the guidance in AFI 34-209 and paragraph **9.7** for assessing late payment charges.

9.17.4. Complete follow-up actions on delinquent accounts according to the time-frame specified in paragraph **9.13** The lodging manager is responsible for collection actions of accounts that are 30 and 60 days delinquent. The RMFC ensures the lodging manager performs collection actions in a timely manner. Once accounts become 90 days delinquent, the RMFC assumes responsibility for all additional collection actions. These procedures apply to both accounts due from both individuals and units/organizations.

9.17.5. Refer to paragraph **13.3.4.1.1** for aged A/R reporting requirements.

9.18. Returned Checks. Refer to AFI 34-202 for policy, follow-up, and collection procedures on returned checks.

9.18.1. When the bank returns the check to the NAF AO, the NAF AO:

9.18.1.1. Posts the amount of returned checks plus all service charges (bank and NAF) as an increase to Returned Checks Receivable (GLAC 112) in the applicable NAFI. This entry anticipates collection from the maker or endorser of the face value of the check plus the NAF service charge and the bank service charge.

9.18.1.2. Posts the NAF service charge to non-operating revenue (GLAC 808, Returned Check Charge) in the NAF AO cost center (for NAFIs other than the MWRF, use the applicable NAFI's administrative cost center code).

9.18.1.3. Posts the reduction to the bank account (GLAC 101) for the face value of the returned check plus the bank service charge.

9.18.2. If a returned check is deemed no fault of the maker based on a letter from the bank, the NAF AO accepts payment for only the face value of the returned check. Reverse the original entry. The RMFC uses local discretion when handling bank service fees as long as the policy is consistently applied.

9.18.3. If a returned check is considered uncollectible, write-off the total amount recorded in Returned Checks Receivable (GLAC 112) by writing-off of the face value of the check, plus the bank service fee and the NAF service fee, to the NAF AO cost center (for NAFIs other than the MWRF, use the applicable NAFI's administration cost center code).

9.18.4. Refer to AFI 34-209 to determine if you should establish an allowance for bad debt account (GLAC 120) for returned checks. If you establish GLAC 120, follow the guidance in paragraph **9.15** and AFI 34-209. Base the allowance for bad debt account accrual on realistic expectations of bad debt write offs.

9.19. Commercial Debt Collection Contracts. The NAF AO submits all accounts that qualify to be sent to the commercial debt collection contractor (based on the contract) to HQ AFSVA/SVFA. Include all of the documentation for the account. HQ AFSVA/SVFA forwards to the commercial debt collection contract. Refer to AFI 34-209.

Chapter 10

PURCHASE AND CONTROL OF MERCHANDISE

10.1. Purchase of Merchandise With NAFs. The RMFC is responsible for NAFI contracting as prescribed in AFI 64-301. Refer to AFI 34-209 for further instructions on purchase and control of merchandise. The RMFC or designee reviews purchase requests to ensure the use of the proper fund source. To assist in determining the proper fund source, work with the Logistics Support section and use AFIs 34-201, 34-204, 65-106, and other AFIs as applicable. For NAF purchases, the NAF AO:

10.1.1. Prepares AF Form 9 or provides guidance on their preparation.

10.1.2. Maintains AF Forms 1409, **NAF Purchase Order/Contract/PR Register**, (unless automated) as a log for tracking AF Forms 9 and AF Forms 2209, **Nonappropriated Fund Order for Supplies or Services**. When purchasing authority is delegated outside the NAF AO, the operational level to which purchasing authority is delegated maintains AF Forms 1409. File one copy of AF Form 2209 and AF Form 9 in numeric sequence as backup for AF Form 1409.

10.1.3. Maintains files for outstanding AF Form 9s and 2209s.

10.1.4. Routes all contracting actions involving capital expenditures through the RMFC for validation against the approved NRB and to determine cash flow requirements.

10.1.5. Processes prepayment requirements.

10.1.6. Date-stamps all completed receiving reports, invoices and delivery tickets when received. This is necessary to comply with requirements of the Prompt Payment Act. The vendor must mail invoices to the NAF AO. *EXCEPTION:* Refer to paragraph **10.2** for invoices applicable to vendors in the Central Vendor Payment Program (CVPP). The NAF AO date-stamps all invoices at the time of receipt. The NAF AO updates general ledger and subsidiary ledgers as applicable.

10.1.7. Processes receiving reports and updates all inventory lists.

10.1.8. Receives proof of shipment from vendor if ownership changes at point of shipment. Since the activity has not received the goods yet, the NAF AO uses the invoice and proof of shipment to establish the accounts payable and to pay the vendor. Suspense the PO to ensure receipt of a valid receiving report from the activity when the vendor delivers the goods.

10.1.9. Assigns stock numbers.

10.1.10. Processes transfer between cost centers (TBCCs) and interfund purchase orders (IPOs).

10.1.11. Processes storeroom transactions.

10.1.12. Prepares inventory lists.

10.1.13. Prices and extends inventory lists and compares with established inventory levels.

10.1.14. Helps to establish stock levels and reorder points.

10.1.15. Establishes inventory control procedures for merchandise received on consignment (refer to paragraph **10.10**).

10.1.16. Utilizes the government preferred method of payment, i.e., Government Purchase Card (GPC) or Electronic Fund Transfer (EFT) for all purchases.

10.2. CVPP. CVPP is designed to achieve a greater vendor discount by making centralized payment for items purchased against NAF purchase agreements (NPA), blanket purchase agreements (BPAs), and open market purchases from participating vendors. Vendors forward all invoices, proofs of shipment, and copies of orders to HQ AFSVA/SVFA (the CVPP office) for payment. When HQ AFSVA pays the vendor, they reduce the bases' CMIP accounts by deducting the invoice amount plus any shipping or freight charges. The CVPP office is the central point of contact and handles discrepancies such as missing or damaged items. HQ AFSVA refunds discounts to the base as a separate line item on the bases' CMIP message. The NAF AO:

10.2.1. Uses GLAC 165, Central Vendor Payments, for merchandise in transit. Use this GLAC when CVPP makes the payment to the vendor and deducts it from your CMIP account although the activity hasn't received the merchandise.

10.2.2. Uses GLAC 810, Air Force Central Vendor Discounts, to record the discounts refunded by HQ AFSVA. The NAF AO purchasing agent tracks the dollar amount purchased by each activity and prorates the earned discount amount to each activity.

10.3. Advance Payment Conditions and Authority. When SV cannot avoid making an advance or prepayment, the purchase must meet the following conditions before the RMFC or designee authorizes the advance or prepayment:

- The products or services must be available only from a sole source and alternative products or services must not be readily available at comparable or more favorable prices.

- The NAF AO receives written evidence that the source will not provide the goods or services until the NAF AO makes full or partial payment.

10.3.1. Do not allow advances or prepayments of NAFs for customer special ordered items (the activity cannot sell the item(s) to other customers) unless the customer makes a deposit of at least 25% of the sales price before the activity places the order.

10.3.2. Once the RMFC or designee approves the advance or prepayment for a purchase:

10.3.2.1. The NAF AO prepares an AF Form 2539. The RMFC or designee approves the AF Form 2539. The RMFC or designee ensures there is an appropriate contractual document to include all agreements such as method of shipment, whether substitutes or backorders are authorized, date merchandise is due, etc. Annotate all copies of the contractual document with an advance or prepayment authorization clause, to include the RMF’s or designee's name, check number of the advance or prepayment, and date of check. The NAF AO makes normal distribution of the contractual documents. File one copy with the AF Form 2539. Mail the original contractual document with the check.

10.3.2.2. When establishing the payable, the NAF AO debits Prepaid Expense (GLAC 130). Maintain a subsidiary ledger with date required as the suspense date. Once the activity receives the merchandise, credit Prepaid Expense and debit the appropriate

expense or asset account. The NAF AO files the receiving report with the original prepayment.

10.3.2.3. Document the contract file as required by AFI 64-301.

10.4. Stock Numbers and Standard Units of Measure. The stock number may be from 5 to 13 numeric digits. 8 characters is the recommended length. Refer to the Services NAF Standard Accounting User's Guide for standard category headers recommended for use in the first four digits of the stock number. The remaining portion of the stock number is locally assigned.

10.5. Central Storeroom Processing. Account for central storerooms using the central storeroom cost center (unless authorized in other NAFIs by MAJCOM).

10.6. TBCC. The using activity numbers AF Forms 2533 sequentially as the activity uses them. On the last day of each accounting period the using activity informs the NAF AO of the last TBCC number used.

10.6.1. The activity issuing the merchandise prepares the AF Form 2533 or order entry register. The activity annotates applicable stock numbers, descriptions, and quantities on the AF Forms 2533.

10.6.2. On actual transfer, employees of the issuing and receiving cost centers sign the appropriate blocks of the form.

10.6.3. Send AF Form 2533 to the manager or designated representative for signature and verification. Forward the original to the NAF AO. The NAF AO returns the first copy to the requester and the second copy to the receiver of the goods.

10.6.4. The NAF AO verifies the transfer for accuracy and updates the general ledger with the transfer.

10.7. NAF IPO. An activity may order inventory items using order entry forms when the NAF AO establishes the selling NAFI as a vendor and the purchasing NAFI has an inventory warehouse established in the NAF standard accounting inventory system.

10.7.1. The ordering manager initiates the AF Form 1735, assigns an accountable IPO number, and forwards to the RMFC for signature unless purchase authority has been delegated to the ordering manager. The activity forwards the signed AF Form 1735 original, and two copies, to the selling NAFI. The ordering activity suspenses copy number 3.

10.7.2. The selling NAFI receives the AF Form 1735 and completes the requested order.

10.7.3. When the ordering activity receives the service or merchandise, they sign and date the IPO receiving report (original AF Form 1735) to complete the transaction. The ordering activity forwards the receiving report to the NAF AO.

10.7.4. The NAF AO receives copy 4 of AF Form 1735 to establish the A/R (GLAC 113) and credit cost of goods (GLAC 401) or revenue (GLAC 801, as applicable) for the selling NAFI. Post the transactions to the A/R subsidiary. When the NAF AO processes the dollar transfer for payment, they clear the A/R subsidiary for the selling NAFI. The NAF AO:

10.7.4.1. Receives the original AF Form 1735 as the receiving report for both the ordering and purchasing NAFI.

10.7.4.2. Establishes applicable expense and accounts payable.

10.7.4.3. Processes the payment, through dollar transfer, not later than the following month. The receiving copy of the AF Form 1735 supports the dollar transfer.

10.7.4.4. Verifies with managers, before preparing the financial statement, that all AF Forms 1735 issued have been processed. If an order is made and not complete, the dollar amount is considered an outstanding purchase order (PO).

10.8. Spoilage, Breakage, and Out-Dated Material. Report losses of items carried on resale or storeroom inventories according to AFI 34-202. In addition, the NAF AO must receive:

- A certification by the Military Public Health Office, or designee, attesting to the loss of the reported items for spoilage of food and beverage costing $100 or more.

- The manager's written and signed notice to the RMFC on the loss. Include the date of spoilage or breakage, or the date material becomes obsolete, the cause, dollar amount, description (name) of item, quantity of items, how the activity will dispose of the items, and identify the CCC.

10.8.1. The activity absorbs spoilage, breakage, out-dated material, customer complaint, or reject items that cost less than $100 in cost of goods.

10.8.2. The NAF AO posts all losses $100 and above as Spoilage and Breakage expense (GLAC 727) in the applicable CCC.

10.8.3. Losses incurred through spoilage, breakage, and obsolete material in a central storeroom are normal storeroom expenses shared by the using NAFIs based on the percentage of the total value of issues for that month. Prepare and process documents for adjustments to the central storeroom account as Spoilage and Breakage using the central storeroom CCC.

10.9. Decentralized Storeroom (Slots Operation and Aero Club):

10.9.1. Maintain items identified as sensitive, and spare parts costing $50 or more, purchased for slot machine operations in a decentralized storeroom. Refer to AFMAN 34-129.

10.9.2. Maintain petroleum, oil, and lubricants (POL), and spare parts costing $50 or more, purchased for the aero club in a decentralized storeroom.

10.9.2.1. Aero clubs are not required to inventory spare parts costing less than $50 (bench stock). However for reorder purposes, we advise the aero club maintain bin cards or other stock records. Bench stock also includes low-cost hardware items (such as nuts, bolts, screws, gaskets, hoses, etc.) When purchased, the NAF AO posts the expense for purchases of aircraft parts and bench stock items costing less than $50 per item to each applicable aero club aircraft based on anticipated actual usage.

10.9.2.2. The NAF AO posts an expense to the applicable aero club aircraft for aviation fuel and aircraft engine oil in the decentralized storeroom as the aircraft uses the fuel or oil. The aero club manager or designee meters fuel usage. When purchased, the NAF AO posts an expense to each applicable aero club activity for lubricants such as wheel bearing grease, hydraulic fluid, and miscellaneous lubricating oils based on anticipated actual usage.

10.10. Consigned Merchandise. Title of goods received on consignment remains with the consignor. The activity, as consignee, does not own such goods; therefore, the NAF AO makes no entry to record the receipt of, or obligation for, goods received on consignment. The activity accounts for consigned goods through the use of memorandum control records until sold or returned to the consignor.

10.10.1. The activity establishes either an automated or manual memorandum control. The activity may request that the NAF AO maintain the record on the NAF Standard Accounting System Inventory Module in a separate consignment warehouse. This consignment inventory is for accountability tracking only and not for input into the general ledger. The NAF AO does not record general ledger entries until the end of the month, or contract expiration date, whichever comes first.

10.10.2. The activity uses procedures in AFI 34-202 and AFMAN 34-212 for the physical aspects of controlling resale merchandise.

10.10.3. The NAF AO records the sale of consigned goods into the general ledger based on the activity's AF Form 1876.

10.10.4. The NAF AO posts the cost of sales at the end of each accounting period or when the activity returns the unsold consigned goods to the consignor, whichever, is first. Cost of sales for consigned inventory is the difference between goods received, or on hand at the beginning of an accounting period, and those on hand at the end of the period or after return to the consignor.

10.10.5. The NAF AO and activity personnel work together to resolve any discrepancies between actual count and the memorandum control record.

10.11. Receiving Reports. The RMFC establishes internal controls to ensure the same individuals authorized to place calls against BPAs or place orders by other contracting means do not inspect and accept goods received. Refer to AFI 64-301 for receiving report requirements. For small activities, the RMFC prepares an operating instruction to ensure the internal control of purchasing.

10.11.1. When vendors provide free items as bonuses or a purchase discount, note the free items on the receiving report. Record free items on the inventory. Determine the unit cost by dividing the amount due the vendor by the total quantity received (including the free items).

10.11.2. If an activity receives free items for special occasions and gives them away, the activity accounts for these items without processing them through the inventory and cost of goods sold. Use AFI 34-201 for the criteria in accepting donations. The activity makes a memo no-charge entry on stock records or other locally devised forms and footnotes the cashier's report when issued. The RMFC or designee personally examines all transactions involving free items to ensure that the activity accounts for items received.

10.12. Commodities:

10.12.1. **Free Food.** The activity maintains United States Department of Agriculture (USDA) inventory on a locally devised form, computerized list, or the inventory sheets provided by some states when goods are ordered. For computerized lists, pick up each item at zero value.

10.12.2. **Reduced Price Food.** The activity forwards all invoices for receipt of commodities at reduced prices to the NAF AO. The NAF AO establishes the accounts payable using the applicable cost center code. The activity maintains the inventory on a locally devised form using the reduced price. Do not combine the USDA commodities inventory with the NAF-purchased in-use inventory. For computerized lists, the NAF AO may establish a separate warehouse in the inventory system. Use current assigned stock numbers and pick up each item at the reduced price, using the applicable CCC. The NAF AO uses these transactions only to update the month-end count sheets and physical inventory.

10.12.3. **Free Food Freight Paid.** The activity maintains inventory as stated in paragraphs **10.12.1** and **10.12.2** above. The vendor sends the freight bill to the NAF AO for payment. The NAF AO uses the assigned cost of goods shred account for freight (GLAC 4012) and processes the accounts payable.

10.12.4. **USDA Commodities Inventory.** At the end of each accounting period, the activity takes the physical inventory according to local or MAJCOM policy. Take the inventory monthly. The activity maintains two inventories (one for NAF-purchased goods and one for the USDA commodity goods). The activity manager uses the computerized count sheets or inventory sheets provided by the state. The activity forwards the USDA commodity physical inventory to the NAF AO for control purposes.

Chapter 11

A/P PROCESSING

11.1. Establishment of Accounts Payable. The amounts recorded as accounts payable are for liabilities incurred for the receipt of goods or services. Orders or agreements must be in writing and supported by a receiving report or proof of shipment before a liability may be recorded.

11.1.1. Maintain a suspense file for all payables. This file should be set up to ensure timely payments and facilitate end of month reconciliation. Documents remaining unpaid at the end of month should equal the outstanding items on the invoice register. The invoice register, in turn, should equal the balance in GLAC 201.

11.2. Electronic Fund Transfer (EFT). The NAF AO is required by Congressional mandate to use EFT to pay U.S. vendors. Authorized EFT exemptions that require no further approval and for which checks or petty cash would be used for the disbursements are as follows:

11.2.1. SM&W expenditures are to be made by EFT to the vendor when a purchase order is required and through the central cashier to reimburse for approved expenditures. No advance of funds is authorized.

11.2.2. Entertainment contracts.

11.2.3. Customer refunds (use the Change Fund/Daily Activity Receipts, where possible).

11.2.4. Change Fund establishment or replenishment.

11.2.5. Prize/Bingo winners (use Change Fund/Daily Activity Receipts, where possible).

11.2.6. Other Federal Agencies (i.e., DFAS or DAO). For DAOs, funds will be disbursed via EFT or through the central cashier.

11.2.7. State entities not accepting EFT.

11.2.8. Isolated Unit Funds. Funds will be disbursed via EFT or through the central cashier.

11.2.9. Bowling League accounting done by NAF AO.

11.2.10. The RMFC may approve exemptions for persons on Individual Service Contracts who are not expected to be paid more than one time during the current fiscal year. These individuals will continue to be paid by check.

11.2.11. Base-level units receiving MWR support for unit activities should make payment using the GPC (government purchase card) or prepare an AF Form 1401, NAF Petty Cash/Refund Voucher, to obtain funds from the central cashier. The base-level unit fund representative may be accompanied by a Services representative with a NAF GPC to make the needed purchases.

11.2.12. If a vendor returns your EFT payment (i.e., because they are not on-line with their bank to receive the EFT information), do not calculate prompt payment penalties. The vendor was considered paid when the EFT payment was sent to their bank account. Prepare and mail a check to pay the vendor.

11.3. Proof of Shipment. Sometimes it is necessary to pay a vendor on proof of shipment rather than on receipt of goods. Although this is more common for overseas orders, review contract terms to determine if the vendor requires payment on shipment.

11.3.1. Match the proof of shipment and vendor invoice to the suspense copy of the Purchase Order. Establish the account payable using the invoice with proof of shipment as the supporting documentation and enter into the general ledger as Inventory in Transit (GLAC 163).

11.3.2. Suspense the paid voucher pending receipt of the receiving report from the activity. When the order is received, process a journal voucher to credit GLAC 163 to clear the original entry and debit the appropriate expense account.

11.4. Documentation Required for Payment. Three documents are usually required to process payment to a vendor. They are a purchase order or a delivery order written against an NPA, EPP, or BPA, a receiving report and a valid invoice. For OCONUS bases an additional document would be the proof of shipment (see **11.3** above). Payment to the vendor should be made in accordance with the contract terms. Contracts are not required to process payments for registration or entry fees, NAF official travel, workers' compensation payments, Government Purchase Card (GPC), or commercial telephone service. Use an AF Form 2539, NAF Disbursement Voucher, for these type payments and attach all supporting documentation.

11.4.1. If the NAF AO overpays a vendor, make an adjustment on the next payment to the vendor. Take a credit for the overpayment. Reference the credit taken to the contract or the PO number and to the vendor's invoice number. If the overpayment was made to a vendor that is not regularly used, the NAF AO contacts the vendor and requests a refund. Reverse the overpayment from the appropriate expense account, and establish it as an account receivable, using GLAC 115, Outside Agency Receivables.

11.4.2. Do not delay payment of bills because of minor errors. When the NAF AO receives an invoice containing minor errors and the contracting officer confirms that prices on the PO or contract are correct, make one of the following adjustments:

11.4.2.1. When the price stated on the invoice is higher than the price stated in the PO, pay the price stated in the PO for the quantity actually received.

11.4.2.2. When the price stated on the invoice is less than the price stated on the PO, pay the invoice price for the quantity received.

11.4.3. In certain cases, such as payments for entertainers, the RMFC may authorize advance preparation of disbursement requests. Payment may be made by electronic funds transfer (EFT) or check. In either instance the activity manager or designee certifies completion of the performance and forwards the certification to the NAF AO on the first business day following completion of service.

11.4.4. Do not process any payments before obtaining required approval signature.

11.5. Distribution of EFTs/Checks/Paid Documents. For payments made by EFT, print remittance advices and obtain the signature of an authorized check signer. Mail or fax one copy of the remittance advice to the vendor and attach the other copy to the paid voucher. If a check has been issued, the NAF AO mails the original check to the vendor. Mark spoiled checks as

void, deface the signature block, and forward to the CMIP technician for update to the cash control summary.

11.5.1. Maintain a check number control log to record checks issued. This can be accomplished by running the check register from the field accounting system (FAS) whenever checks are printed. Suspense these copies until end of month when a Monthly Check Register can be printed.

11.5.2. Stamp all invoices as "paid" and file the original disbursement voucher with supporting documentation in alphabetical order by vendor, with a secondary breakout in chronological order.

11.6. BPA. In view of the requirements of the Prompt Payment Act (paragraph **11.10**), the NAF AO can pay for purchases monthly as long as the guidelines in paragraph **11.10.4** are followed. The NAF AO does not need to make this at the end of month. The NAF Contracting Officer can work with vendors to establish mid-month due dates and lighten the end-of-month workload. A monthly payment allows the accumulation of documents relating to a single vendor to be processed as one payment. In some cases, payment will be made before the regular payment cycle to take advantage of discounts or to fulfill partial pre-payment provisions in a contract.

11.7. Centralized Payment of Consolidated Purchases. HQ AFSVA/SVT normally makes payment based on constructive delivery (receipt of proof of shipment) of the items. On the day of payment, the applicable base's CMIP message will reflect the withdrawal from the CMIP account. If the activity has already received the merchandise and recorded the transaction in accounts payable, process the CMIP transaction by selecting Accounts Payable in the Check Processing Menu. If an Accounts Payable has not been established, prepare a JV to record the CMIP withdrawal as a debit to GLAC 163,Inventory In Transit. Keep a copy of the CMIP message to support this entry, and reverse as soon as merchandise is received, credit GLAC 163, and debit the correct expense account. All CVPP discounts are posted to GLAC 810 XX. When CVPP merchandise is received before the CMIP transaction has been processed, record the receipt of goods in Accounts Payable and debit the appropriate expense account. Refer to paragraph **10.2** for CVPP.

11.8. Payments to Family Child Care Home Providers. Individuals wishing to provide child care services in their homes complete an application and sponsor agreement provided by the Family Child Care Coordinator (FCC). The provider records the number of breakfasts, lunches, snacks, and dinners on a USDA form provided by the FCC. The family child care provider submits this form to the Family Child Care Coordinator at the end of each month. The coordinator computes the amount of reimbursement due each provider and the amount of sponsorship fee, if any, due the Family Child Care Program, and forwards the disbursement voucher to the NAF AO. The NAF AO:

11.8.1. Assigns the family child care provider a vendor code in the accounts payable system. Do not generate an IRS Form 1099. USDA Child Care Food Program disbursements are "grants-in-aid" and aren't taxable since the IRS considers the payments to be reimbursements for running a non-profit food service program based upon pre-set meal rates or actual costs.

11.8.2. Sets up an accounts payable voucher in the standard NAF accounting system each month and records the amount due to be reimbursed by USDA in GLAC 115, Outside Agency Receivables.

11.9. Payments For Government Travel Card and Government Purchase Card Accounts. HQ AFSVA/SVF establishes Government Travel Cards (GTC) for the RMFC at each base and for each MAJCOM. HQ AFSVA/SVF centrally administers account activation and deactivation. The RMFC administers the account locally. Official Travel may not be charged to the GPC account and must be charged to the GTC. Accounts payable should be set up as soon as tickets or other travel expenses are charged to the GTC account. The accounts payable transactions are cleared when payment is processed upon receipt and verification of the bank statement.

11.9.1. Cardholders enter Government Purchase Card (GPC) purchases into the bank online transaction log. The cardholder reconciles GPC purchases posted to the cardholder's account by the bank against the transaction log, and either approves or disputes transactions. When the cycle closes for the month, or the last business day prior to the end of the cycle, the cardholder approves the monthly cardholder statement online. The billing official reviews cardholder transactions for propriety and certifies the invoice for payment online after all cardholders have approved their monthly statements. GPC invoices are transmitted to the base by EDI and electronically interface into the NAF accounting system. Payment method is Confirm and Pay, which requires billing official invoice certification before the invoice will transmit to the base. The payment voucher is created at the time of interface and should be paid in full. The NAF AO manually vouchers any interface rejects and includes the amount in the payment to the bank. It is not necessary for the NAF AO to wait to receive all EDI invoices before making payment. Payment against each voucher should be made as soon as possible in order to maximize the refund offered by the bank. Cardholders should follow-up on any disputed charges with the vendor and bank. The NAF AO should track any credits due from the bank to ensure they are received.

11.10. Prompt Payment Act (Public Law 97-177) Requirements. The Prompt Payment Act applies to contracts awarded (including purchase and delivery orders), calls placed against blanket purchase agreements, and blanket delivery orders on or after 1 Apr 1989. The Act also applies to contracts awarded by contracting officers located outside the United States, when performance of the services or delivery of the supplies will occur outside the United States.

11.10.1. The Act requires federal agencies to pay their bills on time. The NAF AO takes discounts when payments are made by the discount date and pays interest penalties on late payments. HQ AFSVA/SVF publishes the applicable rate, as required by the Secretary of the Treasury. The NAF AO must pay interest penalties when due, regardless of whether the vendor concerned requests their payment. Interest calculation is based on a 360-day year.

11.10.2. Under the provisions of the Act and this AFMAN, consider the vendor paid on the settlement date for an EFT payment, or on the date the NAF AO issues the check. Mail checks the same day they are dated (issued). The Act requires that:

11.10.2.1. When the payment includes a penalty, the NAF AO must include a notice to tell the vendor:

11.10.2.1.1. The amount of the interest penalty included in the payment.

11.10.2.1.2. The rate used to compute the penalty.

11.10.2.1.3. The number of days used to compute the penalty.

11.10.3. Except for GPC card payments, do not make payments earlier than 7 days before the due date. However, if the day a payment is due (basic period ending with the due date) falls on a Saturday, Sunday, or a holiday, the NAF AO may make payment the following workday without an interest penalty. Unavoidable late payments are subject to the interest penalties discussed in this paragraph, and will cover the period from the day after the due date through the payment date.

11.10.3.1. Interest penalty amounts, which remain unpaid at the end of each 30-day period, are added to the original principal amount. The interest then accrues on the new principal amount for the next 30 days. The process repeats until the NAF AO makes payment for the total amount. Do not accrue interest in excess of one year.

11.10.3.2. Interest penalties are not due until the payment due date has passed, the NAFI has accepted delivery (paragraph **11.10.9**), and the NAFI has received a proper invoice (paragraph **11.10.7**). If an EFT payment is rejected due to incorrect bank account information supplied by the vendor, interest under this regulation will not accrue until seven days after correct information is received (provided vendor has been notified of incorrect bank information within seven days of payment being rejected by AFSVA).

11.10.3.3. The Act does not require interest penalties when the NAF AO delays payment because of a disagreement over the amount of the payment or other issues concerning compliance with the terms of the contract, for financing payments such as advance payments, or for the period when amounts are withheld temporarily according to the contract. Interest payment is not required when an EFT payment is not credited to the vendor's account because of a failure on the part of the Federal Reserve or the vendor's own financial institution. The NAF AO need not pay interest penalties of less than $1.00. Interest penalties do not continue to accrue for more than one year or after a claim for such penalties is filed under the Contract Dispute Act of 1978.

11.10.3.4. The rate used to figure the interest penalty is the rate in effect at the time of the payment due date, not at the time the payment is made.

11.10.3.5. The Act requires an additional penalty, 100% of the original unpaid interest, when a late payment interest penalty is owed and is not paid within 10 days of making the late payment and the contractor makes a written request. To be valid, the contractor must postmark the request by the 40th day after payment was made. If there is no postmark, the request is still valid if the NAF AO personnel receive the request and annotate it with the date of receipt by the 40th day.

11.10.3.5.1. The additional penalty does not apply to payment of utility bills.

11.10.3.5.2. The additional penalty will be no less than $25.00 and no more than $5,000.00.

11.10.3.5.3. The additional penalty on unpaid interest will accrue until it is paid (per paragraph **11.10.3.1**).

11.10.4. If the contract states a specific due date, the NAF AO must pay interest if the NAF AO does not make payment on or before the due date. The following are payment due dates,

unless otherwise specified by the contract (except paragraph **11.10.4.1** below; in this instance the contract cannot specify any other payment due date).

11.10.4.1. In the case of meat or meat food products, poultry or poultry food products, egg or egg products, seven days after delivery.

11.10.4.2. In the case of perishable agricultural commodities, 10 days after delivery.

11.10.4.3. In the case of dairy products and edible oils and fats, the 10th day after receipt of a proper invoice.

11.10.4.4. In the case of construction contract progress payments, 14 days after the billing office receives a payment request from the contractor or such longer period as the contract may specify (does not include the final payment on a construction contract or a construction contract paid in one lump sum, which is covered in paragraph **11.10.4.5** below).

11.10.4.5. In all other cases, 30 days after receipt of a proper invoice or acceptance, whichever is later.

11.10.4.6. In the case of mixed invoices that contain items with different payment periods, the NAF AO:

11.10.4.6.1. Makes payments as stated in the contractual payment provisions.

11.10.4.6.2. Must pay interest if payment is made so that some items are paid after their due dates.

11.10.4.6.3. May split payments for each category.

11.10.4.6.4. May encourage but not require contractors to submit multiple invoices for payment of individual orders.

11.10.4.6.5. May encourage but not require contractors to submit separate invoices for categories of products with different payment periods.

NOTE: For overseas shipments, the periods prescribed in this subparagraph start on receipt of a proper invoice and proof of shipment document or a proper invoice and receiving report, whichever is received earlier.

11.10.5. The interest penalty provisions in paragraphs **11.10.1**, **11.10.2**, and **11.10.3** above and due date requirements prescribed in paragraph **11.10.4** above also apply to contracts for goods or service that do not prohibit periodic payments and partial delivery payments for completed phases of construction projects, as distinguished from contract financing authorized by the contract.

11.10.6. If an invoice contains any defects or improprieties, the vendor must be notified, in writing, of the defects or improprieties within three days for meat or meat food products, five days for perishable agricultural commodities, dairy products and edible fats and oils, and seven days in all other cases after receipt. The effective date of the notice is the day the notice is transmitted (mailed, faxed, or e-mailed). If this notice is not given within the appropriate time period, the due date requirements apply and the number of days allowed for payment on receipt of a proper (corrected) invoice is reduced by the number of days the notice was forwarded after the end of the applicable notice period.

11.10.7. A proper invoice must include the name of the vendor; invoice date; contract number; the description, price, and quantity of the goods or services delivered; shipping and payment terms; name (where practicable), title, phone number, and mailing address of individual to whom payment is to be made; and any other information required by the contract.

11.10.8. When a time discount is available and taken, payment will be made as close as possible to but not later than the discount date. The discount date is the date by which, if payment is made, a specified discount can be taken. The discount period starts with the date of the invoice. Example: merchandise is received on 15 May and the invoice is dated 10 May, the date used to figure the discount period is 10 May. When a discount is improperly taken because payment was not made within the discount period, interest will be paid on the discount taken beginning with the day after the discount period ended until full payment is made.

11.10.9. Forward receiving reports to the NAF AO not later than the first business day after receipt and acceptance of the goods or services involved. The paying office must date stamp all invoices, receiving reports, and proof of shipment documents with the actual date received. If the paying office (NAF AO) fails to date stamp an invoice when received, consider the date of the invoice as the date of receipt by the paying office. An invoice is considered received on the later of:

11.10.9.1. The date a proper invoice is received by the designated billing office (NAF AO) and the invoice is stamped with the date of receipt at the time of receipt; or

11.10.9.2. The date on which the agency accepts the property or services; or

11.10.9.3. The fifth workday following delivery of the property or performance of services if acceptance is not specified in the contract; or

11.10.9.4. The date placed on a proper invoice by the contractor when the NAF AO fails to date-stamp the invoice with the date of receipt at the time of receipt.

11.10.10. For purposes of this paragraph, the following definitions apply:

11.10.10.1. Billing office. Refer to the definition for paying office.

11.10.10.2. Contract financing payments. Authorized disbursement of monies prior to acceptance of supplies or services including advance payments, progress payments based on cost, progress payments (other than under construction contracts or architect engineer contracts) based on a percentage or stage of completion, and interim payments on cost-type contracts. Contract financing payments do not include invoice payments or payments for partial deliveries.

11.10.10.3. Dairy products and edible fats or oils. All dairy products, as a minimum liquid milk, cheese, certain processed cheese products, butter, yogurt, and ice cream; edible fats or oils and food products prepared from edible fats or oils, as a minimum, mayonnaise, salad dressing, and other similar products.

11.10.10.4. Day. Calendar day, including weekends and holidays, unless otherwise indicated.

11.10.10.5. Meat and food products. All perishable (fresh, chilled, or frozen) meats, including processed meats such as edible fresh or frozen poultry meat, perishable poultry meat food products, fresh eggs and perishable egg products, luncheon meats, frankfurters, bacon and refrigerated ham; but excluding nonperishable meats, all perishable or nonperishable mixed products, seafood, and game.

11.10.10.6. Partial payments. Payments made for partial executions or delivery of accepted property or services where allowed by the contract.

11.10.10.7. Perishable agricultural commodities. Fresh fruits and vegetables of every kind and character, including those frozen, packed in ice, or packed in brine, dairy products, edible fats and oils.

11.10.10.8. Paying office. The office responsible for scheduling invoices for payment. For purposes of meeting the requirements of the Act, the NAF AO is designated the official paying office for Air Force NAFIs. NAF AO is also the designated billing office. The Act requires the billing office to be designated in contracts to receive invoices from contractors.

11.11. Ratification. If an individual makes an unauthorized purchase, a ratification package is prepared. This consists of Employee's Statement of Facts, Supervisor's Certification, Invoice, and funded Purchase Request. The NAF contracting officer will review and prepare necessary contractual documents for forwarding to the servicing legal office. After legal review the package is forwarded to the appropriate ratifying authority for consideration. Refer to AFMAN 64-302.

CHECK NUMBER CONTROL LOG

Figure 11.1. Check Number Control Log.

			Checks Disbursed From NAFI		
Check No	**Date of Check**	**Payee**	**51**	**70**	**Remarks**
20001	2 Jan 94	Enlisted Club Mgr	5,000.00		change fund
20002	2 Jan	Rapids Bank	9,680.75		taxes
20003	31 Jan	Fred Check, Imprest Fund		243.00	petty cash
20004	31 Jan	John Doe,			

		Imprest Fund	198.80		petty cash
20005	31 Jan	Void			
19997	30 Sep 90	Void Bill Elliot	(25.00)		returned 120 days old
TOTALS			14,854.55	243.50	

Chapter 12

INVENTORY MAINTENANCE

12.1. Resale Inventory. Designate goods held for sale in the normal course of a business as resale inventory items. Assign a value to these goods to determine profit for the accounting period as shown on the income statement, and to properly report assets on the balance sheet. Value all NAFIs inventories using the same method and apply consistently from one accounting period to another. The NAF AO must fully disclose the valuation method used for reporting in the financial statements. Make this disclosure as a footnote to the financial statement. An example of the footnote on the financial statement is: "Resale inventories are valued by weighted average."

12.2. Inventory Maintenance. The NAF AO maintains inventory records when SV uses the inventory module of the standard NAF accounting system. When another inventory system is used such as Rec Trac!, FoodTrak, SIMS, etc. then the activity manager maintains inventory records on the alternate inventory system instead of the inventory module under the standard NAF accounting system. When transitioning from the NAF standard accounting system inventory module to an alternate inventory system, run dual systems until both the RMFC and activity manager feel the variance between the two systems is not excessive (for example, a 90 day test that has a variance of no more than $200 or a non-material dollar amount).

12.3. Inventory Values. The NAF AO values inventories at cost plus freight where material.

12.4. Consigned Merchandise. The consignor inventories consigned merchandise. The activity maintains a separate memorandum perpetual inventory (Automated Inventory System, AF Form 2045, **Bingo Perpetual Inventory**, or locally devised form), for each consignor, of merchandise held on consignment, including bingo prizes, tickets for ticket and tour operation. Inventory of consigned merchandise is for accountability purposes only.

12.5. Establishing Inventory Dollar Levels:

12.5.1. **In-Use.** In establishing the maximum dollar value of in-use inventories, consider the cost of merchandise stocked (high value vs low value), availability through central NAF storerooms, direct delivery time, frequency of delivery, adequacy of storage space, exposure to spoilage and pilferage, etc. The maximum level (dollar value) established must be realistic.

12.5.2. **Storerooms.** In establishing dollar levels of storeroom inventories consider the frequency of delivery, adequacy of space, exposure to spoilage and pilferage, etc.

12.6. Inventory Frequency. Refer to AFI 34-209 for inventory frequencies. Do not increase the frequency of inventories for all SV activities or other NAFIs unless they all have a common problem. This does not prohibit a daily or weekly inventory of high value items when used for internal control.

12.7. Annual Impartial Inventory. The NAFFA maintains a schedule for annual physical inventories of fixed assets, storerooms and salable merchandise. Use the guidance in AFI 65-107. The NAFFA should have the team use the formats at **Figure 12.1** and **Figure 12.2** to report on the inventories.

12.8. Aero Club Inventory of Spare Parts. Aero clubs are not required to inventory spare parts costing less than $50.00. These are considered bench stock. On acquisition, the NAF AO posts purchases of aircraft parts and bench stock items costing less than $50.00 per item as a direct expense to each applicable aircraft base on anticipated actual usage.

12.9. Change of Managers. To comply with the requirements in AFI 34-209, the incoming manager may use the financial statements to check the correctness of the decentralized storeroom and in-use inventories. Inventories, when conducted, may replace the next regularly scheduled or annual inventory, saleable or consumable merchandise inventory, or property and equipment inventory. In order to replace the annual impartial inventory, independent people must observe the inventory (at the time of the change of managers) according to AFI 65-107.

12.10. NAF AO Inventory Procedures. The NAF AO:

12.10.1. Prepares inventory count sheets at the end of each month or quarter, as applicable (refer to AFI 34-209), for all inventory outlets (in use, consigned, special order and events, and storeroom). Send these count sheets to the activity personnel to record the quantity on hand.

12.10.2. Provides, annually, lists of fixed assets to the NAFFA for the observation inventory team to use. Also furnish a fixed asset list when managers change.

12.10.3. Receives completed inventories, enters inventory counts and values into the accounting system.

Figure 12.1. Format for Resale Merchandise Inventory Certification.

FORMAT FOR RESALE MERCHANDISE INVENTORY CERTIFICATION

NAFI: _____ DATE: _____

(I) (We) have observed the physical inventories listed below:

(I) (We) have noted the general security and protection of the inventory.

(I) (We) (do) (do not) believe, to the best of (my) (our) knowledge, that the activity conducted the inventory properly and accurately. Deviations noted are made an attachment to this letter.

(I) (We) (do) (do not) believe, to the best of (my) (our) knowledge, that the activity properly (secured) (protected) the inventory. Deviations noted are made an attachment to this letter.

Team Chief _____

(signature)

Team Member _____

(signature, if applicable)

NOTE: NAF AO personnel complete this section:

Cost Center:	GLAC/CCC	$ Value
Cage	401 W1	
Kitchen	401 W2	
Bar	401 W3	
	Total In-Use Inventory (GLAC 162)	$

NAF AO _____

(signature)

Figure 12.2. Format for Annual Fixed Asset Inventory Memorandum--NAFI or Cost Center.

FORMAT FOR ANNUAL FIXED ASSET INVENTORY MEMORANDUM--NAFI OR COST CENTER

We conducted the attached physical inventory of property (GLAC 18X) as of the close of business on ___(date)___.

NAFI or Cost Center Manager: _____(signature)_____

Independent Team:

(I) (We) have observed the physical inventory listed below:

(I) (We) have noted the general security and protection of the property.

I) (We) (do) (do not) believe, to the best of (my) (our) knowledge, that the activity conducted the inventory properly and accurately. Deviations noted are made an attachment to this letter.

(I) (We) (do) (do not) believe, to the best of (my) (our) knowledge, that the activity properly (secured) (protected) the inventory. Deviations noted are made an attachment to this letter.

The inventory was reconciled with the balances on the property control records. Overages or shortages were:

Item Description	Acquisition Value	Balance On Property Records	Physical Count	Variance Over(Short)
A	$XX	X	X	$XX
B	$XX	X	X	$XX
			TOTAL	$XX

NOTE: Continue discrepancies on separate page, if necessary.

Team Chief: _____

(signature)

Team Member: _____

(signature, if applicable)

NOTE: NAF AO personnel complete this section:

The dollar value of the physical inventory was reconciled with the general ledger control account. This adjustment to GLAC 18X was necessary:

Actual Account	$XXX	GLAC	XXX
Variance Over/(Under)	$XXX		

NAF AO: _____(signature)

Chapter 13

REPORTS

13.1. Reporting Requirements. This chapter describes the accounting reports and frequency of these reports required by HQ USAF for all NAFIs covered by this manual.

13.2. Consolidated Nonappropriated Banking Report, RCS: HAF-MWR(D)7505. Refer to AFMAN 34-215, *Procedures for the Cash Management and Investment Program*, and AFI 34-209 for reporting requirements.

13.2.1. **Balancing the CMIP Account.** The NAF AO reconciles the CMIP account according to the procedures in AFMAN 34-215 and AFI 34-209. The NAF AO maintains a cash control summary to balance the CMIP account with the G/L control account (GLAC 101) and CMIP (refer to **Figure 13.1**).

13.3. Nonappropriated Fund Financial Statement, RCS: HAF-SV(Q) 7407. Refer to AFI 34-209 for reporting requirements and additional instructions. This reporting system is designed to provide increased surveillance and to improve the integrity and control of NAF activities at all levels of command. For the system to be effective, it is essential that source data be completely accurate, and distributed on a timely basis. The report provides a timely and effective analysis to ensure sustained progress toward the operational objective. The formats of the financial statements are the same for all funds. Prepare financial statements monthly and make the cut-off date as of the last day of the month. The MAJCOM generates the quarterly report from the monthly Command Financial Analysis System (CFAS) extracts submitted by their bases. When preparing hard-copy financial statements, use examples of financial statements in **Figure 13.2** and **Figure 13.3**. The financial statements consist of four basic elements:

13.3.1. **Balance Sheet.** Use **Figure 13.2** for the balance sheet format.

13.3.2. **I&E Statement.** Use **Figure 13.3** for the I&E statement format. Refer to AFI 34-209 for additional instructions. The I&E statement includes pertinent ratios and comparisons of expenses to income. Report the amount of APF received by the NAFI as a footnote to the quarterly consolidated statement for each NAFI. When preparing the I&E, the NAF AO ensures:

13.3.2.1. The balance in GLAC 291 and the current year-to-date net income/loss on the consolidated I&E statement agree.

13.3.2.2. The balance in GLAC 162 and the total of the individual CCCs' reports ending inventory agree.

13.3.2.3. The year to date beginning inventory for each CCC report equals the 1 Oct beginning inventory.

13.3.3. **Statement of Cash Flows (SCF).** Use **Figure 13.4** for the SCF format. NAFs use the indirect method of preparing the statement of cash flows. The indirect method is based on reconciliation and evaluation of net income and balance sheet accounts (refer to **Figure 13.5**) to arrive at cash generated from operations, financing, and investing activities. In addition, the indirect method reconciles the net change in cash and cash equivalents with the

beginning and ending balance of the applicable general ledger accounts. Quarterly, the NAF AO sends the SCF to the MAJCOM/SVF for review.

13.3.4. **Supporting Schedules.** HQ AFSVA/SVF requires the following minimum supporting schedules.

13.3.4.1. Schedule of Aged Accounts Receivable, RCS: HAF-SV(Q)0206.

13.3.4.1.1. Accounts Receivable. Report aged accounts receivable (A/R) information for Base MWR Funds, Isolated Unit Funds (IUF), and Base Lodging Funds to HQ AFSVA/SVFA as of the end of each quarter. Include GLACs 111, 113, 114, 115, 121, 122, and recoursed accounts written off for the quarter. Report for each NAFI the amount of A/R that is current, 30 days delinquent, 60 days delinquent, 90 days delinquent, and 120+ days delinquent. For the Lodging Fund, include the same information as for the MWRF and IUF, but break out separately the aging for the individual guests and for agency accounts (i.e., Air Force Reserves, Air National Guard units).

13.3.4.1.2. The MAJCOM will consolidate the report for the command and forward the report electronically to HQ AFSVA/SVFA NLT the 20th of the month following the end of the quarter.

13.3.4.1.3. Other Aged A/R Report. The MAJCOM may require additional or other types of aging reports. Follow MAJCOM guidance to prepare these reports, but do not deviate from HQ AFSVA/SVFA's reporting requirement.

13.3.4.2. AF Form 1736, **NAF Cash Management and Investment Program Account Verification**. This schedule supports the quarterly financial statement. The NAF AO prepares this report. Show all reconciling items as an attachment to the AF Form 1736. Identify each reconciling item by the amount, document number, date, cause, and the method and date of correction. The RMFC certifies this schedule according to AFI 34-209. MAJCOMs review and forward the quarterly CMIP verification and applicable attachments to HQ AFSVA/SVFA according to AFI 34-209.

13.3.5. **Other Supporting Documentation to the Financial Statement.** The NAF AO prepares the Special Morale and Welfare Expenditure Report for each quarter according to AFI 34-201 and AFI 34-209. Use *Expenditures for SM&W Purposes*, RCS: HAF-MWR(Q) 8401 Report. Refer to AFI 34-201 for the reporting requirements.

13.3.6. **Special Instructions, Frequency, and Distribution:**

13.3.6.1. Unless otherwise stated, all NAF AOs transmit reports and supporting schedules according to AFI 34-209. Make base distribution as required. NAF AOs transmit reports of prepared financial statements according to the Services NAF Accounting System Users' Guide. MAJCOMs do not require hard copy submissions of the financial statement. Transmit financial statements electronically. *EXCEPTION:* Certain schedules (for example, aged A/R, CMIP verifications) and the SCF may not be automated by your command. Submit hard copies of these schedules and reports to your MAJCOM.

13.3.6.1.1. Unit funds authorized to perform accounting send two copies of financial statements after the end of each reporting period to the servicing NAF AO. If the unit

fund has no servicing NAF AO, send these statements directly to the host MAJCOM. Make other distributions as required locally.

13.3.6.1.2. Subordinate commands, MAJCOM funds, and Air Force funds use accounting and reporting procedures prescribed for installation level funds. Make other distributions as required locally.

13.3.6.1.3. Base restaurants prepare and date the report (covers fund operations for each reporting period) as of the last day of each period. The restaurant officer signs the original report and, except as provided in AFJI 34-122, submits it directly to the Board of Directors, Army and Air Force Civilian Welfare Fund, to arrive NLT the 20th day of the month after the quarter reported, with an information copy to the MAJCOM. The report is forwarded through the MAJCOM at the major commander's discretion. AFJI 34-122 contains additional reporting requirements. Include a statement on the computation of dividends available according to AFJI 34-122. MAJCOMs send consolidated statements to HQ USAF/SVA according to the time-frame in AFI 34-209. Use the same time schedule established for all other NAFIs in AFI 34-209. Make MAJCOM consolidations as required.

13.3.6.1.4. Prepare reports for each reporting period for CWFs the same as for MWRFs except that consolidation by cost center group is not required. Send reports to MAJCOM and HQ USAF/SVA according to the time-frame in AFI 34-209. Use the same time schedule established for all other NAFIs in AFI 34-209. AFJI 34-122 contain reporting requirements for the civilian welfare fund. Use the financial statement formats in this chapter. The CWF custodian signs the report and, except as provided in AFJI 34-122, submits it directly to the BOD, AAFCWF to arrive not later than the 20th day of the month after the end of the reporting period with an information copy to the MAJCOM. The report is forwarded through the MAJCOM at the MAJCOM/CC's discretion.

13.3.6.2. MAJCOMs review financial statements received from lower echelons and the MAJCOM funds and transmit the 7407 report to HQ AFSVA/SVFA according to AFI 34-209. Make distribution of printed reports as locally required. MAJCOMs submit reports either through the Defense Data Network (DDN) or the Automated Digital Network (AUTODIN) showing the addressee routing indicator RHWRMAY.

13.3.6.2.1. Subordinate command level may process and consolidate subordinate command statements. However, the subordinate command must process them to comply with the established due dates.

13.3.7. **Statement Review.** Review financial statements at every supervisory management level and every echelon to ensure good accounting and management procedures.

13.4. International Balance of Payments Transactions, RCS: ACCT RPT FM(Q) 743 (AF).

13.5. Tax Reports. Refer to **Chapter 6** for reporting quarterly payroll tax returns. Refer to AFI 34-209 for certain forms to report taxes.

13.6. Quarterly Prompt Payment Report, RCS: ACCT RPT (Q) 1619. Use the format at **Figure 13.6** to prepare the quarterly Prompt Payment Report. Data furnished in sections I-VI excludes:

13.6.1. Federal agencies (for example, commissary, base exchange (BX), IRS).

13.6.2. Contract financing (not allowable for NAFs according to AFI 34-201).

13.6.3. Cost reimbursement.

13.6.4. Advances.

13.6.5. Payroll.

13.6.6. Reimbursements of change funds and petty cash.

13.6.7. Garnishments as defined by AFI 34-202 and AFMAN 34-212.

13.7. Annual Prompt Payment Report, PPA Report, RCS: ACCT RPT(A) 1619. Refer to AFI 34-209 for reporting requirements. HQ AFSVA/SVF prepares and submits this report based on the quarterly reports sent from the NAF Aos.

Figure 13.1. Cash Control Summary.

CASH CONTROL SUMMARY

Month of June 94

NAFI: Billeting CMIP ID: 04 Ending Balance 31 May 1994 $18,204.46 $12,191.22 $18,204.46 difference $6,013.24

Date 90	Reference	Deposits/ Credit Memos	Dishonored Checks/ Debit Memos	Checks Issued	Checks Voided	Transfers In	Transfers Out	CMIP Balance	Remittance	Adjusted CMIP Balance	G/L Balance	Remarks
1 Jun	DP	22,402.96										
	DC		100.00									Late
	DP 31 May 94	6,013.24										Deposit
	CI 40250-40309			32,274.02								for May
	CV 39998				120.00							
	TR 04375 MWRF						16,240.02					
	TR 05236					35,521.54						
1 Jun	Balance							27,634.92	59.98	27,574.94	27,634.92	Interest
2 Jun	DP	20,468.23										Earned May
	CI 40310-40320			9,261.50								
2 Jun	Balance							38,841.65			38,841.65	
30 Jun	DP	16,421.10										
	DC		120.00									
	CI 40321-40375			21,619.23								
	TR 04376-MWRF						2,145.00					
30 Jun	Balance							31,378.52	(90.00)	31,288.52	31,378.52	CI 40320
	Monthly Balances	65,305.53	220.00	63,154.75	120.00	35,521.54	18,385.02					Paid
											Than Issue	Different
												AFFMF Correction

Figure 13.2. Balance Sheet.

(Specify Name of NAFI)

BALANCE SHEET

AS OF 30 SEP XX

ASSETS

Current Assets:		Current YTD	Prior YTD
Cash			
101	Cash in Bank - Checking	$16,931.60	$30,771.26
105	Change and Imprest Funds Issued	900.00	700.00
106	Revolving Cash Fund - Central Cashier	1,000.00	200.00
	Total	18,831.60	31,671.26
Investments			
108	Investment-Severance Benefits	29,623.18	27,623.95
	Total	29,623.18	27,623.95
Receivables			
111	Customer Accounts Receivable	20,330.75	17,774.22
112	Returned Checks Receivable	300.00	201.00
	Total	20,630.75	17,975.22
Prepayments			
130	Prepaid Expenses	4,739.02	5,314.02
141	Deposit -Other	2,000.00	1,830.00
	Total	6,739.02	7,144.02
Inventories			
161	Inventory -Central Storeroom	23,218.85	23,540.85
162	Inventory- Sales Outlet	17,063.67	17,100.00
	Total	40,282.52	40,640.85
	Total Current Assets	116,107.07	125,055.30

Non-Current Assets:			
Expendable Assets			
171	Quantity Expendable (Bulk) Equipment Items	7,156.78	4,356.92
172	Accum Amortization-Quantity Expend (Bulk)	335.52	245.71
	Total	6,821.26	4,111.21
Fixed Assets			
181	Fixed Assets-Furniture and Equipment (NAF)	20,189.50	12,689.50
182	Accum Deprec-Furniture and Equipment (NAF)	719.30	416.00
183	Fixed Assets-APF Title	22,447.00	22,447.00
184	Accumulated Deprec-APF Title	20,850.00	20,315.00
185	Construction in Progress	5,423.43	4,425.83
186	Facilities and Improvements (NAF)	885,279.00	884,279.00
187	Accum Deprec-Facilities and Improvements (NAF)	871,590.00	870,400.00
	Total	40,179.63	32,710.33
Other Non-Current Assets			
194	Prepaid Expenses - Long-Term	2,178.59	3,189.52
	Total	2,178.59	3,189.52
	Total Noncurrent Assets	49,179.48	40,011.06
	Total Assets	165,286.55	165,066.36

Figure 13.2. Continued.

LIABILITIES AND FUND EQUITY

Current Liabilities:		Current YTD	Prior YTD:
Payables			
201	Accounts Payable	18,682.45	26,499.77
	Total	18,682.45	26,499.77

Wages and Benefits Payable			
215	Accrued Annual Leave Payable	1,028.53	3,028.53
217	Accrued Payroll	963.26	970.40
	Total	1,991.79	3,998.93
Other Current Liabilities			
227	Accrued Maintenance	150.00	120.00
232	Unearned Income	200.00	100.00
245	Current Portion of Loans Payable	4,994.84	4,994.84
249	Other Payables	352.00	563.00
	Total	5,696.84	5,777.84
	Total Current Liabilities	26,371.08	36,276.54
Non-Current Liabilities:			
Payables			
259	Severance/Separation Benefits Payable	11,250.29	11,666.96
	Total	11,250.29	11,666.96
	Total Non-Current Liabilities	11,250.29	11,666.96
Fund Equity:			
Equity			
281	Grants - Nonoperating	5,000.00	0.00
287	Transferred Equity	2,000.00`	0.00
288	Donated Equity	500.00	0.00
290	Fund Equity Prior Years (refer to note 1)	73,252.34	73,252.34
291	Net Income (Loss) (refer to note 2)	46,912.84	43,869.92
	Total Fund Equity	127,665.18	117,122.86
	Total Liabilities and Fund Equity	$165,286.55	$165,066.36

Acid Test Ratio (refer to note 3) 2.6 to 1

Current Ratio (refer to note 4) 4.4 to 1

Attach the following statement to each report:

"I certify that the balances in the Balance Sheet, the Income and Expense Statement, and the Statement of Cash Flow are true and correct to the best of my knowledge."

Signature of Custodian _____ Date _____

NOTES:

1. Must equal total fund equity as of 30 September of prior year (less GLACs 280, 284, and 285).

2. Must equal net income on consolidated statement of income and expense for the NAFI.

3. Quick assets divided by current liabilities. Quick assets are current assets less inventory (GLACs 161-164) and prepayments (GLACs 130-141).

4. Current assets divided by current liabilities.

Figure 13.3. Statement of Income and Expense.

(Specify Name of NAFI)

(CONSOLIDATED OR ACTIVITY NAME)

STATEMENT OF INCOME AND EXPENSE (refer to note 1)

For the Period Ending 30 Sep XX

Consolidated Host Annex		Current Month	%	YTD	%
Sales Revenue					
301	Sales	8,134.20		84,828.20	
	Total Sales	8,134.20		84,828.20	
Cost of Sales					
4011	Beginning Inventory	11,561.10		7,978.28	
401	Purchases	4,922.72		60,451.54	
4013	Less Ending Inventory	9,650.58		9,650.58	
	Total Cost of Sales	6,833.24		58,779.24	
	Gross Profit from Sales (refer to Note 2)	1,300.96	16.0	26,048.96	30.7
Activity Revenue					
501	Fees and Charges	3,416.19		40,994.33	
502	Dues and Initiation Fees	1,104.67		13,256.00	
	Total Activity Revenue	4,520.86	35.7	54,250.33	39.0

Gross Income		5,821.82	46.0	80,299.29	57.7
Operating Expenses:					
Personnel Expenses					
680	Self-Help Labor-Contra	200.50		500.60	
701	NAF Payroll	900.20		10,802.51	
703	FICA Tax	61.27		735.24	
706	U.S. Citizen's Benefit	2.16		25.92	
709	Sick Leave	60.58		200.95	
713	Annual Leave	75.70		300.48	
	Total Personnel Expense	899.41	7.1	11,564.50	8.3
Support Function Expenses					
719	Credit Card Expenses	14.55		30.23	
	Total Support Function Exp	14.55	.1	30.23	0.0
Material Related Expenses					
720	Supply Expense	53.01		772.31	
723	Maintenance and Repair-Fund Owned	76.25		1,831.67	
726	Postage, Subscriptions, and Dues	6.85		55.78	
	Total Material Related Expense	136.11	1.1	2,659.76	1.9
Entertainment and Promotional Expenses					
753	Membership Night	100.00		400.00	
754	Prizes	50.00		200.00	
	Total Entertainment and Promotional Exp	150.00	1.2	600.00	0.4

Figure 13.3. Continued.

Other Operating Expenses					
784	Uncollectible Accounts	50.00		125.00	
787	Telephone	50.00		600.00	

788	Utilities	70.00		740.00	
	Total Other Operating Expenses	170.00	1.3	1,465.00	1.1
	Total Operating Expenses	1,370.07	10.8	16,319.49	11.7
Results of Operations Before Depreciation		4,451.75	35.2	63,979.80	46.0
Depreciation					
797	Amort-Expendable (Bulk) Equipment	57.43		300.78	
798	Deprec/Amort Fixed Assets-Furniture and Equipment	303.30		3,639.60	
799	Deprec/Amort-Fixed Assets-Facilities and Improvements	1,685.00		20,220.00	
	Total Depreciation	2,045.73	16.2	24,160.38	17.4
Results of Operations After Depreciation		2,406.02	19.0	39,819.42	28.6
Nonoperating Income					
804	Interest Income	1,096.22		12,112.92	
812	Miscellaneous Income	1.22		313.39	
	Total Nonoperating Income	1,097.44	8.7	12,426.31	8.9
Nonoperating Expenses					
910	Gain/Loss on Foreign Currency	1.10		40.97	
912	Miscellaneous Expenses	0.00		10.60	
	Total Nonoperating Expenses	1.10	0.0	51.57	0.0
Net Income (Before Extraordinary and Disc Ops Items) (refer to Note 3)		$3,502.36	27.7	$52,194.16	37.5
NIAD (refer to Note 4)		5,548.09		76,354.54	
APF support (refer to Note 5)					

NOTES:

1. Use this format for consolidated and individual activity statements for all funds.

2. Compute percentage to sales, GLAC 301; compute all other percentages to total operating income, GLACs 301 and 5XX.

3. When there has been an extraordinary event (or a loss from discontinued operations) in the month or year or a loss from discontinued operations, then this should be net income before extraordinary events (or loss on discontinued operations). Add a section for the loss and a line showing "Net Income AFTER extraordinary events or discontinued operations)". Footnote the statement of income and expense with the details of the loss".

4. Optional presentation after net income. Net income adding back GLACs 797-799, 730, 813, 913, 961, 923, 963.

5. Quarterly, each NAFI's consolidated financial statement will contain a footnote reflecting the amount of APFs provided in support of the NAFI's operations.

Figure 13.4. Statement of Cash Flows.

SPECIFIED NAFI'S NAME
STATEMENT OF CASH FLOWS <SCF>
FOR THE QUARTER ENDED 30 SEPTEMBER XXXX

I. INCREASE<DECREASE> IN CASH AND CASH EQUIVALENTS

Cash flows from operating activities:		
Net income (Note 1)		$3,942.00
Adjustments to reconcile net income to net cash		
Uncollectible Accounts	0.00	
Uncollectible Returned Checks	0.00	
Amortization - Quantity Expendable Equipment	100.00	
Depreciation - Furniture and equipment	303.00	
Depreciation - APF	535.00	
Depreciation - Facility and Improvement	1,150.00	
Loss on sale of capitalized assets	0.00	
Gain on sale of capitalized assets	0.00	
Change in assets and liabilities: (refer to note 1)		
Increase in accounts receivable	(2,656.00)	
Decrease in inventory	359.00	
Decrease in prepaids	405.00	
Decrease in accounts payable	(11,474.00)	
Decrease in accrued personnel expense	(2,007.00)	
Decrease in other current liabilities	(81.00)	
Total adjustments		(13,366.00)
Net cash provided by operating activities		(9,424.00)
Cash flows from investing activities: (Note 2)		
Proceeds from sale of capital asset	0.00	
Purchase of capital asset	(5,000.00)	
Purchase of quantity expendable (bulk) equipment	(1,000.00)	
Investments (non CMIP bases/MAJCOM/AF)	0.00	
Net cash provided by investing activities		(6,000.00)
Cash flows from financing activities: (Note 2)		
Grants from AF for capital projects	0.00	
Reimbursement of special grant nonoperating	(416.00)	

Receipt of special grant nonoperating	5,000.00	
Net cash provided by financing activities		4,584.00
Net increase in cash and cash equivalents		(10,840.00)
Cash and cash equivalents at beginning of quarter		59,295.00
Cash and cash equivalents at end of quarter		48,455.00

Total cash and cash equivalent from current quarter balance sheet

II. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Interest: GLAC 796 $0.00

Figure 13.4. Continued.

III. SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

Fair market value of assets acquired	$ 2,500.00	
Donated Equity	(500.00)	
Transferred Equity	(2,000.00)	
Receipt of Capital Item payment to be made Oct	1,997.00	
Net		$1,997.00

NOTE: Narrative statements for changes in non-cash investing and financing activities may be substituted for the monetary analysis used in this sample.

IV. DISCLOSURE OF ACCOUNTING POLICY

For purposes of this statement of cash flows GLACs 108, Investments-Severance Benefits; 109, Interest Bearing Deposit; 110, Cash In Bank-Savings; are considered cash equivalents.

NOTES:
1. Net income is adjusted to remove the effects of noncash, investing, and financing transactions. Net income is adjusted by the net change of individual current asset and liability accounts, less the effect of investing and financing transactions.

Use the following guidelines to arrive at cash flows from operations:
Current Assets: net increase reduces net income; Net decrease increases net income
Current Liabilities: net increase increases net income; net decreases reduces net income

Figure 13.5. Balance Sheet Account Analysis for the SCF.

BALANCE SHEET ACCOUNT ANALYSIS FOR THE STATEMENT OF CASH FLOWS

	CURRENT QUARTER	PRIOR QUARTER	CHANGE
CASH AND CASH EQUIVALENTS (101 - 110)	48,455.00	59,295.00	(10,840.00)
RECEIVABLES (111 - 119)	20,631.00	17,975.00	2,656.00
ALLOWANCE FOR BAD DEBTS (120)	0.00	0.00	0.00
QUICK ASSETS	69,086.00	77,270.00	(8,184.00)
PREPAIDS (130 - 141)	6,739.00	7,144.00	(405.00)
INVENTORIES (161 - 164)	40,282.00	40,641.00	(359.00)
TOTAL CURRENT ASSETS	116,107.00	125,055.00	(8,948.00)
QUANTITY EXPENDABLE BULK EQUIP(171)	10,000.00	9,000.00	1,000.00
FURNITURE AND EQUIPMENT (181)	20,190.00	12,690.00	7,500.00
ASSETSAPF TITLE (183)	22,447.00	22,447.00	0.00
CONSTRUCTIONINPROGRESS (185)	5,423.00	4,426.00	997.00
FACILITIES AND IMPROVEMENTS (186)	885,279.00	884,279.00	1,000.00
CAPITAL LEASES (188)	0.00	0.00	0.00
TOTAL DEPRECIABLE ASSETS	943,339.00	932,842.00	10,497.00
AMORTIZATION - EXPENDABLES (172)	850.00	750.00	100.00
DEPRECIATION FURN & EQUIP (182)	719.00	416.00	303.00
DEPRECIATION APF (184)	20,850.00	20,315.00	535.00
DEPRECIATION FACILITY/IMP (186)	871,590.00	870,440.00	1,150.00
AMORTIZATION-CAPITAL LEASES (189)	0.00	0.00	0.00
TOTAL DEPRECIATION	894,009.00	891,921.00	2,088.00
NET DEPRECIABLE ASSETS	49,330.00	40,921.00	8,409.00
TOTAL ASSETS	165,437.00	165,976.00	(539.00)

ACCOUNTS PAYABLE WITHOUT			
CAPITAL EXPENDITURES (201)	7,685.00	19,159.00	(11,474.00)
CAPITAL EXPENDITURES PAYABLES (201)	1,997.00	0.00	1,997.00
WAGES AND BENEFITS PAYABLE (202 - 225)	1,992.00	3,999.00	(2,007.00)
OTHER CURRENT LIABILITIES (226 - 249)	5,697.00	5,778.00	(81.00)
TOTAL CURRENT LIABILITIES	17,371.00	28,936.00	(11,565.00)
LONGTERM LIABILITIES (251 - 279)	11,251.00	11,667.00	(416.00)
SPECIAL GRANTSNONOPERATING (281)	5,000.00	0.00	5,000.00
OTHER EQUITY (2XX)	(7,500.00)	(7,500.00)	0.00
TRANSFERRED EQUITY (287)	2,000.00	0.00	2,000.00
DONATED EQUITY (288)	500.00	0.00	500.00
FUND EQUITYPRIOR YEARS	80,753.00	80,753.00	0.00
CURRENT YEAR INCOME/LOSS	56,062.00	52,120.00	3,942.00
TOTAL FUND EQUITY	136,815.00	125,373.00	11,442.00
TOTAL LIABILITIES/FUND EQUITY	165,437.00	165,976.00	(539.00)

Figure 13.6. Prompt Payment Report.

PROMPT PAYMENT REPORT

ACCT RPT (Q)1619

____ QUARTER, FY ____

BASE _____ MAJCOM: _____ REPORT DATE: _____

BASE POINT OF CONTACT: _____ DSN: _____

I. Invoices paid subject to the Prompt Payment Act and OMB Circular A-125:

A. Dollar amount $ _____

B. Number _____

II. Invoices Paid Late:

A. Dollar amount of invoices paid late $ _____

B. Interest penalties paid:

1. Dollar amount $ _____

2. Number _____

3. Reason for late payments (refer to note):

a. Delay in paying office's receipt of:

1. Receiving report _____

2. Proper invoice _____

3. Purchase order/contract _____

b. Delay/error by paying office in:

1. Taking discount _____

2. Notifying contractor of defective invoice _____

3. Computer or other system processing _____

(NOTE: Show invoices count in 3a and 3b. Total must agree with the number in II.B.2. above.)

C. Additional penalties paid for failure to pay interest penalties:

1. Dollar amount $ _____

2. Number _____

D. Interest and other late payment penalties which were due but not paid:

1. Because amount less than $1.00:

a. Interest dollar amount $ _____

b. Number _____

Figure 13.6. Continued.

2. For other reasons:

a. Interest dollar amount $ _____

b. Number _____

c. Specify reasons:

III. Invoices paid 1-15 days after due date:

A. Dollar amount:

1. 1-7 days $ _____
2. 8-15 days $ _____
3. Over 15 days $ _____

B. Number total:

1. 1-7 days _____
2. 8-15 days _____
3. Over 15 days _____

IV. Distribution of late payment interest penalties: Interest penalties paid as reported in II.B.1 and II.B.2

Amount of penalty paid	Dollars	Number of payments
$1.00 - $25.00	$_____	_____
$25.01 - $500.00	$_____	_____
$500.01 - $1,000.00	$_____	_____
$1,000.01 - $2,500.00	$_____	_____
$2,500.01 - $5,000.00	$_____	_____
$5,000.01 plus	$_____	_____

V. Invoices paid 8 days or more before due date, except for cash discounts taken (early payments):

A. Early payments with approved prior arrangements:

1. Dollar amount $ _____
2. Number _____

B. Early payments by mistakes:

1. Dollar amount $ _____
2. Number _____

VI. Discounts:

A. Number available _____

B. Number taken _____

Figure 13.6. Continued.

C. Number (discounts) not taken (total must agree with difference between VI.A and VI.B):

1. Not economically justified _____
2. Not received in time _____
3. Other reasons _____

VII. Total checks disbursed, excluding payroll:

A. Dollar amount $ _____

B. Number _____

VIII. Progress made:

Describe specific problems, planned actions and achievements during the quarter in implementing the provisions of the Prompt Payment Act. (Attach additional sheets, if required)

A. Problems:

1. Late _____
2. Early _____

B. Corrective actions planned:

1. Late _____
2. Early _____

C. Achievement made:

1. Late _____
2. Early _____

Chapter 14

GENERAL LEDGER FINANCIAL MAINTENANCE ANDEXTERNAL FUND TRANSACTIONS

14.1. Adjusting Entries to Interim Financial Statements. Refer to AFI 34-209 for the requirements of interim financial statements. Adjusting entries include, but are not limited to:

- Amortization of prepaid expenses.
- Inventory adjustments.
- Proration of unearned income.

14.1.1. **Automated Adjusting Entries.** Some entries such as depreciation expense and inventory reversals have automated processing capability. The NAF AO must ensure that they perform the automated process for adjusting entries before closeout.

14.2. Trial Balance. Refer to AFI 34-209 for instructions on finalizing the financial statement to include preparing the trial balance. Provide a copy of the preliminary trial balance to activity managers and the NAFFA for their review before finalizing the financial statements. Activity managers and the NAFFA make their review of the trial balance a priority in order to not delay the financial reporting process.

14.3. Year-End Closeout. The NAF AO prepares a year-end financial statement at the end of each FY (30 September). As of 1 October each year, close all income and expense accounts to Fund Equity-Prior Years. Do not manually post this entry as the automated G/L End-of-Year process performs this function. Refer to detailed information in the Services NAF Accounting Users' Guide. The NAF AO must follow certain unique adjustments or procedures to properly close out the old fiscal year and before beginning the new FY. They are:

14.3.1. Adjust GLACs 273, 274, and 275 to reflect the value of all outstanding purchase orders, BPA calls, and requests for purchase, including those sent to the SCO (refer to **Attachment 5** for each referenced GLAC).

14.3.2. Close any unexpended portion of the current year NRB remaining in GLAC 277, 278, 279, and 280 to GLAC 290 and reestablish amounts equal to the NRB budgeted for the next fiscal year (refer to **Attachment 5** for each referenced GLAC).

14.3.3. Prepare the usual trial balances and financial statements and submit the NAF Financial Statement Report (RCS: HAF-SV(Q) 7407) to your MAJCOM.

14.3.4. The general ledger end-of-year processing automatically establishes beginning inventory amounts. The NAF AO does not manually post these amounts.

14.3.5. Print a Chart of Accounts with ending balances for each NAFI and verify that Net Retained Earning equals the "291 00 Net Income (Loss) Current Year" line of the respective balance sheets. Ensure that total debits equal total credits.

14.3.6. Make JV entries to close GLACs 281, 282, 283, 287, and 288 to GLAC 290 after the NAF AO accomplishes a successful year-end closeout.

NOTE: HQ AFSVA/SVFA provides other specific actions and transactions unique to a specific year-end to the NAF AO in September of each year.

14.4. Temporary Lodging Facility (TLF) Assessment Computation. HQ AFSVA/SVFA provides detailed instructions on an annual basis to give guidance on computing TLF assessments.

14.5. TLF Construction and Furnishings. The AF Lodging Fund funds the initial purchase of newly constructed TLF facilities, equipment and furnishings.

14.5.1. The base level records the purchases in the applicable asset or expense accounts and records depreciation expense for any assets acquired, including the facility.

14.5.2. The NAF AO prepares a check issue and requests cash transfer (CT) reimbursement through CMIP on the same day payment is made. Establish a payable and receivable (MAJCOM/AF Receivable, GLAC 114) for the amount the NAF AO will pay. The NAF AO credits cash when they make the payment. When HQ AFSVA makes the reimbursement, debit Cash and credit A/R (GLAC 114). Refer to AFMAN 34-215 for CMIP transactions.

14.6. Slot Machine Income and Expenses:

14.6.1. The NAF AO posts slot machine income as activity revenue to the applicable CCC.

14.6.1.1. Coins placed into or removed from the hopper and coins paid out for malfunctions result in a credit or debit to income.

14.6.1.2. As the activity reimburses the change fund, the NAF AO posts amounts shown on documents for coins turned in for unauthorized jackpot wins, spontaneous payouts and coins removed from the hopper as a credit to income and coins placed into the hopper or paid out as malfunctions as a debit to income.

14.6.2. The NAF AO prorates expenses for slot machine mechanics, Independent Observers (IO), and other related expenses from cost center A9 to slot machine cost centers G5, W5, X5, Y5, and Z5 based on MAJCOM criteria (unless delegated to base level). The MAJCOM may base the proration on income and/or number of machines used, however, any reasonable, consistent and documented method is acceptable. Use GLAC 729, Slot Machine Maintenance Expense, in the cost center receiving the benefit and use GLAC 801, Reimbursements from Other Activities/NAFIs, in CCC A9.

14.6.3. The NAF AO posts all other income and expense according to the current automated system.

14.7. Aero Club Liability Insurance Expense:

14.7.1. At the end of each month, the NAF AO obtains the flying hours from the aero club. The aero club should base the flying hours on the Hobbs meter and round them to the nearest whole hour. If the aircraft does not have a Hobbs meter installed, or the meter is inoperative, the aero club multiplies tachometer time by the factor of 1.2 and reports this to the NAF AO as flying hours.

14.7.2. The NAF AO multiplies the hours flown in each aircraft by the specified rate to compute the liability premium for the month. Record insurance expense (GLAC 790) to each aircraft's CCC and accounts payable account.

14.7.3. At the end of each quarter, HQ AFSVA/SVFF withdraws funds for the premium based on the flying hours report on the AF Form 270, **Status of Aero Club Aircraft and Operations**, each month. Record the cash remittance as a debit to accounts payable and credit to cash in bank.

14.7.4. The NAF AO reconciles the premiums established as a liability to the amount pulled by HQ AFSVA/SVFF as the premium. If there is a variance, determine the reason and make necessary adjustments to Insurance expense (GLAC 790) for the applicable aircraft and Accounts Payable. Contact HQ AFSVA/SVFF, 10100 Reunion Place, Suite 400, San Antonio, TX 78216-4138, to determine if corrections are needed to the funds previously withdrawn.

14.8. Aero Club Hull Insurance:

14.8.1. Based on the declared value from the prior quarter, the NAF AO multiplies the declared value by the specified rate per aircraft. Record one-third of the total as a debit to hull insurance expense (GLAC 790) and a credit to other payables (GLAC 249) for each month of the current quarter to the applicable aircraft CCC. If the aero club has a grounded aircraft due to a major project, HQ AFSVA charges a reduced rate. Refer to AFI 34-208 for details.

14.8.2. At the end of each quarter, HQ AFSVA withdraws funds through CMIP. The NAF AO posts it as a debit to other payables account (GLAC 249) and a credit to Cash (GLAC 101). If a variance exists, determine the reason and make necessary adjustments. Refer to AFMAN 34-215 for CMIP transactions.

14.9. Workers' Compensation. HQ AFSVA/SVFF uses the RCS: HAF-SV(Q) 7407 Report quarterly data and processes a cash remittance for the biweekly premiums approximately 45 days after the end of the quarter through CMIP based on dollar figures in the workers' compensation liability GLAC. The NAF AO does not make CT payments for the workers' compensation program premiums.

14.10. Unemployment Compensation (UC). HQ AFSVA/SVFF uses the RCS: HAF-SV(Q) 7407 Report quarterly data and processes a cash remittance for the biweekly premiums approximately 45 days after the end of the quarter through CMIP based on dollar figures in the UC liability GLAC. The NAF AO does not make CT payments for the UC program premiums.

14.11. Asset and Liability Insurance. Refer to AFI 34-209. Compute premium payments as follows:

14.11.1. Compute asset premium payments based on the book value of assessable assets. Assessable assets are defined as GLACs 101 through 110, 161 through 164, and 181, 182, and 185. Multiply the net total by the specified rate and record the expense.

14.11.2. Compute liability premium payments based on assessable income GLACs less GLAC 905. Assessable income GLACs are GLACs 3XX, 5XX, and 8XX, less GLACs 502, 809, 833, and 855. Multiply the net total of assessable income GLACs (less GLAC 905) by the specified rate and record the expense.

14.12. Destruction of Blank Check Stocks. Notify HQ AFSVA/SVFB by message with the base name, base bank account identifier, beginning and ending check numbers, and the reason for destruction.

14.12.1. Two individuals independent of the check writing function witness the destruction.

14.12.2. The two witnesses sign a copy of the message to AFFMF certifying destruction of the blank check stock.

14.12.3. The NAF AO files the destruction certification according to AFI 37-139.

14.12.4. The NAF AO annotates AF Form 1249 with the destruction.

Chapter 15

INTERNATIONAL BALANCE OF PAYMENTS (IBP) NONAPPROPRIATED FUND TRANSACTIONS RCS

15.1. IBP Applicability. ***NOTE:*** This chapter is for Air Force level use only. This chapter applies to all Air Force NAF supported activities having transactions entering the international balance of payments (IBP) (whether abroad or in the US, its possessions, Puerto Rico, and Panama Canal Zone) except unit funds and those NAFIs whose quarterly purchases do not exceed $50,000. It concerns commanders responsible for the operation of NAF supported activities described in AFI 34-201.

15.2. Terms Explained:

15.2.1. **Abroad:**

15.2.1.1. Includes all foreign countries and the Southern Caroline, Marshall, and Mariana islands (except Guam).

15.2.1.2. Excludes the US and its possessions, except Puerto Rico and the Panama Canal Zone.

15.2.2. **Foreign Resident.** Foreign residents are the government of a foreign country and all its agencies and subdivisions, corporations, and any individual (including retired US citizens residing in a foreign country), except those defined as US personnel.

15.2.2.1. **Corporation.** A corporation is a resident of the country in which it is incorporated. A subsidiary is a separate corporation and is a resident in the country where incorporated. Business offices and branches of US corporations are residents of the country where they are located. A corporation operating in a foreign country without a subsidiary or foreign business office or branch is a resident of the country in which it is incorporated. However, a business representative, such as a ticket office of a US transportation company or a sales agent, is not considered to be a foreign business office.

15.2.2.2. **Individuals.** Individuals, including retired US citizens, are considered residents of the country in which they are living rather than the country of citizenship. US territories and possessions, except Puerto Rico, and Panama Canal Zone, are not considered foreign countries (refer to **15.2.1** above).

15.2.2.3. **International Organizations.** An international organization is not considered a resident of any particular country.

15.2.2.4. **US Personnel.** US personnel includes US military forces (active duty, reserve, national guard) and US civilian employees (civil service, nonappropriated funds, and individual contract hire) and excludes retired military forces and civilian employees residing in a foreign country.

15.2.3. **Countries of the World and International Organization Codes.** Countries of the World and International Organization Codes are standard codes established by DoD to identify foreign countries, islands, geographic areas, and international organizations. Codes for the Air Force are found in AFR 700-20, Volume I, *Air Force Data Dictionary (Unclassified)*, 1 Feb 1990, SDE CO-817 and ADE GE-550.

15.2.4. **Gross Pay, FN.** Gross pay, FN are amounts paid to, or on behalf of a foreign national, including US contributions to the foreign government, and fees charged by a foreign government under contract for indirect hire.

15.2.5. **Excess and Near Excess Currencies.** Excess and near excess currencies are US owned foreign currencies determined by the Treasury Department to be above the immediate requirements of the United States, as listed in DoDI 7060.3, *International Balance of Payments Program--Nonappropriated Funds (AM&P)*, 9 Mar 1979.

15.2.6. **Net Pay.** Net pay is that part of gross pay given or mailed directly to the individual in the form of cash, checks, or military payment certificates (MPCs), including pay checks mailed by a disbursing officer to any bank or financial institution for credit to the individual account of US personnel stationed abroad. Increase net pay by the amount of allotment checks mailed to a foreign address.

15.2.7. **Receipts or Payments.** Receipts or payments in currencies (both foreign and United States), checks, or other negotiable instruments, including MPCs. Refunds are netted against payments (disbursements) and repayments are netted against receipts (collections).

15.2.8. **Accommodation Sales.** Accommodation sales are the sale of foreign currencies, for dollars or MPCs, to US personnel for their personal use in the foreign country in which they are located. The amount shown as accommodation sales on the IBP report is the net amount sold to individuals less amounts purchased from individuals, if any.

15.3. Determining IBP Transactions:

15.3.1. The following are IBP transactions:

15.3.1.1. Payments, including advance and progress payments by custodians of NAFs (whether located abroad or in the US, its possessions, Puerto Rico, and Panama Canal Zone):

15.3.1.1.1. To foreign residents, including all amounts deposited in foreign or US banks to their credit.

15.3.1.1.2. To US personnel:

15.3.1.1.2.1. When stationed, employed, or living abroad.

15.3.1.1.2.2. For pay disbursed or mailed abroad when on TDY abroad.

15.3.1.1.2.3. For per diem for TDY abroad.

15.3.1.1.3. To an international organization.

15.3.1.1.4. To US corporations for materials, supplies, and equipment for which title is acquired by NAFs abroad. For example, payment to a US oil corporation at a US or foreign address for petroleum products picked up at an oil refinery in Trinidad.

15.3.1.1.5. To the Commodity Credit Corporation for commodities purchased for use in barter agreements with foreign countries.

15.3.1.1.6. By a foreign government in foreign currency held by the foreign government for special uses under special arrangements. For example, pesetas as

disbursed by the Spanish government for the construction and maintenance of NAF facilities.

15.3.1.2. Receipts into NAF from:

15.3.1.2.1. Foreign residents.

15.3.1.2.2. US personnel stationed, employed, living, or traveling abroad.

15.3.1.2.3. International organizations.

15.3.1.2.4. Foreign governments or other foreign entities in the disposal of NAF property overseas.

15.3.1.2.5. US contractors in connection with their performance of contracts with the US Government or private firms abroad.

15.3.2. The following are not IBP transactions:

15.3.2.1. Payments and receipts between US Government agencies and cost centers, excluding transactions with Commodity Credit Corporation for commodities bought under barter agreements.

15.3.2.2. Payments to foreign residents for goods produced within the US provided that title is transferred within the US.

15.3.2.3. Payments to foreign residents for goods produced abroad and imported into the US if title is transferred to the US Government after the goods clear US customs.

15.4. Country and International Organization Identification:

15.4.1. **Transactions (Except Those Relating to International Organizations).** Generally identify to the country of residence of the payee. Identify transactions with international organizations not listed in AFR 700-20, Volume I, SDE CO-817 and ADE GE-550, to the country to which payment is sent or from which payment is received. Identify transactions relating to international organizations in AFR 700-20, volume I, SDE CO-817 and ADE GE-550, to the organization. In exceptional cases where country of residence cannot be determined, identify transactions as follows:

15.4.1.1. Payments or collections by cash and country in which disbursed or collected.

15.4.1.2. Payments or collections by check and country to which check is sent or from which received.

15.4.2. **Payments.** Generally identified to the designated international organization or to the country of residence of the payee. More specifically:

15.4.2.1. Foreign Corporations. Identify to the country of residence as explained in paragraph **15.2.2.1**

15.4.2.2. Individuals. Identify US citizens, other than US personnel and FNs to the country of residence, not country of nationality.

15.4.2.3. Travel and Transportation:

15.4.2.3.1. Identify payments for transportation of persons (TRs, warrants, or cash) paid to a transportation company, to the country of residence of the transportation company.

15.4.2.3.2. Identify payments for per diem allowances, dislocation allowances, and other incidental travel expenses, including transportation or mileage allowances paid to individuals, as follows:

15.4.2.3.2.1. Permanent Change of Station (PCS) to the country in which the greater part of the allowances were earned or expenses incurred. Consider dislocation allowances to have been earned in the country to which the individual's family moves.

15.4.2.3.2.2. TDY to the country in which TDY was performed, except TDY performed aboard a ship which is identified to the United States. Where TDY is performed in several countries and it is not feasible to identify the per diem to each country, identify the payment to the country in which the greater part of the per diem allowances are earned.

15.4.2.4. US Personnel:

15.4.2.4.1. US Personnel Ashore. Identify net pay to the foreign country in which the individual is stationed, employed, or attached for duty. When an individual is on TDY abroad, identify pay to the country in which payment is made or check addressed.

15.4.2.4.2. US Personnel Afloat. Identify pay as US payments. Make a statistical determination, by country, of the expenditures ashore by US personnel.

15.4.2.4.3. Contributions. Identify payment to US Government agencies and activities for amounts withheld from pay of US personnel and related US Government contributions as US transactions, for example, retirement, health benefits, group life insurance, etc.

15.4.2.5. FNs:

15.4.2.5.1. Direct Hire, FNs. Identify net pay to the foreign country in which the individuals are employed. Identify payments of all US Government contributions and payments for all amounts withheld from the employees pay, at the time of payment, to the country to which addressed.

15.4.2.5.2. Indirect Hire, FNs. Identify payments under contracts for indirect hire of FNs, including retirement accruals or separation allowances when paid, to the country to which addressed.

15.4.2.5.3. FNs Aboard US Ships. Identify net pay to the country in which the individual maintains "home of record." Identify payments of all US Government contributions and payments of all amounts withheld from the employees pay, at the time of payment, to the country to which addressed.

15.4.2.6. Foreign Contractors. Identify payments for construction or services performed abroad to the country in which construction or service is performed, regardless of the place to which check is mailed.

15.4.2.7. US Contractors. Identify payments for construction or services performed abroad to the country in which construction or service is performed, regardless of the place to which check is mailed.

15.4.2.8. US Corporation. Identify payments for materials, supplies, and equipment acquired abroad to the country where it is delivered or accepted.

15.4.2.9. Barter. Identify payments to Commodity Credit Corporation under barter agreements to the foreign country from which the goods or services are received.

15.4.2.10. Government to Government. Identify to the country of the foreign government involved.

15.5. Reporting Frequency. HQ AFSVA/SVF prepares and reports the quarterly data for applicable bases. Refer to AFI 34-209 for reporting instructions.

15.6. Report Contents. Report includes NAF activity report data, according to the following instructions and paragraph **15.7** below:

15.6.1. Report all data for each foreign country where sales are made, dues collected, salaries paid, or purchases made. Reporting activities show amounts rounded to the nearest thousand including dollar equivalent for expenditures made in foreign currencies.

15.6.1.1. Include all payments and receipts affecting NAFs. Where NAFs and APFs are used in the operation of an activity, report only the portion relating to expenditures of NAFs.

15.6.1.2. Exclude expenditures from NAFs reimbursing APFs.

15.7. Preparation Instructions:

15.7.1. NAF transaction data to be reported are:

15.7.1.1. Country or International Organization. List each country or international organization by code as shown in AFR 700-20 volume I, SDE CO-817 or ADEGE-550.

15.7.1.2. Sales. Enter receipts from the sale of merchandise and services, including commissions from concessionaires. Exclude concessionaire sales and receipts from any US Government agency or CC.

15.7.1.3. Other Revenues. Enter receipts for membership dues, chaplain funds, net receipts from bingo, etc.

15.7.1.4. Total Receipts. Enter sum of the receipts shown in **15.7.1.2** and **15.7.1.3** above.

15.7.1.5. Net Pay, US Personnel. Enter net pay of US civilian personnel (full, part time or variable schedule) and US Military personnel employed while off duty.

15.7.1.6. Gross Pay, FNs. Enter gross pay of all direct or indirect hire FNs. Include all payments to or on behalf of the FNs.

15.7.1.7. Foreign Payments for Procurement of Merchandise for Resale. Enter foreign payments for merchandise purchased for resale. Exclude payment for purchases from any US Government agency or CC other than to Commodity Credit Corporation under barter agreements.

15.7.1.8. Other Foreign Payments. Enter other payments for operating expenses, construction, renovation, equipment, etc., not included in any of the above payments. Exclude payments to any US Government agency or cost center other than Commodity Credit Corporation under barter agreements.

15.7.1.9. Total Foreign Payments.

15.7.1.10. Net Excess of Payments or Receipts. If the payments are greater than the receipts, show difference as a positive figure. If the receipts are greater than the payments, show difference as a negative figure.

15.7.1.11. Payments in Excess and Near Excess Foreign Currency. Enter payments included above in currencies of countries designated as excess or near excess currency countries in DoDI 7060.3. Include only those payments with currencies obtained from US sources, that is, military disbursing officers. Do not enter payments made with currencies obtained from commercial banks or other non-US sources.

15.7.1.12. Net Accommodation Sales (Foreign Currency). Enter as a memorandum entry for each country the net amount of accommodation sales of foreign currency to US personnel in facilities operated by NAF activities. Include total amount sold to individuals less purchases, if any, from individuals.

15.7.2. Correction of errors in prior reports are submitted as stated in paragraph **15.6** and **15.7.1**:

15.7.2.1. For Current FY. Do not include correction in current reports. Adjustments may be submitted anytime after the discovery, but no later than 75 calendar days following the end of the quarter.

15.7.2.2. For Prior FY. Accumulate corrections or adjustments exceeding $25,000 in prior FY for any country, by country, for the applicable quarter. Submit them with the next submission of current year corrections. Do not incorporate prior FY data with current year data.

Chapter 16

TRAVEL AND PCS MOVES

16.1. Travel Coordinator. The SV commander or director appoints a travel coordinator to administer the NAF employee travel program.

16.1.1. **Travel Orders.** The SV commander or director, if designated by the installation commander, approves NAF official travel orders. The RMFC authenticates NAF official travel. The NAF AO accounts for NAF official travel. The travel coordinator prepares the travel orders.

16.1.2. **Reimbursable Travel.** When the MAJCOM, HQ AFSVA/SVF, or other entity reimburses the travel, the RMFC or SV commander or director sends a letter and supporting documentation to the applicable echelon within 30 days after the date that the employee completes the travel.

16.1.3. **Reimbursement from HQ AFSVA/SVF.** If HQ AFSVA/SVF does not receive requests for reimbursements and supporting documentation within 30 days after completion of the travel, they will not provide reimbursement until they receive written justification from the base. HQ AFSVA/SVF reimburses the base through the CMIP system or by check for non-CMIP locations. For travel that included Air Mobility Command (AMC) transportation, the NAF AO forwards the request for reimbursement not later that 120 days after the date the employee completed the travel.

16.2. Permanent Change of Station (PCS) Moves of NAF Career Program Selectees and Business Management Trainee Selectees. In 1989 the Air Force MWR Advisory Board approved a program in which certain PCS moves of NAF Career Program selectees are centrally funded by HQ AFSVA/SVF. The NAF AO can find detailed instructions in the most current program training aid on PCS moves of NAF Career Program Selectee and Business Management Trainees.

16.2.1. The losing NAF AO provides support for the following:

16.2.1.1. **PCS Advance.** If requested, the NAF AO at the losing base provides the employee with advance travel funds for the PCS moves in the amount approved according to AFI 34-201 and authorized by the Joint Travel Regulation (JTR). The NAF AO processes the payment to the employee as a debit to MAJCOM/AF Receivable (GLAC 114) and a credit to cash-in-bank (GLAC 101). The losing base requests reimbursement from HQ AFSVA/SVFF, Attn: Accounts Payable, 10100 Reunion Place, Suite 400, San Antonio, TX 78216-4138. In the reimbursement request to HQ AFSVA/SVFF include the name of the selectee, copies of DD Form 1614, **Request and Authorization for DoD Civilian Permanent Duty Travel**, the computer DD Form 1351, **Travel Voucher**, and the check issued showing the check number, date and amount. Upon receipt of the reimbursement, debit cash-in-bank (GLAC 101) and credit accounts receivable (GLAC 114).

16.2.1.2. **Payment of Advance Wages.** If HRO approves an advance payment of wages (refer to AFI 34-201 for employees making a PCS move to or from a foreign area), then:

16.2.1.2.1. The losing NAF AO manually computes the wages for the approved period(s) and pays the net amount with a general check. The gaining NAF AO reports the taxes.

16.2.1.2.2. Establish an A/R due from another NAFI (GLAC 113) and mail all the documentation to the gaining NAF AO. Reverse the receivable (GLAC 113) once the losing NAF AO receives payment from the gaining NAF AO.

16.2.1.3. **Annual/Sick Leave.** Transfer annual and sick leave according to paragraph **6.14** Pay the leave value to the gaining NAF AO by either a dollar transfer or a general check.

16.2.2. The gaining NAF AO provides support for the following:

16.2.2.1. **Additional Travel Reimbursement.** Pay additional expenses incurred by the employee as authorized by the JTR. Request reimbursement from HQ AFSVA/SVFF for the moving expenses according to paragraph **16.1.3** Request reimbursement for the gross amount paid. Establish a MAJCOM/AF Receivable (GLAC 114). When the reimbursement is received, reverse the MAJCOM/AF receivable (GLAC 114).

16.2.2.2. **IRS Reporting.** The gaining NAF AO reports to the IRS the income paid to the employee, deposits applicable taxes withheld, and issues the TD Form W-2 at year-end. The FSO should compute the amount of taxes to be withheld.

16.2.2.3. **Employee Repayment of Advance Wages Provided in a PCS Move.** The gaining NAF AO establishes an accounts payable to the losing NAF AO to reimburse for any advanced wages and sets up an A/R (Outside Agency, GLAC 115) that is due from the employee. Recoup wages from the employee by:

16.2.2.3.1. Divide the net amount advanced by the number of pay periods specified as the pay back period. Process this amount as "other deductions" on the T&A record each pay period until the debt is paid.

16.2.2.3.2. After each payroll is processed, make a journal entry to debit miscellaneous income (GLAC 812) and credit Outside Agency A/R (GLAC 115).

Chapter 17

CONTINGENCY OPERATIONS

17.1. Memorandum of Understanding (MOU) for Suspended Operations. The SV commander or director establishes an MOU for suspended operations according to AFMAN 34-212.

17.2. Pre-Preparation. Refer to AFMAN 34-212 for additional instructions.

17.3. Following a Natural Disaster. When total destruction has occurred, the NAF AO should:

17.3.1. Cancel in writing all open procurement documents (for example, POs, BPAs, other contracts) and keep a copy of the cancellation letter.

17.3.2. Update and process accounts receivable transactions.

17.3.3. Generate all accounts receivable listings and keep these listings indefinitely.

17.3.4. Close all accounts to move prepaid amounts to current month balances.

17.3.5. Write a letter to tell former members where to send payments, why they were charged dues if the disaster didn't occur until the last part of the month; and why the accounts are closed but still active.

17.3.6. Secure a list of forwarding addresses as soon as possible.

17.4. Payroll Processing After a Natural Disaster. Payroll processing should begin as quickly as possible. Refer to AFM 176-378 for contingency guidance. In addition, ensure that the employees' master records are updated with prior cash payments. The actual pay may vary based upon decisions concerning the installation.

17.5. Forms Prescribed. AF 262, **NAF Financial Analysis** and AF 408, **NAF Accounts Receivable Batch Control**.

DONALD J. WETEKAM, Lieutenant General, USAF
DCS/Logistics, Installations and Mission Support

Attachment 1

GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

References

NOTE: The user of this instruction must verify the currency of the cited documents.

DoD Instruction 1401.1-M, *Personnel Policy for Nonappropriated Fund Instrumentalities (FM&P), December 1988, and Change 1, 27 July 1990*

DoD Instruction 7060.3, *International Balance of Payments--Nonappropriated Funds (AM&P), 9 March 1979*

AFI 32-1022, *Planning and Programming of NAF Facility Construction Programs*

AFI 32-6005, *Unaccompanied Housing*

AFI 34-115, *Air Force Club Program*

AFI 34-201, *Use of Nonappropriated Funds (NAF)*

AFI 34-202, *Protecting NAF Assets*

AFI 34-204, *Services Logistics Support Program*

AFI 34-206, *Vending Facility Program for the Blind on Air Force Property*

AFI 34-208, *Property and Casualty Insurance*

AFI 34-209, *NAF Financial Management and Accounting*

AFI 34-301, *NAF Personnel Management and Administration*

AFI 34-302, *NAF Retirement Plan*

AFI 34-305, *NAF Group Health Plan*

AFI 34-306, *NAF Group Life Plan*

AFI 34-307, *NAF Flexible Benefits Plan*

AFI 34-308, *NAF Workers' Compensation*

AFI 34-309, *NAF Unemployment Compensation*

AFI 34-601, *Air Force Lodging Program Management*

AFI 36-2102, *Preparation of Personnel Selected for Relocation-Base Level Procedures*

AFI 37-132, *Air Force Privacy Act Program*

AFI 37-138, *Records Disposition--Procedures and Responsibilities*

AFI 37-139, *Records Disposition--Schedule*

AFI 64-301, *NAF Contracting*

AFI 65-106, *Appropriated Fund Support of Morale, Welfare, and Recreation Programs and Nonappropriated Fund Instrumentalities*

AFI 65-107, *Nonappropriated Funds Financial Management Oversight Responsibilities*

AFI 65-603, *Official Representation Funds*

AFJI 34-122, *Civilian Nonappropriated Funds and Morale, Welfare, and Recreation Activities*

AFM 176-378, *NAFMIS Payroll Users' Manual*

AFMAN 34-128, *Air Force Club Program*

AFMAN 34-129, *Slot Machine Controls and Procedures*

AFMAN 34-212, *Control Procedures for Protecting NAF Assets*

AFMAN 34-215, *Procedures for the Cash Management and Investment Program*

AFMAN 34-310, *NAF Personnel Program Management and Administration Procedures*

AFMAN 64-302, *Nonappropriated Fund Contracting*

AFR 700-20, *Air Force Data Dictionary (Unclassified)*

GAO Policy and Procedures Manual for Guidance of Federal Agencies, Title 6--Pay, Leave and Allowances

IRS Publication 15, *Circular E, Employers Tax Guide*

IRS Publication 17, *Your Federal Income Tax*

IRS Publication 519, *US Tax Guide for Aliens*

IRS Publication 531, *Reporting Income From Tips*

Abbreviations and Acronyms

AAFCWF— Army and Air Force Civilian Welfare Fund

AAFES— Army and Air Force Exchange Service

AFAA— Air Force Audit Agency

AFB— Air Force Base

AFI— Air Force Instruction

AFIF— Air Force Insurance Fund

AFMAN— Air Force Manual

AFMWRAB— Air Force Morale, Welfare, and Recreation Advisory Board

AFNAFPO— Air Force Nonappropriated Fund Purchasing Office

AFPD— Air Force Policy Directive

AFROTC— Air Force Reserve Officer Training Corps

AFSVA— Air Force Services Agency

AMC— Air Mobility Command

ANG— Air National Guard

APF— Appropriated Funds

ASD— Office of the Assistant Secretary of Defense

A/R— Accounts receivable

AUTODIN— Automated Digital Network

BOD— Board of Directors

BPA— blanket purchase agreement

BRF— base restaurant fund

BX— base exchange

CC— cost center (accounting term)

CCC— cost center code

CCCR— consolidated cost center report

CCFP— Child Care Food Program

CCMP— Civilian Career Management Program

CCMR— cost center management report

CDC— Child Development Center

CE— civil engineers

CFAS— Command Financial Analysis System

CFC— Combined Federal Campaign

CLF— command lodging fund

CMIP— cash management and investment program

COLA— cost of living allowance

CONUS— Continental US

CT— cash transfer

CVPP— Central Vendor Payment Program

CWF— civilian welfare fund

DDN— Defense Data Network

DFAS— Defense Finance and Accounting Service

DoD— Department of Defense

DoDI— DoD Instruction

DRMO— Defense Reutilization and Marketing Office

EDC— electronic data capture

EOM— end-of-month

FC— foreign currency

FICA— Federal Insurance Contribution Act

FITW— federal income tax withholding

FM— financial manager

FMCEB— Financial Management, Cost and Economics, Business Management Division

FN— Foreign National

FOA— field operating agency

FRB— Federal Reserve Bank

FRC— Federal Records Center

FSO— Financial Services Office

FY— fiscal year

GAAP— generally accepted accounting principles

GAO— General Accounting Office

G/L— general ledger

GLAC— general ledger account code

GSA— General Services Administration

HQ— headquarters

HRO— Human Resources Office

IAW— in accordance with

IBP— international balance of payments

ICR— vidual cashier's report

I&E— income and expense

IG— inspector general

IO— independent observers

IPO— interfund purchase order

IPR— Individual Pay Record

IRS— Internal Revenue Service

IUF— isolated unit funds

JTR— Joint Travel Regulation

JV— journal voucher

LOF— life-of-the-fund

LWOP— leave without pay

MAJCOM— major command

MBF— military banking facility

MOU— memorandum of understanding

MPC— military payment certificates

MPF— Military Personnel Flight

MPO— military pay order

MWR— morale, welfare, and recreation

MWRF— MWR Fund

NAF— nonappropriated funds

NAFFA— nonappropriated fund financial analyst

NAFI— nonappropriated fund instrumentality

NAFMIS— nonappropriated fund management information system

NAFSAMS— Nonappropriated Fund Standard Accounting Management System

NAF AO— NAF accounting office

NLT— not later than

NPA— NAF purchase agreement

NRB— NAF requirements budget

NTE— not to exceed

OI— operating instruction

OPM— Office of Personnel Management

PC— personal computer

PCS— permanent change of station

PDO— Publications Distribution Office

PO— purchase order

POC— point of contact

POL— petroleum, oil, and lubrication

POS— point of sale

PRIGL— payroll interface to the general ledger

QRP— Qualified Recycling Program

RCS— report control symbol

RMF— resource management flight

RMFC— resource management flight chief

RRRP— Resource, Recovery, and Recycling Program

SAF— Secretary of the Air Force

SCF— statement of cash flows

SCO— servicing contracting office

SEV— severance account

SITW— state income tax withholding

SM&W— special morale and welfare

SOFA— Status of Forces Agreement

SSA— Social Security Administration

SV— Services

SVCK— Directorate of NAF Purchasing, Purchasing and Management Support Division

SVF—Directorate of Financial Management and Comptroller

T&A— time and attendance

TBCC— transfer between cost centers

TDY— temporary duty

TLF— temporary lodging facility

UC— unemployment compensation

UNCOQ— unaccompanied noncommissioned officers' quarters

UOQ— unaccompanied officers' quarters

US— United States

USAF— United States Air Force

USAFA— USAF Academy

USAFAAA— United States Air Force Academy Athletic Association

USAFE— United States Air Forces in Europe

USDA— United States Department of Agriculture

VAQ— visiting airmen's quarters

VAT— value added tax

VOQ— visiting officer's quarters

VS— variable schedule

WC— workers' compensation

Terms

Accounting Period— An accounting period is from the first day of a given month through the last day of the same month.

Accounting System— The NAF accounting system is based on commercial accounting practices modified to meet the needs of the Air Force. The principles underlying this system are based on experience, the needs within the Air Force NAFI environment, and generally accepted accounting principles (GAAP).

Accounting Year— The accounting year is from 1 October of a given year through 30 September of the following year. EXCEPTION: The USAFAAA accounting year is 1 July through 30 June.

Activity— This term describes operational organizations within the SV structure, such as bowling center, officers' club. An activity is made up of several subactivities. These subactivities refer to the specific functions within each operational organization, or activity, such as, lanes operation, snack bar, bar, dining room, slot machines, ticket operations, etc. Do not confuse the operational functions of the "activity" with the accounting term "cost center" which determines the level of accountability for financial transactions."

Assets— Economic resources obtained or controlled by NAFIs as a result of past transaction or events. They are classified as either current or noncurrent items.

Balance Sheet— The balance sheet shows the financial position of a NAFI at a point in time. It lists the assets and claims against the NAFI. The balance sheet lists separate columns for current period (FY) and prior period data. This report also includes current and acid test ratios.

Budget Working Committee— Individuals selected by the Services Commander or Director to review and prioritize items on NAF requirements budgets.

Cash Flow Budget— A formal financial plan which shows the beginning cash balance, the cash inflows and outflows, and the ending cash balance expected for a period of time. The purpose of the cash flow budget is to anticipate changes in the level of cash. A cash flow budget is prepared for each NAFI.

Cost Center— Term used to identify the accounting subdivision of a NAFI. This term is used for accounting purposes and should not be confused with the operational term "activity." A standard 2-digit identity code is assigned by Air Force for each cost center.

Current Assets— Cash and other assets that should be turned into cash (accounts receivable and inventory) during the next 12 months.

Current Liabilities— Debts that should be paid within the next 12 months; includes accounts payable, accrued payroll, taxes, and current portion of loans payable.

Custodian— The Resource Management Flight Chief (RMFC) is the primary custodian for all NAFIs supporting a base with the exception of the base restaurant and civilian welfare funds, exchanges, and in some instances NAFIs at remote or isolated units.

Depreciation— The method used to expense the acquisition cost of a fixed asset over the life expectancy of that asset.

Financial Analysis— Analysis is a continuing review and evaluation process throughout the normal course of operations, with the manager as the focal point. The objective is to spot potential problems, identify root causes, and obtain solutions.

Fixed Assets— Tangible items with an individual cost of $1,000 or more, and with a life expectancy of 2 years or more, which do not lose their identity through use. Includes items such as, furniture, equipment, tools, machinery, facilities, major repairs and improvements, etc..

Fund Equity— Fund equity consists of capital invested in the NAFI plus the profit or minus the loss resulting from operations since inception.

General Ledger— The core of the NAF accounting system and provides details of all accounting entries for the current period. The system consists of control accounts for assets, liabilities, equity, income, and expenses.

Host MWRF— Provides financial management and accounting services required by NAFIs at other locations. The host MWRF custodian is responsible for financial management assistance and accounting support, and serves as the focal point for fiduciary accountability.

Income and Expense (Operating) Budget— A formal financial plan which reflects monthly and quarterly projected income and expenses for a fiscal year. It reflects the expected outcome of management's plans and decisions in financial terms. It shows the revenue and associated expenses an activity expects to generate over a given period. This budget gives the activity manager an estimate of the profit to be realized from the operation. (For this reason, the I&E budget is sometimes referred to as the "operating" budget.)

Liabilities— Obligations to transfer assets, provide services, or otherwise expense assets to satisfy responsibilities resulting from past or current transactions. They are classified on the financial statements as either current or noncurrent liabilities.

Minimum Cash Balance— The minimum amount of cash that should be kept in cash-in-bank for efficient operations and sound cash management.

NAF Requirements Budget— A formal 5 year financial plan which shows the estimated cost and time for buying new equipment, furnishings, renovating facilities, replacing and repairing fixed assets, buying bulk purchases of expendable equipment and buying bulk purchases of high cost supply items.

Small Operations— Those with limited programs and gross revenues of less than $36,500 per year. Small operations may not require all of the detailed accounting records and procedures outlined for NAFIs at bases or stations.

Statement of Cash Flows— The Statement of Cash Flows is a formal statement of cash received and cash paid out for the period being reported. It shows the uses and sources of cash. It is prepared by NAFI.

Unprogrammed NAF Expenditures— Expenditures for costly capital assets (equipment and facilities) which are not included in the NRB of the NAFI (called "unprogrammed"). These can cause serious cash flow problems.

In-Use Inventory— In-use inventory consists of merchandise maintained by operating activities for resale or consumption in sales outlets such as bars, pro shops, restaurants, and snack bars.

Attachment 2

NAFI AND COST CENTER CODES

NAFI CODES	TITLES
1-7	AF CENTRAL FUNDS (RESERVED)
25-35	MWRF (RESERVED)
36	ISOLATED UNIT FUNDS (IUF)
3839	MWRF (RESERVED)
47	ADDITIONAL CIVILIAN WELFARE FUNDS (CWF) (RESERVED)
48	ADDITIONAL CWF (RESERVED)
49	ADDITIONAL CWF (RESERVED)
50	CIVILIAN WELFARE FUNDS
51	MORALE, WELFARE AND RECREATION FUNDS
52	MAJCOM (MWRF)
5357	MWRF (RESERVED)
58	COMMAND COMMANDANT SCHOOL MISSION SUPPORT FUND
59	COMMANDANT SCHOOL MISSION SUPPORT FUND
60	BASE RESTAURANTS
61	ADDITIONAL BASE RESTAURANTS (RESERVED)
64	RESERVED
67	RESERVED
70	LODGING
71-74	RESERVED
75	COMMAND LODGING FUND (CLF)
7679	RESERVED
80-82	LODGING (RESERVED)
83	AIRSHOWS (RESERVED)
86	UPT SNACK BAR
87	BANDS

88 SNACK BARS

89 UPT SNACK BARS

90 FIELD RATION MESS

91 INFLIGHT SERVICE FUND

92 DEPENDENT SCHOOL LUNCH FUND

93 PENTAGON FUND

94 AFIT STUDENT FUND

95 SITE LOUNGES

96 ACADEMIC SUPPORT FUND

9799 RESERVED

COST CENTER CODES

NAF ID: 31-39, 50-59

TITLE: IUF, CWF, & MWRF

A FUND OVERHEAD

A1 FUND ADMINISTRATION

A2 VALUE ADDED TAX (VAT)

A3 NAF MAINTENANCE TEAMS

A4 REACH

A5 MARKETING & PUBLICITY

A6 NAF AO

A7 HUMAN RESOURCES OFFICE (HRO)

A8 BASE CONTRACTING

A9 SLOT MACHINE MAINTENANCE CONTROL

AA AMUSEMENT MACHINE MAINTENANCE/CONTROL

AB CENTRAL STOREROOM

AC RESOURCE RECOVERY AND RECYCLING PROGRAM (RRRP)

AD NAF RESALE STORE

B FITNESS AND SPORTS PROGRAMS

B1 INTRAMURAL

B2 FITNESS PROGRAMS

B3 FITNESS CENTER AND OTHER ATHLETIC PROGRAMS

B4 VARSITY

B5 SPORTS RETAIL STORE

B6 FITNESS CENTER SNACK BARS

B7 NAF OPERATED MEMBERSHIP FITNESS CENTERS (WRIGHT PATTERSON AFB ONLY)

B8 RESERVED

B9 RESERVED

C BOWLING CENTERS

C1 LANES OPERATIONS(OVER 12)

C2 LANES FOOD AND BEVERAGE(OVER 12)

C3 LANES PRO SHOP(OVER 12)

C4 LOUNGE OPERATIONS(OVER 12)

C5 SLOT MACHINES (OVERSEAS)

C6 LANES OPERATIONS(12 OR LESS)

C7 LANES FOOD AND BEVERAGE(12 OR LESS)

C8 LANES PRO SHOP(12 OR LESS)

C9 LOUNGE OPERATIONS(12 OR LESS)

CB BOWLING LANES MAINTENANCE (BOWLING CENTERS OVER 12 LANES)

CC BOWLING LANES MAINTENANCE (BOWLING CENERS 12 LANES & UNDER)

D GOLF FACILITIES

D1 GOLF COURSE

D2 DRIVING RANGE

D3 GOLF PRO SHOP

D4 GOLF FOOD AND BEVERAGE

D5 GOLF COURSE MAINTENANCE

D6 GOLF LOUNGE OPERATION

D7 GOLF CARS

D8 GOLF SLOT MACHINES

D9 RESERVED

E OUTDOOR RECREATION

E1 OUTDOOR RECREATION PROGRAMS

E2 SWIMMING POOLS

E3 RECREATION LODGING

E4 RECREATION AREAON BASE

E5 RECREATION AREAOFF BASE

E6 SKEET AND TRAP RANGES

E7 FAMCAMPS

E8 MARINAS

E9 OTHER OUTDOOR AREAS

EA EQUIPMENT LOAN OPERATION

EB EQUIPMENT RENTAL OPERATION

EC RECREATIONAL VEHICLE STORAGE

ED BATTING CAGES

F INFORMATION, TICKET, AND TRAVEL

F1 RESERVED

F2 RESERVED

F3 RESERVED

F4 RESERVED

F5 RESERVED

F6 RESERVED

F7 TICKET OPERATIONS

F8 TRAVEL OPERATIONS

F9 INFORMATION, TICKET, AND TRAVEL (ITT) – UNOFFICIAL COMMERCIAL TRAVEL OFFICE SERVICES (CTO)

G OTHER COMMUNITY PROGRAMS

G1 COMMUNITY ACTIVITIES CENTER

G2 CONTINUING MISCELLANEOUS RESALE OPERATIONS

G3 FOOD AND BEVERAGE OPERATION

G4 BINGO

G5 SLOT MACHINES

G6 LOUNGE

G7 RESERVED

G8 RESERVED

G9 RESERVED

H ARTS & CRAFTS PROGRAMS

H1 ARTS & CRAFTS CENTER

H2 AUTO CRAFT SHOP

H3 ARTS & CRAFTS RESALE

H4 CAR WASH

H5 RESERVED

H6 RESERVED

H7 RESERVED

H8 RESERVED

H9 RESERVED

I AUDIO/PHOTO OPERATIONS

I1 ADMINISTRATION

I2 SALES OUTLETAUDIO

I3 SALES OUTLETPHOTO

I4 TAPE/RECORD SALES

I5 SUPPLIES, SERVICES, AND RENTALS

I6 SPECIAL EVENTS

I7 SPECIAL PROGRAMS AND ACTIVITIES

I8 OTHER

I9 RESERVED

J YOUTH PROGRAMS

J1 YOUTH CENTER PROGRAMS

J2 BEFORE AND AFTER SCHOOL PROGRAMS

J3 RESERVED

J4 SPORTS AND FITNESS PROGRAMS

J5 FOOD AND BEVERAGE OPERATIONS

J6 RESERVED

J7 RESERVED

J8 RESERVED

J9 RESERVED

K CHILD DEVELOPMENT PROGRAMS

K1 CHILD DEVELOPMENT CENTER

K2 KINDERGARTEN

K3 PRESCHOOL PROGRAM

K4 RESERVED

K5 FAMILY DAY CARE PROGRAM

K6 RESERVED

K7 RESERVED

K8 RESERVED

K9 RESERVED

L OTHER BASE SUPPORT PROGRAMS

L1 PRIVATE ANIMAL CARE

L2 EDUCATION SERVICES

L3 CHAPLAIN PROGRAMS

L4 FAMILY SERVICES PROGRAM

L5 LIBRARY PROGRAMS

L6 LODGING FACILITIES

L7 RESERVED

L8 RESERVED

L9 OTHER BASE SUPPORT

M MISCELLANEOUS MORALE & WELFARE

M1 DINING HALLS SUPPORT

M2 HEALTH SERVICES SUPPORT

M3 SPECIAL EVENTS AND SPECIAL OBSERVANCES

M4 AMATEUR RADIO AND CABLE TELEVISION

M5 RESERVED

M6 BARBER AND BEAUTY SHOPS

M7 TAXI SERVICES AND VEHICLE RENTAL

M8 FUND RAISING EVENTS

M9 OTHER MISCELLANEOUS MORALE AND WELFARE

N MISCELLANEOUS RECREATION PROGRAMS

N1 INDOOR MULTIPURPOSE REC FACILITIES

N2 MISCELLANEOUS CONTESTS AND TOURNAMENTS

N3 MINIATURE GOLF COURSE

N4 SCUBA DIVING

N5 ICE SKATING RINK

N6 ROLLER SKATING RINK

N7 RESERVED

N8 RESERVED

N9 OTHER MISCELLANEOUS RECREATION

O RESERVED

O1 RESERVED

O2 RESERVED

O3 RESERVED

O4 RESERVED

O5 RESERVED

O6 RESERVED

O7 RESERVED

O8 RESERVED

O9 RESERVED

P UNIT LEVEL PROGRAMS

P1 LOUNGE AND COMMUNAL AREAS

P2 SOCIAL EVENTS

P3 OTHER UNITLEVEL PROGRAMS

P4 RESERVED

P5 RESERVED

P6 RESERVED

P7 RESERVED

P8 RESERVED

P9 RESERVED

Q SPECIAL MORALE AND WELFARE (SM&W)

Q1 INDIVIDUAL RECOGNITION

Q2 CIVIC AFFAIRS AND EVENTS

Q3 MEMORIAL OBSERVANCES

Q4 WELCOMING AND ORIENTATION

Q5 HOSTING OF PERSONNEL

Q6 ENHANCEMENT OF ENVIRONMENT

Q7 RESERVED

Q8 CHANGE OF COMMAND CEREMONIES

Q9 INDIVIDUAL MEMBERSHIP

R CADET PROGRAMS

R1 ATHLETIC PROGRAMS

R2 ARTS AND CRAFT PROGRAMS

R3 OTHER MISCELLANEOUS MORALE AND WELFARE PROGRAMS

R4 OTHER MISCELLANEOUS RECREATION PROGRAM

R5 CADET MEDIA

R6 ALLIED ARTS

R7 THEATER VARIETY

R8 RESERVED

R9 RESERVED

S ROD AND GUN OPERATION

S1 ADMINISTRATION

S2 FOOD OPERATION

S3 BAR OPERATION

S4 PRO SHOP AND SALES OUTLETS

S5 SUPPLIES, SERVICES, AND RENTAL

S6 SPECIAL EVENTS

S7 SPECIAL PROGRAMS AND ACTIVITIES

S8 OTHER

S9 SLOT MACHINES

T REVENUE PRODUCING ACTIVITIES

T1 CLASS SIX

T2 OTHER MISCELLANEOUS RESALE OPERATIONS

T3 SNACK BARS

T4 FINE DINING

T5 RESERVED

T6 MOA DINING FACILITY (SUPERVISED BY THE FOOD SERVICE OFFICER)

T7 RESERVED

T8 RESERVED

T9 RESERVED

U AERO CLUB OPERATION

U1 ADMINISTRATION

U2 GROUND SCHOOL

U3 FLIGHT SCHOOL AND FLIGHT SIMULATORS

U4 BEECHCRAFT

U5 CESSNA

U6 PIPER

U7 MULTIENGINE

U8 GOVERNMENT LOANED

U9 OTHER

V MEMBERSHIP OPERATIONS

V1 RIDING CLUB

V2 ARCHERY CLUB

V3 PARACHUTE AND SKY DIVING CLUB

V4 MOTORCYCLE CLUB

V5 SCUBA CLUB

V6 YACHT CLUB AND MARINAS

V7 TENNIS CLUB

V8 OTHER MEMBERSHIP CLUBS

V9 MEMBERSHIP ASSOCIATION (MAJCOM ONLY)

W OFFICERS' CLUB

W1 OVERHEAD/GENERAL SERVICES

W2 DINING ROOM

W3 BEVERAGE/BAR OPERATIONS

W4 SNACK BARS

W5 SLOT MACHINES (OVERSEAS)

W6 BINGO

W7 BULK SALES

W8 CLUB DINING ROOM & SIGNATURE BRAND (SHARED KITCHEN)

W9 BARBER SHOP

WA PIZZA OPERATION

WB SNACK BAR (OUTSIDE MAIN CLUB)

WC 2ND SNACK BAR (OUTSIDE MAIN CLUB)

WD 3RD SNACK BAR (OUTSIDE MAIN CLUB)

WE 4TH SNACK BAR (OUTSIDE MAIN CLUB)

WF SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)

WG 2ND SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)

WH 3RD SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)

WI RESERVED

WJ TWO SIGNATURE BRANDS (WITH SHARED KITCHEN)

WK LOUNGE OPERATION (OUTSIDE MAIN CLUB)

WL 2ND LOUNGE OPERATION (OUTSIDE MAIN CLUB)

WM 3RD LOUNGE OPERATION (OUTSIDE MAIN CLUB)

WN 4TH LOUNGE OPERATION (OUTSIDE MAIN CLUB)

WO RESERVED

WP 5TH LOUNGE OPERATION (OUTSIDE MAIN CLUB)

WQ SLOT MACHINE OPERATIONS (OUTSIDE MAIN CLUB)

WR 2ND SLOT MACHINE OPERATION (OUTSIDE MAIN CLUB)

WS 3RD SLOT MACHINE OPERATION (OUTSIDE MAIN CLUB)

WT 4TH SLOT MACHINE OPERATION (OUTSIDE MAIN CLUB)

X ENLISTED CLUB

X1 OVERHEAD/GENERAL SERVICES

X2 DINING ROOM

X3 BEVERAGE/BAR OPERATION

X4 SNACK BARS

X5 SLOT MACHINES (OVERSEAS)

X6 BINGO

X7 BULK SALES

X8 CLUB DINING ROOM & SIGNATURE BRAND (SHARED KITCHEN)

X9 BARBER SHOP

XA PIZZA OPERATION

XB SNACK BAR (OUTSIDE MAIN CLUB)

XC 2ND SNACK BAR (OUTSIDE MAIN CLUB)

XD 3RD SNACK BAR (OUTSIDE MAIN CLUB)

XE 4TH SNACK BAR (OUTSIDE MAIN CLUB)

XF SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)

XG 2ND SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)

XH 3RD SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)

XI RESERVED

XJ TWO SIGNATURE BRANDS (WITH SHARED KITCHEN)

XK LOUNGE OPERATION (OUTSIDE MAIN CLUB)

XL 2ND LOUNGE OPERATION (OUTSIDE MAIN CLUB)

XM 3RD LOUNGE OPERATION (OUTSIDE MAIN CLUB)

XN 4TH LOUNGE OPERATION (OUTSIDE MAIN CLUB)

XO RESERVED

XP 5TH LOUNGE OPERATION (OUTSIDE MAIN CLUB)

XQ SLOT MACHINE OPERATIONS (OUTSIDE MAIN CLUB)

XR 2ND SLOT MACHINE OPERATION (OUTSIDE MAIN CLUB)

XS 3RD SLOT MACHINE OPERATION (OUTSIDE MAIN CLUB)

XT 4TH SLOT MACHINE OPERATION (OUTSIDE MAIN CLUB)

Y OTHER CLUBS

Y1 OVERHEAD/GENERAL SERVICES

Y2 DINING ROOM

Y3 BEVERAGE/BAR OPERATIONS

Y4 SNACK BARS

Y5 SLOT MACHINES

Y6 BINGO

Y7 BULK SALES

Y8 RESERVED

Y9 OTHER

Z CONSOLIDATED/COLLOCATED CLUB OPERATION

Z1 OVERHEAD/GENERAL SERVICES

Z2 DINING ROOM

Z3 BEVERAGE/BAR OPERATIONS

Z3A BEVERAGE/BAR OPERATIONS/OFFICERS

Z3B BEVERAGE/BAR OPERATIONS/ENLISTED

Z4 SNACK BARS

Z5 SLOT MACHINES (OVERSEAS)

Z6 BINGO

Z7 BULK SALES

Z8 CLUB DINING ROOM & SIGNATURE BRAND (SHARED KITCHEN)

Z9 BARBER SHOP

ZA PIZZA OPERATION

ZB SNACK BAR (OUTSIDE MAIN CLUB)

ZC 2ND SNACK BAR (OUTSIDE MAIN CLUB)

ZD 3RD SNACK BAR (OUTSIDE MAIN CLUB)

ZE	4TH SNACK BAR (OUTSIDE MAIN CLUB)
ZF	SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)
ZG	2ND SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)
ZH	3RD SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)
ZI	TWO SIGNATURE BRANDS (WITH SHARED KITCHEN)
ZJ	4TH SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)
ZK	LOUNGE OPERATION (OUTSIDE MAIN CLUB)
ZL	2ND LOUNGE OPERATION (OUTSIDE MAIN CLUB)
ZM	3RD LOUNGE OPERATION (OUTSIDE MAIN CLUB)
ZN	4TH LOUNGE OPERATION (OUTSIDE MAIN CLUB)
ZO	RESERVED
ZP	5TH LOUNGE OPERATION (OUTSIDE MAIN CLUB)
ZQ	SLOT MACHINE OPERATIONS (OUTSIDE MAIN CLUB)
ZR	2ND SLOT MACHINE OPERATION (OUTSIDE MAIN CLUB)
ZS	3RD SLOT MACHINE OPERATION (OUTSIDE MAIN CLUB)
ZT	4TH SLOT MACHINE OPERATION (OUTSIDE MAIN CLUB)

NAF ID: 60

TITLE: BASE RESTAURANTS

60	ADMINISTRATION
61	VENDING MACHINES
62	ADDITIONAL VENDING MACHINES (RESERVED)
63	SUNDRY STORES
64	ADDITIONAL SUNDRY STORES (RESERVED)

65 ADDITIONAL SUNDRY STORES (RESERVED)

66 FOOD AND BEVERAGE OUTLETS NO. 126

67 ADDITIONAL FOOD AND BEVERAGE OUTLETS (RESERVED)

68 ADDITIONAL FOOD AND BEVERAGE OUTLETS (RESERVED)

69 ADDITIONAL FOOD AND BEVERAGE OUTLETS (RESERVED)

NAF ID: 70, 75

TITLE: LODGING FUND & CLF

31 ADMINISTRATION

32 UNACCOMPANIED OFFICERS QUARTERS (UOQ)

33 UNACCOMPANIED NONCOMMISSIONED OFFICERS QUARTERS (UNCOQ)

34 UNACCOMPANIED ENLISTED QUARTERS (UEQ)

35 VISITING OFFICERS QUARTERS (VOQ)

36 VISITING AIRMEN QUARTERS (VAQ)

37 TEMPORARY LODGING FACILITIES (TLF)

38 VISITING QUARTERS (VQ)

39 AERIAL PORT QUARTERS (APQ)

40 VISITING PATIENTS QUARTERS (VPQ)

41 OTHER LODGING ACTIVITIES

42 RESERVED

43 RESERVED

44 RESERVED

45 RESERVED

46 RESERVED

47 RESERVED

48 RESERVED

49 RESERVED

NAF ID: 79

TITLE: FISHER HOUSE

31 ADMINISTRATION

37 TLF (FISHER HOUSE)

40 VPQ (NIGHTINGALE HOUSE)

NAF ID: 97

TITLE: AIR FORCE ACADEMY ATHLETIC ASSOCIATION

70 ADMINISTRATION

71 FACILITIES

72 CONCESSIONS

73 BUSINESS OFFICE

74 TICKET OFFICE

75 EVENTS

76 FOOTBALL

77 BASKETBALL

78 HOCKEY

79 NON-REVENUE SPORTS

NAF ID: 87-96 and 98-99

TITLE: OTHERNAFIS

51	ADMINISTRATION
52	SNACK BARS, CONCESSIONS AND FOOD OPERATIONS
53	BAR OPERATIONS
54	PRO SHOPS AND SALES OUTLETS
55	TAPE AND RECORD SALES
56	SUPPLIES, SERVICE AND RENTALS
57	SPECIAL EVENTS
58	SPECIAL PROGRAMS AND ACTIVITIES
59	OTHER

Attachment 3

NONAPPROPRIATED FUND
COST CENTER CODE (CCC) DESCRIPTIONS

General Information

If an operation has more than one cost center of the same type (for example, driving range #1, driving range #2, additional food or beverage outlets) then use an optional third digit cost center code (CCC) to provide local management with separate accountability. Show income and expense against the cost center where the majority of dollars are earned and spent. Where formalized instructional programs are involved (classes, lessons, clinics, workshops, etc.) use GLAC 504 to report income from instructor, lab and registration fees. Use GLAC 715 for all individual services contract expense. All CCCs not used in this attachment are considered reserved.

I. Morale, Welfare and Recreation Fund (NAF Identification (ID) 3039,5059)

Code	Cost Center	Description

A. Fund Overhead

Do not prorate or transfer to other activities income and expense associated with the administrative function of the MWRF, with the exception of A3, A9, AA, and certain marketing expenses (refer to CCC A5 description). Do not prorate overhead profit or loss to serviced MWRF activities. Recoup expense associated with support to other NAFIs by charging predetermined fees and recording in Reimbursement from Another Activity/NAFI GLAC 801 using applicable NAFIs administrative CCC. Do not record income or expense that is identifiable to an individual cost center.

Fund Administration

A1.

Record income and expense associated with the administrative duties and overhead for MWRF and items not specifically identifiable to other cost centers. Income includes interest on cash, allocations received, special operating grants, revenue for official travel received from the Commercial Travel program, contributions, and donations not designated to another cost center. Expenses include asset and liability insurance for the NAFI. Use CCC A1 to record sale of property through DRMO, unless identified to an activity. Other expenses include bank fees and charges, prompt payment interest expense, supplies, depreciation of equipment, and personnel associated with and assigned to administration for the MWRF.

NOTE: Charge administrative personnel and related expenses associated with any other activity, i.e., bowling, golf, Officers' Club, Enlisted Club, to the benefiting CCC.

A2. Value Added Tax (VAT)

Record income and expense associated with value added tax disbursements overseas.

A3. NAF Maintenance Teams

Expenses include NAF costs incurred by a NAF maintenance team. These costs, except for depreciation, are prorated to the using activities using Program Training Aid, NA-32, NAF Maintenance Teams.

A4. Reach Center

Record expense of operating a Reach Center. Expense includes wages for personnel assigned to the Reach Center, supplies, materials, and other related expenses incurred by the Reach Center.

A5. Marketing and Publicity

Record expense to develop and cultivate interest in activities to further income growth or participation, including expense associated with the publication and distribution of base newspapers, data for printing, reproduction, or advertising in civilian enterprise base newspapers or other type publications such as unofficial guides, directories, and flyers. Expenses in this CCC are those necessary to promote an SV marketing campaign for the overall MWRF and which are part of an SV Squadron-wide Marketing Plan. This CCC includes the publicity section, which produces flyers, posters, and other publicity materials for the MWRF, as well as supporting other NAFI and individual activity advertising needs (on a reimbursable basis). Do not include normal activity expenses in the SV Marketing Plan. Include these in the budget of the individual activity. Transfer actual, identifiable expenses for specific activity needs outside of the SV Marketing Plan to the applicable, benefiting activity CCC.

A6. NAF Accounting Office

Record income incurred through reimbursements from other NAFIs serviced other than the MWRF, MWRF service fees from accounts receivable and return checks and other related income. Record expenses associated with the accounting, internal controls, financial management, budgeting and Systems Administrator functions of the nonappropriated funds. Include costs associated with the accounting maintenance of accounts receivable, cash, disbursements (including discounts lost), inventory, report requirements of management and salaries and wages of personnel. Record any direct related expenses such as supplies, equipment, and depreciation to CCC A6. Also record MWRF uncollectible returned checks and A/R to CCC A6.

A7. Human Resources Office (HRO)

Record payroll and related costs associated with NAF funded personnel assigned to the HRO.

A8. Reserved

Record costs associated with the slot machine operation in cost center A9. Cost includes salaries and wages for applicable personnel (i.e., independent observers, and maintenance technicians), and all slot machine parts and supplies. Prorate these expenses from A9 to slot machine cost centers based on MAJCOM criteria (unless delegated to the base level).

AA. Air Force Centralized Amusement Machine Maintenance/Control Record maintenance costs associated with the centralized amusement machine operations. Costs include salaries and wages for applicable personnel and all parts and supplies. Prorate these expenses from AA to the administrative cost centers where the machines are located, i.e., C1, J1, W1, X1, and Z1. Exception: Use G2 for resale/revenue operations in the Community Center. The criteria for prorating the costs will be based on a combination of the number of machines in the benefiting cost center and the amusement machine income generated by the machines. Divide the number of machines in each cost center by the total number of machines in the installation program. Divide the amusement machine revenue in each cost center by the combined amusement machine revenue for all participating activities. Add the corresponding percentages for each activity and divide by two. Use the resulting percentage to prorate the expenses. Do not post amusement machine revenues to this cost center. All amusement machine revenues will be recorded in the administrative CCC where the machines are physically located.

AB. Central Storeroom

Record cost of storeroom related expense, such as payroll and benefits, supplies, and related depreciation cost of equipment assigned to the storeroom.

AC. Recycling Program

Record income and expense associated with the operation of recycling programs. Include expense associated with the program such as personnel costs, supplies, repair, depreciation costs, etc. Includes income received from DFAS through DRMO for sale of recyclable materials and income from an MWRF consolidated program, if established by the SV commander or division chief. Excludes MWRF generated income when the SV commander or division chief has not established a consolidated program. Record this income to the generating activity.

AD. Resale Store

The resale outlet provides an option for disposing of excess NAF property. Record in this CCC all direct expenses incurred to operate the outlet. The resale store will be reimbursed for the handling costs associated with selling an activity's excess equipment. This cost center should operate on a break-even basis.

AH. NAF MOA Chaplain Accounting

Record income and expenses associated with the chaplain accounting. Includes administrative income or expense associated with this MOA operation.

B. Fitness and Sports

B1. Intramural

Record income and expense associated with conducting organized competitions between organizations and units related to intramural programs. Includes official expense directly related to intramural, and administrative income and expense associated with the operation of Fitness and Sports programs.

B2. Fitness Programs

Record income and expense associated with conducting the installation fitness programs. Includes instructor fees, equipment and supplies, and official expense directly related to fitness programs conducted by Services.

B3. Fitness Center and Other Athletic Programs

Record all other income and expense not reflected in B1, B2, and other codes. Includes income and expense for instructional classes, physical conditioning programs, locker rental, self-directed activities such as personal training and assessments, NAF funded personnel expense, applicable depreciation, and other related expenses.

B4. Varsity

Record income and expense related to competitions between teams representing an installation and teams of other military installations or civilian organizations and individual varsity activities. Include official expense directly related to varsity.

B5. Sports Retail Store

Record income and expense associated with the operation of a retail sports outlet.

B6. Fitness Center Snack Bars

Record income and expense associated with food and beverage sales and related costs, personnel, supplies, maintenance and repair, and related depreciation expenses.

B7. NAF Operated Membership Fitness Centers (Wright Patterson AFB Only)

Record all income and expense of this membership operation. Includes NAF income and expense for instructional classes, physical conditioning programs, locker rental, self-directed activities such as personal training and assessments, personnel expense, operating expenses, and other related expenses including depreciation.

B8. Reserved

B9. Reserved

C. Bowling Centers

C1. Lanes Operations -- (over 12)

Record income and expense associated with lane operations, lane fees, shoe and locker rentals, concession income from vending machines, amusement machines, personnel, supplies, maintenance and repair, and applicable depreciation expense. Includes administrative income or expense associated with the operation of bowling centers.

C2. Lanes Food and Beverage -- (over 12)

Record income and expense associated with lanes food and beverage operation. Includes all food and drink sales and related cost, personnel, supplies, maintenance and repair, and related depreciation expense.

C3. Lanes Pro Shop -- (over 12)

Record income and expense associated with lane pro shop. Includes lessons, sales and related costs, ball drilling, freight, postage in transporting resale inventory, personnel, supplies, maintenance and repair, and related depreciation expenses.

C4. Lounge Operations -- (over 12)

Record income and expense associated with bar and beverage operations. Charge all costs for personnel assigned to the lounge operation to this cost center. Includes sales and related cost, entertainment, supplies, depreciation, etc.

C5. Slot Machine Operations (Overseas Only)

Record income and expense associated with the operation of slot machines. Includes direct expense such as personnel cost, materials, etc. All bowling center expenses and income directly relating to slot machine operations must be shown under this CCC; proration of personnel costs should be accomplished where duties are shared. For example, a cashier's position that also supports other duties. Notify HQ AFSVA/SVPCA before initial use of this CCC.

C6. Lanes Operations -- (12 or less)

Record income and expense associated with lane operations. Includes lane fees, shoe and locker rentals, concession income from vending machines, amusement machines, income and related expense such as personnel, supplies, maintenance and repair, and applicable depreciation expense.

C7. Lanes Food and Beverage -- (12 or less)

Record income and expense associated with lanes food and beverage operation. Includes all food and drink sales and related cost, personnel, supplies, maintenance and repair, and related depreciation expense.

C8. Lanes Pro Shop -- (12 or less)

Record income and expense associated with lane pro shop. Includes lessons, sales and related costs, ball drilling, freight, postage in transporting resale inventory, personnel, supplies, maintenance and repair, and related depreciation expenses.

C9. Lounge Operations -- (12 or less)

Record income and expense associated with bar and beverage operations. Charge all costs for personnel assigned to the lounge operation to this cost center. Includes sales and related cost, entertainment, supplies depreciation, etc.

CB. Bowling Lanes Maintenance (Bowling Centers Over 12 Lanes)

Record expenses for the construction, maintenance costs relating to upkeep, and renovation of bowling lanes. Do not include bowling center expenditures that are capitalized into GLAC 183 or 186 except for the related depreciation expense. This includes salaries, supplies, and maintenance costs for daily, weekly, and monthly maintenance costs for upkeep of the bowling lanes including the lanes, pinsetters, and other lane equipment.

CC. Bowling Lanes Maintenance (Bowling Centers 12 Lanes and Under)

Record all personnel costs associated with lane maintenance with the exception of APF manager and APF mechanic. In accordance with AFI 65-106, APFs should be used for lane maintenance.

D. Golf Facilities

D1. Golf Course

Record income and expense associated with green fees, golf lessons, club rental, club storage, pull carts, locker rental, and all related expenses. Includes administrative income or expense associated with the operation of golf courses and miscellaneous income and expense not included in D2 through D5 below.

D2. Driving Range

Record income and expense associated with driving range operations. Includes concession income from vending machines, servicing the driving range.

D3. Golf Pro Shop

Record income and expense associated with pro shop merchandise sales and their related expense. Includes freight and postage in transporting resale inventory, personnel, supplies, maintenance and repair, and applicable depreciation expenses.

D4. Golf Food and Beverage

Record income and expense associated with food and beverage operations. Includes all food and beverage sales and related costs, personnel, supplies, maintenance and repair, and related depreciation expenses.

D5. Golf Course Maintenance

Record expenses for the construction, upkeep, and renovation of golf course grounds. Do not include golf course facility expenditures that are capitalized into GLAC 183 except for the related depreciation expense.

D6. Golf Lounge Operation

Record income and expense associated with bar and beverage operations. Charge all costs for personnel assigned to the lounge operation to this cost center. Includes sales and related cost, supplies, entertainment, depreciation, etc.

D7. Golf Carts

Record income and expense associated with golf carts. Includes cart rental and related expenses such as personnel, maintenance and repair, depreciation, etc.

D8. Golf Slot Machines (Overseas Only)

Record income and expense associated with the operation of slot machines. Includes direct expense such as personnel cost, materials, etc. All golf course expenses and income directly relating to slot machine operations must be shown under this CCC; proration of personnel costs should be accomplished where duties are shared. For example, a cashier's position that also supports other duties. Notify HQ AFSVA/SVPCA before initial use of this CCC.

D9. Reserved

E. Outdoor Recreation

E1. Outdoor Recreation Programs

Record income and expense associated with outdoor activities. Includes revenue from classes, trips, information education and entertainment programs, sales of souvenirs, sundries and equipment items, personnel expense, supplies, expendable equipment, and related depreciation. Includes administrative income and expense associated with the operation of outdoor recreation programs.

E2. Swimming Pools

Record income and expense associated with all on-base swimming pools regardless of location or purpose. Account for swimming programs conducted by other activities, such as youth program swim lessons, or aquatic fitness training, within the appropriate CCC with only the income due the swimming pool operation transferred to E2.

E3. Recreation Lodging

Record income and expense associated with on or off-base recreation lodging operations. Includes cabins, cottages, mobile homes, trailers, campers, enclosed sleeping shelters, or any form of recreational lodging designed for overnight use. Does not include facilities designed primarily for day use such as pavilions or shelters. Excludes FAMCAMP operations as described in E7. Includes personnel costs, supplies, repair costs, related depreciation expenses, etc.

E4. Recreation Area - On Base

Record income and expense associated with on-base recreation areas. Includes parks, playgrounds, picnic areas, fishing piers, group pavilions, beaches, resale operations and any other activities conducted at on-base recreation areas. Also includes personnel costs, supplies, repair costs, cost of sales, related depreciation expenses, etc. Does not include transactions involving equipment loan (EA) and equipment rental (EB), FAMCAMP (E7), or recreation lodging (E3) operations.

E5. Recreation Area - Off Base

Record income and expense associated with off-base recreation areas. Includes parks, playgrounds, picnic areas, fishing piers, group pavilions, beaches, resale operations, and any other activities conducted at off-base recreation areas. Also includes annual lease costs, personnel costs, supplies, repair costs, cost of sales, related depreciation expenses, etc. Does not include transactions involving equipment loan (EA) and equipment rental (EB), marina (E8), FAMCAMP (E7), or recreation lodging (E3) operations.

E6. Skeet and Trap Ranges

Record income and expense associated with skeet and trap ranges. Includes skeet range use fee, skeet birds and personnel expense, sale of shotgun ammunition, applicable depreciation, and other related expense.

E7. FAMCAMPS

Record income and expense associated with on or off-base campgrounds primarily developed for use by privately owned trailers, motor homes, pop-up campers, or other recreational vehicles for overnight visits. Include in this cost center any other related activities, such as tent camping, that take place within the FAMCAMP boundaries. Do not include tent camping areas which belong to recreation areas (E4 and E5) that have no FAMCAMP.

E8. Marinas

Record income and expense associated with on or off-base marina operations. Marina operations are defined as when moorage or slippage is made available for use of privately owned watercraft. Includes revenue from mooring, slip, dry dock or storage fees, and work performed on privately owned watercraft. If a recreation area (E4 or E5) is predominantly a marina operation, then the entire area or complex should be included in this CCC. Watercraft operations involving only MWRF owned small watercraft operations should be coded in E4 or E5.

E9. Other Outdoor Areas

Record income and expense associated with outdoor recreation areas not meeting any of the above descriptions. Examples include ski areas, equestrian facilities, zoos, etc.

EA. Equipment Loan Operation

Record income and expenses associated with outdoor recreation loan operations. Loan items are listed in the outdoor recreation section of TA-410. These items may be purchased and maintained with APFs. Examples include skis, sleeping bags, tents, bicycles, etc. Include results from the main loan operation and any loan operation located at on-base (E4) and off-base (E5) recreation areas. Loan fees can only cover NAF expenses incurred in issuing, repairing, cleaning, maintaining, and restocking the items. The fees are not meant to make a profit. Also includes personnel costs, supplies, repair costs, cost of sales, related depreciation, etc.

EB. Equipment Rental Operation

Record income and expenses associated with outdoor recreation equipment rental operations. Rental equipment includes any item not listed in the outdoor recreation section of TA-410. These items must be purchased and maintained with NAFs. Examples include campers, pontoon boats, snowmobiles, log splitters, lawnmowers, etc. Include results from the main rental operation and any rental operation located at on-base (E4) and off-base (E5) recreation areas. Rental fees cover all NAF expenses incurred in issuing, repairing, cleaning, maintaining, and restocking the items. The fees are meant to make a profit. Also includes personnel costs, supplies, repair costs, cost of sales, related depreciation, etc.

EC. Recreational Vehicle Storage

Record income and expenses associated with recreational vehicle (RV) storage services. RV storage services can be offered on-base and at off-base recreation areas. This service provides authorized customers a place to store campers, motor homes, power boats, off-road vehicles, sail boats, motorcycles, automobiles, or other recreational vehicles. This cost center does not cover used vehicle sales lots. Also includes associated personnel costs, supplies, repair costs, related depreciation, etc.

ED. Miscellaneous Recreational-Sport

Record income and expense associated with a NAF revenue-generating, recreational sport activity not conducted as part of another activity or program. Includes such activities as freestanding indoor or outdoor, coin-operated batting cages, tennis machines, basketball cages, golf driving ranges, pitching machines, or other similar type fee-for-service recreational-sport activity. Do not include programs properly classified in cost center code N1, conducted as part of the base APF funded fitness programs, or as part of another activity or program. Management responsibilities for CCC ED fall under outdoor recreation.

F. Information, Ticket, and Travel Operations

F1. Reserved.

F2. Reserved.

F3. Reserved.

F4. Reserved

F5. Reserved

F6. Reserved

F7. Ticket Operations

Record income and expense associated with ticket sales such as entry into local event attractions and commissions, i.e., tickets obtained through consignment contracts.

F8. Tour Operations

Record income and expense associated with MWRF sponsored tour operations. Includes any and all parts of a trip, which is sponsored and conducted by the information ticket and tour (ITT) office. This includes planning the trip, contracting for the trip, entry into the event, transportation, and accommodations and taking the group on the trip.

F9. Information Ticket and Tour (ITT)Unofficial Commercial Travel Office Services (CTO)

Record income and expense associated with unofficial travel and transportation services at approved overseas in-house operations. These operations include, but are not limited to: air, bus, rail reservations and ticketing; lodging; rental car arrangements; ticket and itinerary delivery; and assistance with visas and passports. Also includes CONUS satellite locations where the CTO contractor has elected to provide teleticketing capability only (no contractor manning or toll free numbers). At these locations, the MWRF retains the right to procure unofficial travel through in-house or other contract arrangements and the resulting gross travel sales are not covered by the CTO contract. Also includes the concession fee received for unofficial leisure travel that the base receives from the Commercial Travel Program (base receives through CMIP from AFSVA).

G. Other Community Programs

G1. Administration

Record income and expense associated with general administration and operation of community centers. Record expenses associated with community center functions where no fees are charged. Do not record income or expense identifiable to G2, G3, or G6.

G2. Resale/Revenue Operation

Record income and expense associated with the operation of resale and income from revenue producing functions within the community center. Include income and expenses associated with functions such as leisure instructional classes, hourly equipment fees, amusement machines, entertainment, performing arts, private parties, or sales of items such as balloons, gifts, tee shirts, mugs. Do not record items sold that should be recorded in cost centers G3 or G6.

G3. Food and Beverage Operation

Record income and expense associated with community activity food and beverage program only. If the activity gives away free items, transfer the cost to the applicable entertainment account in the benefiting activity.

G4. Bingo

Record income and expense associated with bingo operations that are part of the community activities center program.

G5. Slot Machines (Overseas Only)

Record income and expense associated with the operation of slot machines in small sites where they are combined with the community activities center lounge. Includes direct expenses such as personnel costs, materials, etc. Notify HQ AFSVA/SVPCA before initial use of this CCC.

G6. Lounge

Record income and expense associated with bar and beverage operations. Charge all costs for personnel assigned to the lounge operation to this CCC. Includes sales and related cost, supplies, entertainment, depreciation, etc.

G7. Reserved

G8. Reserved

G9. Reserved

H. Arts and Crafts Programs

H1. Arts & Crafts Center

Record income and expense associated with the administration and operation of arts and crafts programs which include electronic, lapidary, ceramic, etc. If needed, use a third-digit shred to designate between programs such as wood working, photography, etc. Includes all personnel costs, supplies, repair, related depreciation expense, etc.

H2. Auto Craft Shop

Record income and expense associated with auto craft shop operations. Includes all personnel costs, supplies, repair, related depreciation expense, etc.

H3. Arts & Crafts Resale

Record income and expenses associated with arts and crafts resale operations. If needed, use a third-digit shred to separate resale operations for arts and crafts, auto crafts, framing services, plaques and engraving, etc. Include sales and related costs for merchandise, freight and postage in transporting resale inventory, personnel, supplies, maintenance and repair, depreciation expense, etc., which are specifically associated with the resale function. Do not include use fees, shop fees, firing fees, instructional fees, or similar amounts associated with a customer's participation in specific arts and crafts programs, or any expenses associated with such programs.

H4. Car Wash

Record income and expense associated with the operation of car washes. Include supplies, repairs, depreciation, personnel costs, etc.

H5. Reserved

H6. Reserved

H7. Reserved

H8. Reserved

H9. Reserved

I. Audio/Photo Operations

I1. Administration

Include income and expense associated with administration of the office and general operations of Audio and Photo.

I2. Sales OutletAudio

Record income and expense associated with sale of audio equipment.

I3. Sales OutletPhoto

Record income and expense associated with sale of photo service and equipment.

I4. Tape/Record Sales

Record income and expense associated with sale of tapes and records.

I5. Supplies, Services and Rental

Record income and expense associated with the rental of equipment and supplies, i.e., VCR equipment and tapes, and income received for the repair of equipment. Includes video rental operations.

I6. Special Events

Record income and expense associated with special events.

I7. Special Programs and Activities

Record income and expense associated with special programs and activities.

I8. Other

Record income and expense not identified in cost center codes I1-I7.

I9. Reserved

J. Youth Programs

J1. Youth Center Programs

Record income and expense associated with the administration and operation of youth center programs except that related to food and beverage operations, before and after school and sports and fitness programs. Include income from live entertainment, other types of fees and charges, and special contributions, such as United Way or Combined Federal Campaign. Also includes all personnel costs, supplies, repair, related depreciation, etc.

J2. Before and After School Programs

Record income and expense associated with youth programs before and after school and summer day camp programs. Includes cost of personnel when dedicated to this program.

J3. Reserved

J4. Sports and Fitness Programs

Record income and expense associated with youth sports and fitness programs. Includes personnel cost associated to this program.

J5. Food and Beverage Operations

Record income and expense associated with the youth center food and beverage program except for those related to before and after school programs and summer day camp.

J6. Teen Programs. Record income and expenses associated with the operation of teen programs. This includes salaries, supplies, and all other income and expenses for the operation of teen programs.

J7. Reserved

J8. Reserved

J9. Reserved

K. Child Development Programs

K1. Child Development Center

Record income and expense associated with general administration and operation of child development activities except those involving kindergarten, family day care and preschool operations as specified below.

K2. Kindergarten

Record income and expense associated with a 5-day-a-week, normally half-day education program leading to a specific level of achievement, using state guidelines that prepare and qualify a child for entry into the first grade. Normally, this program is established for children 5 years of age.

K3. Preschool Program

Record income and expense for the preschool which covers an early childhood development program offered 2 to 5 days a week. Normally, this program is established for children 3 to 5 years of age.

K4. Reserved

K5. Family Day Care Program

Record MWRF income and expense associated with the coordinating and licensing of individuals providing child care in their military family quarters. Do not enter income or expense earned or incurred by individuals operating an approved family day care service.

K6. Reserved

K7. Reserved

K8. Reserved

K9. Reserved

L. Other Base Support Programs

L1. Private Animal Care

Record income and expense associated with the administration and operation of private animal care (veterinary) services. Also includes all personnel costs, supplies, resale operations, related depreciation expense, etc.

L2. Education Services

Record income and expenses associated with conducting education-sponsored programs that are not authorized by appropriated funds, or funded by the education institutions.

L3. Chaplain Programs

Record income and expense associated with conducting chaplain-sponsored programs of a nondenominational nature such as married airmen sharing together (MAST), coffee house programs, marriage clinics, etc, that are not funded from a commander's special morale and welfare CCC (Q7).

L4. Family Services Program

Record income and expense associated with support of family services program.

L5. Library Programs

Record income and expense associated with library operations and services. Includes special library grants and donations.

L6. Lodging Facilities

Record income and expenses associated with small lodging operations with fifteen or less units. Obtain an approved waiver from HQ AFSVA/SVO (through your MAJCOM and AFSVA/SVF) before establishing this cost center. Establish lodging operations with 16 or more units as a separate NAFI (NAF ID 70). This cost center excludes cabins and trailers operated on or off-base in the support of MWRF programs.

L7. Reserved

L8. Reserved

L9. Other Base Support

Includes income and expense associated with base support programs not meeting any of the descriptions for L1-L8.

M. Miscellaneous Morale and Welfare

M1. Dining Halls Support

Record expenses of expendable supplies in connection with decorations for holidays and special festive occasions. Report other expenses for dining halls approved by the commander under authorization to expend welfare funds for special morale and welfare under the appropriate activity group. If equipment is purchased through NAF, applicable depreciation is expensed.

M2. Health Services Support

Record income and expense incurred in the operation of the dental clinic or for providing authorized health services. Include expense for baby-sitting (nursery service) for hospital volunteers (Red Cross and others), expendable supplies for hospital decorations for holidays and special festive occasions, and other expenses for hospital patient welfare.

M3. Special Events and Special Observances

Record income and expense associated with special events, onetime activities, festivals, holiday celebrations, Armed Forces Day, and Open House. Includes the sale of food and beverages.

M4. Amateur Radio and Cable Television

Record income and expense relating to base communication programs.

M5. Reserved

M6. Barber and Beauty Shops

Record income and expense associated with the operation of barber and beauty shops not associated with club operations.

M7. Taxi Services and Vehicle Rental

Record income and expense relating to the hiring of motor vehicles which are operated by a driver assigned by the NAFI and operation of auto rental services for transportation purposes by the NAFI.

M8. Fund Raising Events

Record all income and expense including operation of concessions, sales, cash handling, and ticket sales, for base fund raising events for MWRF purposes.

M9. Other Miscellaneous Morale and Welfare

Record income and expense associated with all other miscellaneous morale and welfare activities not classified under cost centers codes M1 through M8.

N. Miscellaneous Recreation Programs

N1. Indoor Multipurpose Recreation Facilities

Record income and expense associated with indoor activities such as indoor tennis, ping-pong, and other activities conducted in multi-recreation facilities not conducted as part of another activity or program.

N2. Miscellaneous Contests, and Tournaments

Use for Air Force or MAJCOM directed championships or contests. Record income and expense associated with art and talent contests, drill competitions, sports, and all other cooperative events that are conducted at a base that has host responsibilities only. Include special events and grants. Include only expense for equipment and supplies related to conducting the contest or event. Use third-digit cost center codes to separate different contests or events.

N3. Miniature Golf Course

Record income and expense associated with miniature golf operations. Do not include data classified in cost center group "D".

N4. Scuba Diving

Record income and expense associated with operations of scuba diving, including instructional training and certification.

N5. Ice Skating Rink

Record income and expense associated with indoor or outdoor rinks.

N6. Roller Skating Rink

Record income and expense associated with operations such as food service, resale, and rental, if any.

N7. Reserved

N8. Reserved

N9. Other Miscellaneous Recreation

Record income and expense not specifically classified in cost center groups A-Z.

O. Reserved

P. Unit Level Programs

P1. Lounge and Communal Areas

Record income and expense associated with lounge and communal areas. Do not include expenses associated with support of furnishings and equipment for dormitory rooms reported under CCC Q6.

P2. Social Events

Record income and expense associated with social events. Includes food and beverage expenses.

P3. Other Unitlevel Programs

Record income and expense associated with support of programs and activities for members of unit not identified in cost center P1 and P2.

P4. Reserved

P5. Reserved

P6. Reserved

P7. Reserved

P8. Reserved

P9. Reserved

Q. Special Morale and Welfare (SM&W)

To be used only when personally approved by the installation commander or designee under authorization to expend MWR funds for special morale and welfare purposes. Reference specific guidance in AFI 34-201.

Q1. Individual Recognition

Expenses incurred for military and civilian employees to include trophies; nominal monetary awards; meals; insignia and stripes for promotions; retirements; and airman, NCO, officer of the quarter, etc. Authorized expenditures include light refreshments.

Q2. Civic Affairs and Events

Expenses incurred furthering the unit's morale by promoting and fostering good relations between Air Force personnel and civilian communities. Types of authorized expenditures include those for meals

and receptions. For official events hosted by community leaders, payment for meals for those representing the Air Force is authorized unless they are in a TDY status. These expenditures are those not authorized from appropriated funds under AFI 65-603 and AFI 65-601V1 and are limited to commanders and their designated representatives. (Refer to Q5 below.)

Q3. Memorial Observances

Memorials (patriotic, national, local, and for deceased members and their immediate families) that uphold traditions of the service and the United States. Types of authorized expenditures include flowers and contributions to national or local charities, foundations, etc, in lieu of flowers.

Q4. Welcome and Orientation

Occasions that welcome and orient members of the command (e.g., commander's calls and welcoming orientations). These expenditures could include the purchase of light refreshments.

Q5. Hosting of Personnel

Normal hosting of visiting government and nongovernmental personnel. Expenditures for governmental personnel (other than for individual recognition according to Q1 above) includes mementos ($20 maximum value) and receptions or similar special events when personally approved by the commander. Amenities are limited to light refreshments. Expenditures for nongovernmental personnel can include meals, receptions and mementos (maximum $20 value) for civic affairstype functions which further the MWRF program (refer to Q2 above).

Q6. Enhancement of Environment

Enhancing conditions of Air Force life and improving surroundings in which members of the command live as contrasted with work areas. Types of authorized expenditures include pictures and equipment in day rooms and decorations and Christmas trees in dining halls.

Q7. Reserved

Q8. Change of Command Ceremonies

Major commanders may establish a dollar limit on these expenditures on a modest basis.

Q9. Individual Membership

Memberships in local civic organizations are limited to the commander or his or her designated representative. These memberships are authorized only where necessary to further the interests of the Air Force, or the command or the welfare of Air Force personnel.

R. Cadet Programs

R1. Athletic Programs

Record income and expense associated with cadet athletic programs.

R2. Arts and Crafts Programs

Include income and expense associated with the operation of arts and crafts programs not classified as cost center codes H1, H2, H3 or H4.

R3. Other Miscellaneous Morale and Welfare Programs

Record income and expense associated with the operation of other miscellaneous morale and welfare programs not specifically classified.

R4. Other Miscellaneous Recreation Programs

Record income and expense associated with the operation of other miscellaneous recreation programs not specifically classified.

R5. Cadet Media

Publications for cadets: Polaris yearbook, basic cadet training (BCT) yearbook, calendars and KAVA radio messages.

R6. Allied Arts

Entertainment for cadets only.

R7. Theater Variety

Culture entertainment program for cadets and open to the public.

R8. Reserved

R9. Reserved

S. Rod and Gun Operation

S1. Administration

Record income and expense associated with the administration and operation of the Rod and Gun. Membership is voluntary of persons with common interest related to the rod and gun club.

S2. Food Operation

Record income and expense associated with the operation of food sales outlet. Includes all costs of supplies, repairs, depreciation, salaries and wages, etc.

S3. Bar Operation

Record income and expense associated with the operation of a bar. Includes all costs of supplies, repairs, depreciation, salaries and wages, etc.

S4. Pro Shop and Sales Outlets

Record income and expense associated with the operation of the pro shop and sales outlets. Includes all supplies, repairs, depreciation, salaries and wages, etc.

S5. Supplies, Services, and Rental

Record income and expense associated with the rental of equipment, supplies and so forth.

S6. Special Events

Record income and expense associated with the operation of special events for the rod and gun club.

S7. Special Programs and Activities

Record income and expense associated with the operation of special programs for rod and gun club.

S8. Other

Record income and expense not classified in cost center codes S1S7.

S9. Slot Machines (Overseas Only)

Record income and expense associated with the operation of slot machines. Includes direct expense such as personnel cost, materials, etc. All rod and gun expenses and income directly relating to slot machine operations must be shown under this CCC; proration of personnel costs should be accomplished where duties are shared. For example, a cashier's position that also supports other duties. Notify HQ AFSVA/SVPCA before initial use of this CCC.

T. Revenue Producing Activities

T1. Class Six

Record dividends from AAFES, AF Assessment and expenses for construction and renovation projects.

T2. Other Miscellaneous Resale Operations

Record income and expense associated with the operation of other resale of sundry items, home heating fuel, laundry, and so forth not identified to another specific activity.

T3. Snack Bars

Income and expense associated with operating snack bar type operations. Includes cafeteria style, fast food outlets, self service lines, etc. Does not include fine dining.

T4. Fine Dining

Income and expense associated with operating fine dining facilities. Open to all military and civilian personnel regardless of rank or grade. Excludes snack bar type operations and dining room operations connected with membership facilities.

T5. Reserved

T6. MOA Dining Facility (Supervised by the Food Service Officer). Record income and expense associated with the operation of the dining facility when supervised by the food service officer. Includes administrative income or expense associated with this MOA operation.

T7. Reserved

T8. Reserved

T9. Reserved

U. Aero Club Operations

U1. Administration

Record income and expense associated with administration of the Aero Club. Income includes all sales of merchandise, and transient petroleum, oil and lubrication (POL), and support fees assessed for labor when servicing transient aircraft. Other income includes membership dues, initiation fees, and other income not directly related to other cost center codes. Record expenses such as cost of merchandise, transient POL, personnel and related benefits, administrative supplies, depreciation of equipment and so forth.

U2. Ground School

Record income and expense associated with ground school operations. Income includes fees charged for ground school instructions. Excludes pilot supplies, books, or kits which are reported in sales, CCC U1. Expenses include contract instructional cost for ground school and or ground instructions such as preflight and debriefing, supplies and expendable equipment directly related to ground school operation, and all other expenses directly related to ground school operation.

U3. Flight School and Flight Simulator

Record income and expense directly related to providing flight training, and flight simulator operation. Both income and expense for flight school is based on Hobbs meter or tach time. Income is limited to fees charged for flight simulator. Expenses are limited to instructional contract costs for flight instructors. In the flight simulator operation, expenses are limited to contract instructor cost, maintenance and repair, depreciation, and rental expenses (if applicable).

U4. Beechcraft (refer to notes)

U5. Cessna (refer to notes)

U6. Piper (refer to notes)

U7. Multiengine (refer to notes)

U8. Government Loaned (refer to notes)

U9. Other (refer to notes)

Note 1: Record the following income and expense applicable to individual aircraft and to the specified aircraft CCC. Income is limited to aircraft use fees. Expenses per applicable aircraft include payroll or other personnel expense (including benefits) for NAF mechanics for work performed, and, operating costs for equipment required (ground power units); and POL (refer to note 2). Expense per aircraft also includes lease charges, if applicable, depreciation, hull asset and liability insurance and maintenance accruals.

Note 2: The federal excise tax or users' fees on aviation POL imposed by the Airport and Airways Revenue Act is considered part of the cost of POL and is not reported as tax.

V. Membership Operations

V1. Riding Club

Record income and expense associated with the voluntary membership of persons with common interest related to the riding club.

V2. Archery Club

Record income and expense associated with the voluntary membership of persons with common interest related to the archery club.

V3. Parachute and Sky Diving Club

Include income and expense associated with the voluntary membership of persons with common interest related to the parachute and sky diving club.

V4. Motorcycle Club

Record income and expense associated with the voluntary membership of persons with common interest related to the motorcycle club.

V5. Scuba Club

Record income and expense associated with the voluntary membership of persons with common interest related to the scuba club.

V6. Yacht Club and Marinas

Record income and expense associated with the voluntary membership of persons with common interest related to the yacht club and marinas.

V7. Tennis Club

Record income and expense associated with the voluntary membership of persons with common interest related to the tennis club.

V8. Other Membership Clubs.

Record income and expense associated with the voluntary membership of persons with common interest related to clubs not classified in cost center codes V1-V7.

V9. Membership Association (MAJCOM only)

Record income and expense associated with the receipt and redistribution of funds received from baselevel membership operations.

NOTE: There are four types of clubs: Officers, Enlisted, Airman, and Consolidated/Collocated.

W. Officers' Club

Provide separate club programs for officers and other authorized personnel where market demand will ensure profitable operations. This club provides a variety of full services and programs to its membership. These services and programs include, but are not limited to food, beverage, catering, entertainment, and financial services.

W1. Overhead/General Services

Record income and expenses related to the administration of the general overall club operations and expenses related to the total overhead of the club. Include items related to the club overhead such as the manager, assistant manager, secretarial staff, supplies (not attributable to other cost centers), and depreciation of equipment for overhead operations (for example, the manager's computer), expense for the entire club facility such as utilities, telephone, postage, and facility purchase or improvement, and subsequent depreciation of the facility. Include items related to the administration of the general overall club operation such as cashiers in a cashier's operation, duty/night managers, caterers, and janitorial personnel. Include entertainment, marketing, membership night/drive, employee meals, and complimentary food/snacks. Other items include dues, concessions, admission, and sales revenue of items sold at the cashiers' cages, such as tobacco products and the cost of related items. Do not record the cost of personnel assigned to other cost centers to this CCC.

W2. Dining Room

Record income and expense related to dining room and special function (catering) food operations located in the primary Officers' Club facility. Dining room operations offer expanded menus and expanded services that may include sit down service, cafeteria-style breakfast/lunches and buffets/brunches. Expenses also include dining-related promotional costs (such as two for one steak, coupons for birthdays and Sunday Brunch). Record all costs for personnel assigned to the dining room and catering operations (chef, waiter, waitress, kitchen personnel, etc.).

W3. Beverage/Bar Operation

Record income and expense related to beverage/bar operations located in the primary Officers' Club facility. Includes special function bar sales and expenses, supplies, repairs, and depreciation related to the bar. Record all costs for personnel assigned to the beverage/bar operation (bar, manager, bartenders, bar backs, waiters, waitresses, etc.).

W4. Snack Bars

Record income and expense related to club operated snack bars or fast food outlets located within the primary Officers' Club facility (for example, snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by a more limited menu and service than dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Snack bar expenses must be separated from the dining room (CCC W2). The activity must segregate snack income and expenses from the dining room, including maintaining a separate snack bar inventory, otherwise they should account for the income and expense as part of the dining room.

W5. Slot Machines

Record income and expense related to operating slot machines. Includes all direct expenses such as personnel costs, supplies, and so on. Show all club expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities (for example, a cashier's position that also supports check cashing and other cashier duties).

W6. Bingo

Record income and expense related to operating a bingo program. Record bingo sales, cost of prizes, cash or merchandise, personnel costs (for all personnel assigned to the bingo operation (for example, caller and cashier), door prizes, supplies, and so on to this CCC.

W7. Bulk Sales

Record income and expense for all bulk sales sold by the club for off-premise consumption. Prices for bulk sales are normally set below regular bar prices. Do not report bulk sales in CCC W3.

W8. Club Dining Room & Signature Brand (With shared kitchen)

All income and expenses associated with the operation of the Club Dining Room & Signature Brands with a shared kitchen. All inventory is held jointly in one kitchen with no separation between the Club Dining Room and Signature Brand. Separate GLAC shreds are utilized to identify the sales between the two areas.

W9. Barber Shop

Record income and expense related to operating a barber shop (including concessionaire operated barber shops).

WA. Pizza Operation

Record income and expense related to running a pizza operation that is not part of the dining room or snack bar. The activity must segregate income and expenses from the dining room or snack bar, including maintaining a separate inventory.

WB. Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Officers' Club facility (for example snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service than dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

WC. Second Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Officers' Club facility (for example snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service than dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

WD. Third Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Officers' Club facility (for example snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service than dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

WE. Fourth Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Officers' Club facility (for example snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service than dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

WF. Specialty Restaurant (Outside Main Club)

Record income and expense related to operating a specialty restaurant (i.e., Mexican, Italian, Seafood, etc.) that is located outside the primary Officers' Club facility. Segregate the income and expenses for each separate restaurant.

WG. Second Specialty Restaurant (Outside Main Club)

Record income and expense related to operating a specialty restaurant (i.e., Mexican, Italian, Seafood, etc.) that is located outside the primary Officers' Club facility. Segregate the income and expenses for each separate restaurant.

WH. Third Specialty Restaurant (Outside Main Club)

Record income and expense related to operating a specialty restaurant (i.e., Mexican, Italian, Seafood, etc.) that is located outside the primary Officers' Club facility. Segregate the income and expenses for each separate restaurant.

WI. Reserved

WJ. Two Signature Brands (with a Shared Kitchen)

Record income and expense related to operating a signature brand specialty operation. Segregate the income and expenses for each separate restaurant.

WK. Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Officers' Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

WL. Second Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Officers' Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

WM. Third Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Officers' Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

WN. Fourth Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Officers' Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

WO. Reserved

WP. Fifth Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Officers' Club. Segregate the income and expenses **for each separate lounge. This includes maintaining a separate** inventory.

WQ. Slot Machine Operations (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Officers' Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

WR. Second Slot Machine Operation (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Officers' Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

WS. Third Slot Machine Operation (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Officers' Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

WT. Fourth Slot Machine Operation (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Officers' Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

WU. MOA dining facility (supervised by the Officers' Club manager)

Record income and expenses associated with the operation of the Dining facility when supervised by the Officers' Club manager. Includes administrative income or expense associated with this MOA operation.

X. ENLISTED CLUB

Provide separate club programs for enlisted and other authorized personnel where market demand will ensure profitable operations. This club provides a variety of full services and programs to its membership.

These services and programs include, but are not limited to, food, beverage, catering, entertainment, and financial services.

X1. Overhead/General Services

Record income and expenses related to the administration of the general overall club operations and expenses related to the total overhead of the club. Include items related to the club overhead such as the manager, assistant manager, secretarial staff, supplies (not attributable to other cost centers), and depreciation of equipment for overhead operations (for example, the manager's computer), expense for the entire club facility such as utilities, telephone, postage, and facility purchase or improvement, and subsequent depreciation of the facility. Include items related to the administration of the general overall club operation such as cashiers in a cashier's operation, duty/night managers, caterers, and janitorial personnel. Include entertainment, marketing, membership night/drive, employee meals, and complimentary food/snacks. Other items include dues, concessions, admission, and sales revenue of items sold at the cashiers' cages, such as tobacco products and the cost of related items. Do not record the cost of personnel assigned to other cost centers.

X2. Dining Room

Record income and expense related to dining room and special function (catering) food operations located in the primary Enlisted Club facility. Dining room programs offer expanded menus and expanded services, which may include sit down service, cafeteria-style breakfast/lunches and buffets/brunches. Includes dining-related promotional costs (such as two for one steak, coupons for birthdays, and Sunday Brunch). Record all costs for personnel assigned to the dining room and catering operation (chef, waiter, waitress, kitchen personnel, etc.).

X3. Beverage/Bar Operation

Record income and expense related to beverage/bar operations located in the primary Enlisted Club facility. Includes special function bar sales and expenses, supplies, repairs, and depreciation related to the bar. Record all costs for personnel assigned to the beverage/bar operation (bar, manager, bartenders, bar backs, waiters, waitresses, etc.).

X4. Snack Bars

Record income and expense related to club operated snack bars or fast food outlets located within the primary Enlisted Club facility (for example, snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service than dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

X5. Slot Machines

Record income and expense related to operating slot machines. Includes all direct expenses such as personnel costs, supplies, etc. Show all club expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the

personnel costs between the activities based on actual time worked among the activities (for example, a cashier's position that also supports check cashing and other cashier duties).

X6. Bingo

Record income and expense related to operating a bingo program. Record bingo sales, cost of prizes, cash or merchandise, personnel costs (for all personnel assigned to the bingo operation (for example, caller and cashier), door prizes, supplies, etc.

X7. Bulk Sales

Record income and expense for all bulk sales sold by the club for offpremise consumption. Prices for bulk sales are normally set below regular bar prices. Do not report bulk sales in CCC X3.

X8. Club Dining Room & Signature Brand (With shared kitchen)

All income and expenses associated with the operation of the Club Dining Room & Signature Brands with a shared kitchen. All inventory is held jointly in one kitchen with no separation between the Club Dining Room and Signature Brand. Separate GLAC shreds are utilized to identify the sales between the two areas.

X9. Barber Shop

Record income and expense related to operating a barber shop (including concessionaire operated barber shops).

XA. Pizza Operation

Record income and expense related to running a pizza operation that is not part of the dining room or snack bar. The activity must segregate income and expenses from the dining room or snack bar, including maintaining a separate inventory.

XB. Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Enlisted Club facility (for example, snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service from dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

XC. Second Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Enlisted Club facility (for example, snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service from dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must

segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

XD. Third Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Enlisted Club facility (for example snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service from dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

XE. Fourth Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Enlisted Club facility (for example snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service from dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

XF. Specialty Restaurant (Outside Main Club)

Record income and expense related to operating a specialty restaurant (i.e., Mexican, Italian, Seafood, etc.) that is located outside the primary Enlisted Club facility. Segregate the income and expenses for each separate restaurant.

XG. Second Specialty Restaurant (Outside Main Club)

Record income and expense related to operating a specialty restaurant (i.e., Mexican, Italian, Seafood, etc.) that is located outside the primary Enlisted Club facility. Segregate the income and expenses for each separate restaurant.

XH. Third Specialty Restaurant (Outside Main Club)

Record income and expense related to operating a specialty restaurant (i.e., Mexican, Italian, Seafood, etc.) that is located outside the primary Enlisted Club facility. Segregate the income and expenses for each separate restaurant.

XI. Reserved

XJ. Two Signature Brands (With a Shared Kitchen)

Record income and expense related to operating a signature brand specialty operation. Segregate the income and expenses for each separate restaurant.

XK. Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Enlisted Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

XL. Second Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Enlisted Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

XM. Third Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Enlisted Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

XN. Fourth Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Enlisted Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

XO. Reserved

XP. Fifth Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Enlisted Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

XQ. Slot Machine Operations (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Enlisted Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

XR. Second Slot Machine Operation (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Enlisted Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

XS. Third Slot Machine Operation (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Enlisted Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

XT. Fourth Slot Machine Operation (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Enlisted Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

Y. OTHER CLUBS (Need AFSVA/SVFA approval)

Y1. Overhead/General Services

Record income and expenses related to the administration of the general overall club operations and expenses related to the total overhead of the club. Include items related to the club overhead such as the manager, assistant manager, secretarial staff, supplies (not attributable to other cost centers), and depreciation of equipment for overhead operations (for example, the manager's computer), expense for the entire club facility such as utilities, telephone, postage, and facility purchase or improvement, and subsequent depreciation of the facility. Include items related to the administration of the general overall club operation such as cashiers in a cashier's operation, duty/night managers, caterers, and janitorial personnel. Include entertainment, marketing, membership night/drive, employee meals, and complimentary food/snacks. Other items include dues, concessions, admission, and sales revenue of items sold at the cashiers' cages, and the cost of related items. Do not record the cost of personnel assigned to other cost centers to this CCC.

Y2. Dining Room

Record income and expense related to dining room and special function (catering) food operations. Dining room programs offer expanded menus and expanded services that may include sit down service, cafeteria-style breakfast/lunches and buffets/brunches. Includes dining-related promotional costs (such as two for one steak, coupons for birthdays, and Sunday Brunch). Record all costs for personnel assigned to the dining room and catering operation (chef, waiter, waitress, kitchen personnel, etc.) in Y2.

Y3. Beverage/Bar Operation

Record income and expense related to beverage/bar operations. Includes special function bar sales and expenses, supplies, repairs, and depreciation related to the bar. Record all costs for personnel assigned to the beverage/bar operation (bar, manager, bartenders, bar backs, waiters, waitresses, etc.) in Y3.

Y4. Snack Bars

Record income and expense related to club operated snack bars or fast food outlets located within the primary Collocated/Consolidated Club facility (for example, snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service

from dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory

Y5. Slot Machines

Record income and expense related to operating slot machines. Includes all direct expenses such as personnel costs, supplies, etc. Show all club expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities (for example, a cashier's position that also supports check cashing and other cashier duties).

Y6. Bingo

Record income and expense related to operating a bingo program. Record bingo sales, cost of prizes, cash or merchandise, personnel costs for all personnel assigned to the bingo operation (for example, caller and cashier), door prizes, supplies, and etc., to this CCC.

Y7. Bulk Sales

Record income and expense for all bulk sales sold by the club for offpremise consumption. Prices for bulk sales are normally set below regular bar prices. Do not report bulk sales in CCC Y3.

Y8. Reserved

Y9. Barber Shop

Record income and expense related to operating a barber shop (including concessionaire operated barber shops).

Z. COLLOCATED/CONSOLIDATED CLUB

A collocated/consolidated club consists of both officer and enlisted members. This club provides a variety of full services and programs to its membership. These services and programs include, but are not limited to, food, beverage, catering, entertainment, and financial services.

Z1. Overhead/General Services

Record income and expenses related to the administration of the general overall club operations and expenses related to the total overhead of the club. Include items related to the club overhead such as the manager, assistant manager, secretarial staff, supplies (not attributable to other cost centers), and depreciation of equipment for overhead operations (for example, the manager's computer), expense for the entire club facility such as utilities, telephone, postage, and facility purchase or improvement, and subsequent depreciation of the facility. Include items related to the administration of the general overall club operation such as cashiers in a cashier's operation, duty/night managers, caterers, and janitorial personnel. Include entertainment, marketing, membership night/drive, employee meals, and complimentary food/snacks. Other items include dues, concessions, admission, and sales revenue of

items sold at the cashiers' cages, such as tobacco products and the cost of related items. Do not record the cost of personnel assigned to other cost centers to this CCC.

Z2. Dining Room

Record income and expense related to dining room and special function (catering) food operations located in the primary Collocated/ Consolidated Club facility. Dining room programs offer expanded menus and expanded services that may include sit down service, cafeteria-style breakfast/lunches, and buffets/brunches. Includes dining-related promotional costs (such as two for one steak, coupons for birthdays, and Sunday Brunch). Record all costs for personnel assigned to the dining room and catering operation (chef, waiter, waitress, kitchen personnel, etc.).

Z3. Beverage/Bar Operation

Record income and expense related to beverage/bar operations located in the primary Collocated/Consolidated Club facility. Includes special function bar sales and expenses, supplies, repairs, and depreciation related to the bar. Record all costs for personnel assigned to the beverage/bar operation (bar, manager, bartenders, bar backs, waiters, waitresses, etc.).

Z3A. Beverage/Bar Operation/Officers

Record income and expense related to Officers beverage/bar operations located in the primary Collocated/Consolidated Club facility. Includes special function bar sales and expenses, supplies, repairs, and depreciation related to the bar. Record all costs for personnel assigned to the beverage/bar operation (bar, manager, bartenders, bar backs, waiters, waitresses, etc.).

Z3B. Beverage/Bar Operation/Enlisted

Record income and expense related to Enlisted beverage/bar Operations located in the primary Collocated/Consolidated Club facility. Includes special function bar sales and expenses, supplies, repairs, and depreciation related to the bar. Record all costs for personnel assigned to the beverage/bar operation (bar, manager, bartenders, bar backs, waiters, waitresses, etc.).

Z4. Snack Bars

Record income and expense related to club operated snack bars or fast food outlets located within the primary Collocated/Consolidated Club facility (for example, snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service from dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

Z5. Slot Machines

Record income and expense related to operating slot machines. Includes all direct expenses such as personnel costs, supplies, etc. Show all club expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities (for example, a cashier's position that also supports check cashing and other cashier duties).

Z6. Bingo

Record income and expense related to operating a bingo program. Record bingo sales, cost of prizes, cash or merchandise, personnel costs for all personnel assigned to the bingo operation (for example, caller and cashier), door prizes, supplies, etc., to this CCC.

Z7. Bulk Sales

Record income and expense for all bulk sales sold by the club for offpremise consumption. Prices for bulk sales are normally set below regular bar prices. Do not report bulk sales in CCC Z3.

Z8. Club Dining Room & Signature Brand (With shared kitchen)

All income and expenses associated with the operation of the Club Dining Room & Signature Brands with a shared kitchen. All inventory is held jointly in one kitchen with no separation between the Club Dining Room and Signature Brand. Separate GLAC shreds are utilized to identify the sales between the two areas.

Z9. Barber Shop

Record income and expense related to operating a barber shop (including concessionaire operated barber shops).

ZA. Pizza Operation

Record income and expense related to running a pizza operation that is not part of the dining room or snack bar. The activity must be able to segregate income and expenses from the dining room or snack bar, including maintaining a separate inventory.

ZB. Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Collocated/Consolidated Club facility (for example, snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service than dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

ZC. Second Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Collocated/Consolidated Club facility (for example snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service from dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

ZD. Third Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Collocated/Consolidated Club facility (for example snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and counter-type service. Items for sale are similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must be able to segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

ZE. Fourth Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Collocated/Consolidated Club facility (for example, snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service than dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

ZF. Specialty Restaurant (Outside Main Club)

Record income and expense related to operating a specialty restaurant (i.e., Mexican, Italian, Seafood, etc.) that is located outside the primary Collocated/Consolidated Club facility. Segregate the income and expenses for each separate restaurant.

ZG. Second Specialty Restaurant (Outside Main Club)

Record income and expense related to operating a specialty restaurant (i.e., Mexican, Italian, Seafood, etc.) that is located outside the primary Collocated/Consolidated Club facility. Segregate the income and expenses for each separate restaurant.

ZH. Third Specialty Restaurant (Outside Main Club)

Record income and expense related to operating a specialty restaurant (i.e., Mexican, Italian, Seafood, etc.) that is located outside the primary Collocated/Consolidated Club facility. Segregate the income and expenses for each separate restaurant.

ZI. Reserved

ZJ. Two Signature Brands (With a Shared Kitchen)

Record income and expense related to operating a signature brand specialty operation. Segregate the income and expenses for each separate restaurant.

ZK. Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Collocated/Consolidated Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

ZL. Second Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Collocated/Consolidated Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

ZM. Third Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Collocated/Consolidated Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

ZN. Fourth Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Collocated/Consolidated Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

ZO. Reserved

ZP. Fifth Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Collocated/Consolidated Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

ZQ. Slot Machine Operations (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Collocated/Consolidated Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

ZR. Second Slot Machine Operation (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Collocated/Consolidated Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

ZS. Third Slot Machine Operation (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Collocated/Consolidated Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared

between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

ZT. Fourth Slot Machine Operation (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Collocated/Consolidated Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

ZU. MOA dining facility (supervised by the Consolidate/Collocated Club Manager)

Record income and expenses associated with the operation of the dining facility when supervised by the Consolidated/Collocated Club manager. Includes administrative income or expense associated with this MOA operation.

II Base Restaurants (NAF ID 60)

Code	Cost Center	Description
60	Administration	

Income and expenses associated with the restaurant's administrative office. Includes those overhead expenses that cannot be directly identified to another cost center.

61 Vending Machines

Income and expenses associated with the operation of fund owned or leased vending machines including all items that are directly identified to this cost center such as sales, cost of sales, and other operating expenses. Also includes commissions from vendorowned machines.

62 Reserved

63 Sundry Stores

Income and expense associated with the operation of sundry store.

64 Reserved

65 Reserved

66 Food and Beverage Outlets No.126

Record income and expense associated with the operating of snack bars and restaurants.

67 Reserved

68 Reserved

69 Reserved

III. Lodging Fund (NAF ID 70 and 75)

Code	Cost Center	Description
31	Administration	
		Designed to account for those lodging fund revenues and overhead or administrative expenses that cannot be directly traced to another activity of the fund. As a general rule, revenue or expenses allocated to the other activities (UOQ, VOQ and so forth) should only include those items which are directly identifiable and traceable to those cost centers. A few examples of items are interest income, support expense, asset and liability insurance, etc.
32	Unaccompanied Officer Quarters (UOQ)	
		Facilities intended to be used by permanent party unaccompanied officer or PCS student officer personnel.
33	Unaccompanied Noncommissioned Officer Quarters (UNCOQ)	
		The portion of enlisted dormitories designated for occupancy by permanent party and PCS student noncommissioned officer.
34	Unaccompanied Enlisted Quarters (UEQ)	
		Dormitories maintained for permanent party enlisted personnel or PCS student enlisted personnel.
35	Visiting Officer Quarters (VOQ)	
		Facilities maintained to provide temporary housing for transient and TDY student commissioned officers, distinguished visitors, warrant officers, and comparable civilian personnel.
36	Visiting Airmen Quarters (VAQ)	
		Facilities maintained to provide temporary housing for transient and TDY student enlisted personnel and comparable civilian personnel.
37	Temporary Lodging Facilities (TLF)	
		Facilities designed to provide temporary accommodations for military personnel and their families incident to PCS and for friends and relatives of Air Force personnel assigned to the installation or Air Force hospitals.

38 Visiting Quarters (VQ)

Facilities maintained to provide temporary housing for unaccompanied transient and TDY military and Civilian Personnel, regardless of rank.

39 Aerial Port Quarters (APQ)

Facilities designated at airports as part of the Lodging Operation. Include all income and expense associated with this type of operation.

40 Visiting Patients Quarters (VPQ)

Facilities designated to provide temporary accommodations for military (active and retired) personnel and their families visiting patients or using the VPQ in an outpatient in Air Force Hospitals.

41 Other Lodging Activities

Any Lodging operation that does not match one of the categories assigned to cost center codes 31 through 38, and requires a separate breakout of revenue and expense. Do not use this cost center unless the value of the additional breakout to management is expected to exceed the additional accounting costs incurred.

IV. Fisher House (NAF ID 79)

Code	Cost Center	Description
31	Administration	
37	Fisher House	
40	Nightingale House	

V. Other NAFIs (NAF ID 87-96 and 98-99)

Record income and expense related to operation. NAFIs within this group use CCC 51. When management can justify the need for departmental accounting, then cost center codes 5259 may be used.

Code	Cost Center
51	Administration
52	Snack Bars, Concession and Food Operations
53	Bar Operations
54	Pro Shops and Sales Outlets
55	Tape and Record Sales
56	Supplies, Services and Rentals
57	Special Events
58	Special Programs and Activities
59	Other

VI. Air Force Academy Athletic Association (NAFI ID: 97)

Code	Cost Center
70	Administration
71	Facilities
72	Concessions
73	Business Office
74	Ticket Office
75	Events
76	Football

77 Basketball

78 Hockey

79 Non-Revenue Sports

NOTE: Cost center codes (CCC) not used are considered reserved.

Attachment 4

GENERAL LEDGER CHART OF ACCOUNTS

ASSETS

CURRENT ASSETS

CASH

101	Cash in Bank - Checking
102	Foreign Currency in Bank - (Overseas Only)
103	Reserved
104	Reserved
105	Change and Imprest Funds Issued
106	Revolving Cash Fund Central Cashier

INVESTMENTS

107	Reserved
108	InvestmentSeverance Benefits/Separation Allowances
109	Interest Bearing Deposits
110	Cash In Bank Savings

RECEIVABLES

111	Customer Accounts Receivable
112	Returned Checks Receivable
113	Other NAFI Receivable
114	MAJCOM/AF Receivable
115	Outside Agency Receivable
116	Leases Receivable
117	Severance Benefits Receivable
118	Reserved
119	Allocations/Dividends Receivable
120	Allowance for Bad Debts – Others
121	MPO Actions Processed
122	Payment Plans
123	Reserved
124	Allowance for Uncollectible Recoursed Accounts

125	Commercial Charges
126	Special Function Commercial Charges
127-129	Reserved

PREPAYMENTS

130	Prepaid Expenses
131-140	Reserved
141	DepositsOther
143-15 9	Reserved

INVENTORIES

160	Reserved
161	Inventory-Central Storeroom
162	Inventory-Sales Outlets
163	InventoryInTransit
164	Inventory-Decentralized Storeroom
165	Central Vendor Payments
166-16 9	Reserved

NON-CURRENT ASSETS

EXPENDABLE ASSETS

170	Reserved
171	Quantity Expendable (Bulk) Equipment Items
172	Accumulated Amortization-Quantity Expendable (Bulk) Equipment Items

FIXED ASSETS

173	Internal-Use Software (IT)
174	Accumulated amortization of internal use-software (IT)
175	NAF Capital Leases Asset
176	Accumulated amortization - NAF Capital Leases
177	Information technology (IT) hardware
178	Accumulated amortization of Information Technology (IT) hardware
179	Fixed Assets in Transit
180	Reserved

181 Fixed Assets-Furniture and Equipment (NAF)

182 Accumulated DepreciationFurniture and Equipment (NAF)

183 Fixed Assets Furniture and Equipment - APF Title

184 Accumulated DepreciationFixed Assets - Furniture and Equipment - APF Title

185 Construction In Progress

186 Facilities and Improvements

187 Accumulated DepreciationFacilities and Improvements

188 Capital Leases

189 Accumulated Amortization-Capital Leases

OTHER NON-CURRENT ASSETS

190 Reserved

191 LongTerm Lease Receivable

192 LongTerm Severance Benefits Receivable

193 Reserved

194 Prepaid Expenses - LongTerm

195 LongTerm Investment-Severance Benefits/Separation Allowances

196-199 Reserved

LIABILITIES & FUND EQUITY

CURRENT LIABILITIES

PAYABLES

200 Reserved

201 Accounts Payable

WAGES AND BENEFITS PAYABLE

202 401(k) Payable

203 FERS and CSRS Payable

204 TSP Payable

205 Federal Withholding Taxes Payable

206 State and Local Taxes Payable

207 Federal Insurance Contribution Act (FICA) Taxes Payable

208 Foreign Taxes and AssessmentsOverseas only

209 Severance Benefits Payable

210	Retirement Fund Payable
211	Bonds Payable
212	Union Dues Payable
213	Charity Deductions Payable
214	Charge Tips Payable
215	Accrued Annual Leave Payable
216	Group Health and Life Insurance Payable
217	Accrued Payroll
218	Health Maintenance Insurance (HMO) Payable
219	Unemployment Compensation Payable
220	Workers' Compensation Payable
221	Reserved
222	Separation Allowance Payable
223	Reserved
224	Allotments Payable
225	Other Personnel Expenses Payable

OTHER CURRENT LIABILITIES

226	Vending Machine Income Sharing
227-228	Reserved
229	C.A.R.E. Accrual
230-231	Reserved
232	Unearned income
2328	Name Brand Gift Cards
233-240	Reserved
241	Allocations/Grants Payable
242-243	Reserved
244	Allowance-Claims (AF-Level Use Only)
245	Current Portion of Loans Payable
246	Obligated Capital Projects (AF-Level Use Only)
247	Claims Payable (AF-Level Use Only)
248	Deposits Payable-Invest (AF Level Use Only)
249	Other Payables

NON-CURRENT LIABILITIES

PAYABLES

250	Reserved
251	LongTerm Loans Payable
252-257	Reserved
258	Separation Allowance Payable
259	Severance Benefits Payable
260	Other LongTerm Liabilities
261-269	Reserved

FUND EQUITY

EQUITY

270	Unrealized Gains/Losses on Investments Classified as Available for Sale (AF-Level Use Only)
271-272	Reserved
273	Outstanding Orders-Total
274	Outstanding Orders-MAJCOM Funded
275	Outstanding Orders-AF Funded
276	Capital Requirements - Total – Outyears (Years 2-5)
277	Capital Requirements - Total – Current 12 Months
278	Capital Requirements - MAJCOM Funded – Current 12 Months
279	Capital Requirements - AF Funded – Current 12 Months
280	Reserved Equity-Expendable Purchases – Total – Current 12 Months
281	GrantsNonoperating
282	Residual AssetsDissolved NAFIs
283	Prior Period Fund Equity Adjustments
284	Expendable Purchases - MAJCOM Funded – Current 12 Months
285	Expendable Purchases - AF Funded – Current 12 Months
286	Unamortized Retroactive Severance Benefits
287	Transferred Equity
288	Donated Equity
289	Reserved
290	Fund EquityPrior Years
291	Net Income (Loss) - Current Year
292-299	Reserved

INCOME AND EXPENSE

REVENUE

SALES

300	Reserved
301	Sales-Non-Tip Environment
3011	Cash SalesTip Environment
3012	Charge Sales-Tip Environment-No Tips
3013	Charge Sales-Tip Environment-With Tips
3014	Sales-Special Functions
3015	Delivery Sales – Non-Tip Environment
3016	Bar Sales – Non-Tip Environment (1st Area-Shared Kitchen)
3017	Bulk Beverage Sales – Non-Tip Environment
3018	Sundry Sales (Shared Kitchen Facility)
302	Sales Discounts
303	Sales – Non-Tip Environment (2nd Area with a Shared Kitchen)
3031	Cash Sales – Tip Environment (2nd Area with a Shared Kitchen)
3032	Charge Sales – Tip Environment – No Tips (2nd Area with a shared Kitchen)
3033	Charge Sales – Tip Environment – with Tips (2nd Area with a Shared Kitchen)
3035	Bar Sales – (2nd Area with a Shared Kitchen)
3036	Bonanza Bingo Sales
3037	Bulk Beverage Sales – Non-Tip Environment (2nd Area with a Shared Kitchen)
3038	Sundry Sales (2nd Area with a Shared Kitchen)
304-399	Reserved

COST OF SALES

400	Reserved
401	Purchases
4011	Beginning Inventory
4012	Transportation Cost and Commissary Surcharge-Resale Merchandise
4013	Ending Inventory
4014	Resale - Discounts Earned
4015	Prime Vendor Rebate

402-499 Reserved

ACTIVITY REVENUE

500 Reserved
501 Fees and Charges
502 Dues and Initiation Fees
503 Slot Machine Income
504 Instructional Fees
505 Amusement Machine Income
506 Concession Income
507 Support/Service Fees
508 Admission/Entry Fees
509 Foreign Currency Accommodation Fees
510 USDA Reimbursement
511 Reserved
512 Activity Revenue Discounts – Preferred Members Plus
513 Payment for Services Rendered – Military Phenomenon
514 Funding for MWR During Special Security Conditions
515-517 Reserved
518 Payment for Non-Strategic Sourcing MOA
519 Payment for NAF MOAs
520 Payment for Strategic Sourcing MOA (MWR Fund only)
521 Reserved
522-579 Reserved
580 Premiums (AF-Level Use Only)
581-599 Reserved

OPERATING EXPENSES

PERSONNEL EXPENSES

600-679 Reserved
680 Self-Help Labor - Contra
681-692 Reserved
693 Employer's TSP Expense
694 Employer's FERS and CSRS Expense
695-698 Reserved

699	Employer's 401(k) Expense
700	Reserved
701	NAF Payroll
702	Foreign National Payroll (Overseas only)
703	FICA Tax
704	Foreign Tax (Overseas Only)
705	Group Insurance
706	U.S. Citizens' Benefits
707	Foreign Nationals' Benefits (Overseas only)
708	Workers' Compensation
709	Sick Leave
710	Unemployment Compensation
711	Severance Benefits
712	Retirement Benefits U.S. Payroll
713	NAF Annual Leave Expense
714	Reserved
715	Contract Services

SUPPORT FUNCTION EXPENSES

716	NAF AO Services
717	HRO Expenses
718	Computer Services
719	Credit Card Expenses

MATERIAL RELATED EXPENSES

720	Supply Expense
721	Petroleum, Oil, and Lubrications (POL)
722	Accounts Receivable Statement Expense
723	Maintenance and RepairFund Owned
724	Maintenance and RepairNon Fund Owned
725	Other Material Related Expense
726	Postage, Subscriptions, and Dues
727	Spoilage, Breakage, & Out-dated Items
728	Amenities
729	Slot Machine Maintenance Expense
730	AF Initiatives Expense (AF Purchased)

731	Amusement Machine Operating Expense
732-739	Reserved
740	Printing Costs (AF-Level Use Only)
741-749	Reserved (AF Level Use Only)

ENTERTAINMENT AND PROMOTIONAL EXPENSES

750	Club Member Promotion Discount
751	Entertainers
752	Coupons
7522	Be Our Guest – Name Brand Coupons
753	Membership Night
754	Prizes
755	Special Occasions
756	Complimentary Items
757	Advertising
758	Child Care Services
759	Other Promotional Expenses

OTHER OPERATING EXPENSES

760	Training (AF-Level Use Only)
761-765	Reserved
766	Interest Expense – Commercial Capital Lease
767	Interest Expense – Prompt Payment
768	Franchise Fees/Royalties
769	Reserved
770	Mess Supplement (AF-Level Use Only)
771	Consultant/Contractor Fees (AF-Level Use Only)
772	Reserved (AF-Use Only)
773	Uncollectible Returned Check Expense
774	Uncollected Special Functions
775	Claims (AF-Level Use Only)
776	IBNR Claims (AF-Use Only)
777	Travel/Transportation of Persons
778	Reserved
779	Central Kitchen Operating Exp (CWF Only)
780	Needs Assessment Studies (AF-Level Use Only)

781	Inventory Adjustments
782	Bank Fees and Charges
783	Vending Machine Income Sharing Expense
784	Recourse Accounts Write-off Expense
785	Reimbursable Management Expenses
786	Bad Debt Expense – Other
787	Telephone
788	Utilities
789	Miscellaneous Operating Expenses
790	Insurance
791	Laundry and Linen
792	Cash Overages and Shortages
793	Rental
794	Discount Loss
795	Interest ExpenseNAF Capital Lease

DEPRECIATION

796	Amortization - NAF Capital Lease Expense
797	Amortization-Expendable (Bulk)Equipment
798	Depreciation/Amortization Fixed AssetsFurniture and Equipment
799	Depreciation/Amortization Fixed AssetsFacilities and Improvements

NON OPERATING INCOME AND EXPENSE

NONOPERATING INCOME

800	Reserved
801	Reimbursement from Another Activity/NAFI
802	Contributions and Donations
803	Gain/Loss - Sale of Investment (AF-Level Use Only)
804	Interest Income
805	Allocations
806	Dividends
807	Late Payment Charge
808	Returned Check Charge
809	Reserved
810	AF Central Vendor Discounts

811	Advertising Fees
812	Miscellaneous Income
813	Gain on Disposal of Assets
814-815	Reserved
816	Severance Benefits Subsidy Received
817-819	Reserved
820	Resource, Recovery, and Recycling Program (RRRP)
821-832	Reserved
833	Special GrantsOperating
834	Prime Vendor Income
835	Dividends-SATO (AF-Level Use Only)
836	Dividends-Pay Telephone (AF-Level Use Only)
837	Retirement Contributions (AF-Level Use Only)
838-854	Reserved
855	Operating Subsidies
856-892	Reserved
893	Operating Lease (AF Use Only)
894-899	Reserved

NONOPERATING EXPENSES

900-901	Reserved
902	Contributions and Donations
903	Reserved
904	Special GrantsOperating (MAJCOM-Level Use Only)
905	Allocations PaidSupplemental (MAJCOM-Level Use Only)
906-907	Reserved
908	Air Force Assessments
909	Reserved
910	Gain/Loss on Foreign Currency
911	Reserved
912	Miscellaneous Expenses
913	Loss on Disposal of Assets
914-915	Reserved
916	Severance Benefits Subsidy Paid (MAJCOM only)
917	Travel (AF-Level Use Only)
918	Allocations-Per Capita (AF-Level Use Only)

919-934	Reserved
935	Allocations-SATO (AF-Level Use Only)
936	Allocations-Pay Telephone (AF-Level Use Only)
937	Allocations-McDonald/Burger King (AF-Level Use Only)
938	Design/Construction (AF-Level Use Only)
939	Allocations-MAJCOM Special (AF-Level Use Only)
940	EE Contributions Refund (AF-Level Use Only)
941	Gain/Loss Security Value (AF-Level Use Only)
942	Interest Paid-SAV/Invest (AF-Level Use Only)
943	Retirement Annuities (AF-Level Use Only)
944	Allocations-Class VI (AF-Level Use Only)
945	AF Simplified Dividend (AF-Level Use Only)
946	Disapproved Prior Period Fund Equity Adjustments
947-960	Reserved

EXTRAORDINARY ITEMS

961	Extraordinary Items

DISCONTINUED OPERATIONS

962	Loss on Property Due to Discontinued Operations
963	Loss on Other Assets Due to Discontinued Operations
964	Loss Due to Severance Expense for Discontinued Operations

OTHER

965-969	Reserved
970	Military Phenomenon-Expense Offset
971	Military Phenomenon-Personnel Expense
972	Military Phenomenon-Supplies Expense
973	Military Phenomenon-Other Expense
974	Funding for MWR During Special Security Conditions – Manager Salary
975	Funding for MWR During Special Security Conditions – Janitorial Services
976	Funding for MWR During Special Security Conditions – Utilities
977-999	Reserved

Attachment 5

DESCRIPTIONS OF GENERAL LEDGER ACCOUNT CODES (GLAC)

In the following GLAC descriptions, the Type of Transaction will include sample contra account entries. These are examples only and do not necessarily depict every possible accounting scenario.

GLAC 101: Cash in Bank-Checking

INCLUDES: Net balance of receipts and disbursements (includes payroll transactions). For CMIP participants, the balance in this account should agree with the statement furnished by HQ AFSVA/SVF. For non-CMIP participants, balance in this account should agree with monthly bank statement.

EXCLUDES: Foreign currency transactions (GLAC 102) for those NAFIs not included in CMIP and amounts in GLAC 110.

	DR	CR	
TYPE OF TRANSACTION	101	101	OFFSET ENTRY
1. Cash and commercial charge deposit	X		1XX, 2XX, 3XX, 5XX, 8XX, 792
2. Unclaimed payroll checks when voided after appropriate period	X		225
3. Outstanding checks when voided after appropriate period	X		812
4. Bank memos	X	X	782, 812, 792
5. Check disbursements, general, limited payee, payroll, and foreign currency		X	2XX
6. Dishonored checks		X	112
7. Interest earned and adjustments	X	X	804

GLAC 102: Foreign Currency in Bank-Overseas Only

INCLUDES: Foreign currency held on deposit by those overseas NAFIs not included in CMIP.

EXCLUDES: Foreign currency transactions (GLAC 101) for those NAFIs included in CMIP.

TYPE OF TRANSACTION	DR 102	CR 102	OFFSET ENTRY
1. Purchase of foreign currency	X		101
2. Unclaimed payroll checks when voided	X		225
3. Outstanding checks when voided	X		812
4. Check disbursements		X	2XX
5. Rate fluctuationgains/losses	X	X	910

GLAC 105: Change and Imprest Funds Issued

INCLUDES: Cash on hand for making change, cashing checks, foreign currency conversion funds, petty cash, and foreign currency accommodation sales.

TYPE OF TRANSACTION	DR 105	CR 105	OFFSET ENTRY
1. Change and imprest fund issued	X		101
2. Change and imprest fund returned		X	101
3. Foreign currency revaluation	X	X	910
4. Profit on foreign currency accommodation sales	X		509

GLAC 106: Revolving Cash Fund Central Cashier

INCLUDES: Cash on hand in a central cashier operation at those bases where such an operation has been implemented. Used only in the NAFI that has accountability for the central cashier operation (normally the NAF AO).

	DR	CR	
TYPE OF TRANSACTION	106	106	OFFSET ENTRY
1. Establish revolving fund	X		101
2. Funds turnedin to central cashier	X		101
3. Funds deposited by the central cashier to the servicing financial institution		X	101

GLAC 108: Investment-Severance Benefits/Separation Allowance

INCLUDES: Amounts on deposit in a dedicated severance (SEV) investment account which are to be used to fund severance pay benefits and separation allowances. Deposits (debits) are made to this account at the end of each accounting period to maintain the required level of funding. Withdrawals (credits) must have prior approval of MAJCOM and will be used for actual payment to NAF employees or transfer of excess funds to the regular CMIP account. Separate the funding set aside for both severance benefits and separation allowances by shredding this GLAC to separate the two items.

	DR	CR	
TYPE OF TRANSACTION	108	108	OFFSET ENTRY
1. Deposits	X		101, 110
2. Interest earned	X		804,
3. Withdrawals		X	101, 110
4. Gain/loss on exchange rate	X	X	910

GLAC 109: Interest Bearing Deposits

INCLUDES: For non-CMIP participants, time deposits, for example bank passbook accounts, credit union shares, treasury bills, etc. (Refer to AFI 34-202.)

EXCLUDES: Deposits with GLAC 110.

	DR	CR	
TYPE OF TRANSACTION	109	109	OFFSET ENTRY
1. Deposits	X		101
2. Withdrawals		X	101
3. Interest earned received		X	114, 804

GLAC 110: Cash in Bank-Savings

INCLUDES: Cash in bank set aside for specific construction projects, capital requirements purchases and so forth.

EXCLUDES: Amounts in GLACs 101-109.

	DR	CR	
TYPE OF TRANSACTION	110	110	OFFSET ENTRY
1. Deposits	X		101
2. Interest earned and received	X		114, 804
3. Withdrawals		X	101, 108

GLAC 111: Customer Accounts Receivable

INCLUDES: Amounts due from customers, members, or organizations for **authorized** in-house charge sales, dues, and fees. Recoursed accounts when initially received in CMIP (no longer than 30 days).

EXCLUDES: Amounts due from all other categories of receivables (GLACs 112-126).

TYPE OF TRANSACTION	DR 111	CR 111	OFFSET ENTRY
1. Charges/fees and dues	X		301, 5XX
2. Collections		X	101
3. Write off of bad debts		X	120, 786
4. Reestablish receivable for payment received after an account is written off-current year	X		120, 786
5. Transfer of recourse account to MPO account or payment plan		X	121, 122

GLAC 112: Returned Checks Receivable (discontinued effective 30 March 2004)

INCLUDES: The value of returned checks received from banks awaiting redemption (includes the amount of the bank collection fees that are identifiable to individuals). Includes MPO actions processed on unpaid returned checks.

EXCLUDES: All returned checks since implementation of RCK.

TYPE OF TRANSACTION	DR 112	CR 112	OFFSET ENTRY
1. Returned check	X		101
2. Returned Check Service Charge	X		808
3. Bank Service Charge	X		101
4. Returned check redeemed		X	101
5. Write off of bad debts		X	120, 773
6. Reestablish receivable for payment received after accounts written off-current year	X		120, 773

GLAC 113: Other NAFI Receivable

INCLUDES: Amounts due from other base NAFIs for services or supplies, including NAF Central Storeroom.

TYPE OF TRANSACTION	DR 113	CR 113	OFFSET ENTRY
1. Goods or services provided to other NAFIs	X		401, 801
2. Storeroom issues	X		161, 164 801
3. Payments received from other NAFIs via CMIP transfer		X	101

GLAC 114: MAJCOM/AF Receivable

INCLUDES: Amounts due from the MAJCOM or Air Force, including receivables for workers' compensation, group insurance, NAF official travel, claims, interest, current period severance due from MAJCOM, etc.

EXCLUDES: Deposit validation variances

TYPE OF TRANSACTION	DR 114	CR 114	OFFSET ENTRY
1. Amount Receivable from MAJCOM or AF	X	X	101, 192, 8XX
2. Funds received		X	101

GLAC 115: Outside Agency Receivable

INCLUDES: Amounts due from appropriated funds, AAFES, outside agencies, contract services, vendors, nongovernment sources, etc.

TYPE OF TRANSACTION	DR 115	CR 115	OFFSET ENTRY
1. Amount receivable from agency	X		301, 5XX 8XX
2. Reimbursement received		X	101
3. Vendor credit	X		7XX

GLAC 116: Lease Receivable

INCLUDES: That portion of all authorized leases for which payment will be received within 12 months following the end of the current accounting period.

EXCLUDES: Not applicable to base restaurant funds.

TYPE OF TRANSACTION	DR 116	CR 116	OFFSET ENTRY
1. Disbursement for NAF Capital Lease Asset	X		101
2. Payments received		X	101

GLAC 117: Severance Benefits Receivable

INCLUDES: Actual or estimated receivable for the current portion (within 12 months) of severance/separation pay that is due the NAFI from MAJCOM or host country.

TYPE OF TRANSACTION	DR 117	CR 117	OFFSET ENTRY
1. Establish unfunded amount	X		816
2. Payments/transfers		X	101
3. Foreign currency rate adjustments	X	X	910

GLAC 118: Reserved

GLAC 119: Dividends Receivable

INCLUDES: Simplified dividends, SATO dividends, and special grants received from MAJCOM or Air Force. Dividends receivable from resale and revenue-producing funds.

EXCLUDES: Lodging Funds, civilian welfare funds or base restaurants.

TYPE OF TRANSACTION	DR 119	CR 119	OFFSET ENTRY
1. Amount of dividend/accrual	X		232,805,806,833
2. Dividend received		X	101

GLAC 120: Allowance for Bad Debts-Others

INCLUDES: Estimated write offs of non-club card customer accounts receivable.

EXCLUDES: Estimated write-offs for accounts recoursed under the Air Force Club Membership Card Program (also called Recourse Accounts).

TYPE OF TRANSACTION	DR 120	CR 120	OFFSET ENTRY
1. Estimated write off		X	773, 786
2. Actual write off	X		111, 112 121, 122
3. Reinstatement of check or account written off		X	111, 112 122
4. Adjustments	X	X	786, 773

GLAC 121: MPO Actions Processed

INCLUDES: The total value of outstanding A/R accounts that have MPO actions processed.

EXCLUDES: MPO actions processed on returned checks, these accounts remain in GLAC 112 prior to RCK program implementation.

TYPE OF TRANSACTION	DR 121	CR 121	OFFSET ENTRY
1. MPO action processed	X		111
2. Actual write off of uncollectible MPO action		X	120, 124 784, 786

GLAC 122: Payment Plans

INCLUDES: Local payment plans for recoursed accounts under the Air Force Club Membership Card Program and other authorized individual delinquent customer account or employee receivables. The duration of the plans are limited to 180 days. The RMFC and debtor must sign the payment agreement. The agreement must contain: the debtor's name, social security number, AFCMC account number, current address, and telephone number, repayment amount each month and payment due dates. The agreement must also state that upon default by the debtor, the account will be forwarded for central debt collection. Do not allow a new payment agreement upon default.

EXCLUDES: Payment plans for non-club purchases, such as high cost merchandise or special functions; payment plans for returned checks that are recorded to GLAC 112 when checks were returned prior to 30 March 2004 (see GLAC 112 description).

TYPE OF TRANSACTION	DR 122	CR 122	OFFSET ENTRY
1. Establish payment plan	X		111, 121
2. Payments		X	101
3. Write offs		X	120, 124 784, 786

GLAC 124: Allowance for Uncollectible Recourse Accounts

INCLUDES: Estimated write offs of accounts recoursed under the Air Force Club Membership Card Program (also called Recoursed Accounts) at the end of the accounting period.

EXCLUDES: All other uncollectible account estimates.

TYPE OF TRANSACTION	DR 124	CR 124	OFFSET ENTRY
1. Estimated write off		X	784
2. Actual write off	X		111, 121, 122
3. Reinstatement of account written off		X	121, 122
4. Adjustments	X	X	784

GLAC 125: Commercial Charges

INCLUDES: All credit card charges processed through the POS systems and swipe terminals.

EXCLUDES: Special function charges processed through Club Works (record in GLAC 126).

TYPE OF TRANSACTION	DR 125	CR 125	OFFSET ENTRY
1. Charges	X		3XX, 5XX
2. Charge clears on CMIP (JV)		X	101
3. Merchant Discount Rate (MDR)		X	719

GLAC 126: Special Function Commercial Charges

INCLUDES: All special function charges processed through Club Works.

EXCLUDES: All credit card charges processed through POS systems and swipe terminals (recorded in GLAC 125).

TYPE OF TRANSACTION	DR 126	CR 126	OFFSET ENTRY
1. Charges	X		3XX, 5XX
2. Charge clears on CMIP (JV)		X	101
3. Merchant Discount Rate (MDR)		X	719

GLAC 130: Prepaid Expenses

INCLUDES: Prepaid items when 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 small purchases of supplies, rent, insurance premiums, maintenance, high cost bingo supply purchase, etc., are examples of such expenses. Maximum proration of these expenses is 12 months current and 12 months long term (refer to GLAC 194), but cannot exceed the supply life. Also includes high value supply items purchased in bulk. Maximum proration of high value supply expenses (refer to **Chapter 7**) is 12 months current and 24 months long term, but cannot exceed the supply life. GLAC 130 contains only one year of expense at any time. NOTE: Minimum proration expense per month must be $100 for any prepaid merchandise purchase for a minimum of three months. Annual service contract amounts may be expensed over the life of the contract, regardless of amount, if the amount is material to the activity; i.e., annual maintenance contracts.

EXCLUDES: Prepaid items over 12 months recorded in GLAC 194. Also excludes items that should be recorded in GLAC 171.

	DR	CR	
TYPE OF TRANSACTION	130	130	OFFSET ENTRY
1. Total cost	X		101, 201
2. Proration per accounting period		X	7XX, 9XX

GLAC 141: Deposits-Other

INCLUDES: All deposits made. Examples are deposits charged by vendors on reusable containers, credits given for returned containers, duck stamps, licenses and deposits with foreign governments, and RRRP purchases from NAF contractors for future sales.

	DR	CR	
TYPE OF TRANSACTION	141	141	OFFSET ENTRY
1. Deposits	X		101
2. Deposit refund		X	101
3. Credits for returned containers		X	401, 7XX
4. Gain/loss on containers	X	X	781

GLAC 161: InventoryCentral Storeroom

INCLUDES: Central storeroom inventories of merchandise and supplies.

EXCLUDES: Inventories properly recordable in GLAC 162, 163, or 164.

	DR	CR	
TYPE OF TRANSACTION	161	161	OFFSET ENTRY
1. Purchases	X		101, 201
2. Inventory gain or loss resulting from periodic physical inventory	X	X	781
3. Withdrawals from storeroom		X	113, 401, 7XX

GLAC 162: InventorySales Outlets

INCLUDES: All inventory in sales outlets, such as food in the kitchen, liquor at the bar, inventory in hobby shop sales store, etc. Debit inventory at end of each accounting period and reverse the entry in the following month.

EXCLUDES: Inventories properly recordable in GLAC 161, 163, or 164.

	DR	CR	
TYPE OF TRANSACTION	162	162	OFFSET ENTRY
1. End-of-period physical inventory	X		4013
2. Beginning-of-period physical inventory		X	4011

GLAC 163: Inventory In Transit

INCLUDES: Primarily used by overseas NAFIs. Merchandise or supplies shipped by vendor, proof of shipment received by NAF AO, and pending receipt at the NAFI.

EXCLUDES: Inventories properly recordable in GLAC 161, 162, or 164.

	DR	CR	
TYPE OF TRANSACTION	163	163	OFFSET ENTRY
1. Notices of items in transit	X		201
2. Receipt of items in transit		X	161, 171,181, 401, 7XX

GLAC 164: InventoryDecentralized Storeroom

INCLUDES: Decentralized storeroom inventory of merchandise and supplies including POL and aircraft spare parts over $50.

EXCLUDES: Inventories recorded in GLAC 161, 162, or 163.

	DR	CR	
TYPE OF TRANSACTION	164	164	OFFSET ENTRY
1. Purchases	X		101, 201
2. Inventory gain or loss resulting from periodic physical inventory	X	X	781
3. Withdrawals from storeroom		X	401, 72X

GLAC 165: Central Vendor Payments

INCLUDES: Inventory-in-transit for merchandise purchased through the Central Vendor Payment Program. Use this GLAC when payment is made by CVPP and deducted from the base's CMIP account and the activity has not yet received the merchandise.

EXCLUDES: Inventories recorded in GLAC 161, 162, 163, or 164.

	DR	CR	
TYPE OF TRANSACTION	165	165	OFFSET ENTRY
1. CVPP deducts from CMIP and items not received	X		101
2. Receipt of items in transit		X	161, 181, 401, 7XX

GLAC 171: Quantity Expendable (Bulk) Equipment Items

INCLUDES: Bulk purchases of like-equipment items. Each item in the bulk purchase must cost below $1,000 and have a life expectancy of two years or more. The collective value of the bulk purchase must be $2,000 or more. Amortize these items according to **Table 7.2.**, line 1.

EXCLUDES: Items recorded to GLAC 130, 194, 173, 175, 177, and GLAC 18X. Does not include any supply items, resale items, etc.

	DR	CR	
TYPE OF TRANSACTION	171	171	OFFSET ENTRY
1. Item purchased	X		101, 201
2. Removal/Disposal of items		X	172, 913 813
3. Transfers in	X		172, 287
4. Transfers out		X	172, 287

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GLAC 172: Accumulated Amortization - Quantity Expendable (Bulk) Equipment Items

INCLUDES: The amortization expensed to-date for items recorded in GLAC 171.

EXCLUDES: Amortization for any other items.

TYPE OF TRANSACTION	DR 172	CR 172	OFFSET ENTRY
1. Periodic amortization		X	797
2. Removal/Disposal of items	X		171, 913
3. Transfers in		X	171, 287
4. Transfers out	X		171, 287

GLAC 173: Internal-Use Software (IT).

INCLUDES: The capitalized cost of internal-use software including (1) Purchase of off-the-shelf software, (2) contractor-developed software subject to amortization, and (3) internally developed software subject to amortization. Cost of the software exceeds $1,000 and has a life expectancy of two years or more. Includes training, shipping, and installation of the software. Example: purchase of Microsoft office package at a cost of $1,400.

EXCLUDES: Any other information technology software where the government has taken title, i.e., items included in GLAC 183.

TYPE OF TRANSACTION	DR 173	CR 173	OFFSET ENTRY
1. Item purchased	X		101, 201
			913
2. Disposal of Asset		X	101, 11X
			174, 813
			913
3. Transfers in	X		174, 287
4. Transfers out to other NAFIS		X	174, 287
5. Property donations	X		288

GLAC 174: Accumulated Amortization of Internal-Use Software (IT)

INCLUDES: Accumulated amortization charges for internal-use software identified in GLAC 173. Internal-use software will be amortized in a systematic and rational manner over the estimated useful life of the software. Software acquired for research and development with no alternative future use will be amortized over the period of the project as opposed to the normal life-cycle amortization.

EXCLUDES: Amortization for any other items.

TYPE OF TRANSACTION	DR 174	CR 174	OFFSET ENTRY
1. Periodic amortization		X	798
2. Disposal of Asset	X		101, 11X 173, 813 913
3. Transfers out	X		173, 287

GLAC 175: NAF Capital Lease Asset

INCLUDES: Assets for which ownership will be transferred to the NAFI by the end of the lease or a lease where option to purchase is included (Air Force Capital Lease Program).

EXCLUDES: All other Capital Leases.

TYPE OF TRANSACTION	DR 175	CR 175	OFFSET ENTRY
1. Establish lease (current)	X		249
2. Establish lease (long term portion)	X		260
3. Exercise option to purchase		X	181
4. Exercise option to terminate		X	913

GLAC 176: Accumulated Amortization – NAF Capital Leases

INCLUDES: The amortization expensed to-date for items recorded in GLAC 175.

EXCLUDES: Amortization for all other items.

TYPE OF TRANSACTION	DR 176	CR 176	OFFSET ENTRY
1. Disposal of lease/items	X		175, 913, 813
2. Periodic amortization		X	796
3. Exercise option to purchase/lease paid in full	X		182

GLAC 177: Information Technology (IT) Hardware

INCLUDES: The capitalized cost of information technology hardware including all communication and computer systems including desk-tops, point-of-sale systems, routers, networks, and all other IT hardware. Cost of the hardware exceeds $1,000 and has a life expectancy of two years or more. Includes training, shipping, and installation of the hardware.

EXCLUDES: Any other information technology hardware. Also, excludes hardware costing less than $1,000 and a life expectancy of less than two years. Excludes all items where the government has taken title (APF).

TYPE OF TRANSACTION	DR 177	CR 177	OFFSET ENTRY
1. Item purchased	X		101, 201
2. Disposal of Asset		X	101, 11X
			174, 813
			913
3. Transfers in	X		178, 287
4. Transfers out to other NAFIs		X	178, 287
5. Property donations	X		288

GLAC 178: Accumulated Amortization of Information Technology (IT) Hardware

INCLUDES: Accumulated amortization charges for IT hardware expensed to-date for items recorded in GLAC 177.

EXCLUDES: Amortization for any information technology software.

TYPE OF TRANSACTION	DR 78	CR 178	OFFSET ENTRY
1. Periodic amortization		X	798
2. Disposal of Asset	X		101, 11X 177, 813, 913
3. Transfers out	X		177, 287

GLAC 179: Fixed Assets in Transit

INCLUDES: Fixed assets paid for on a proof of shipment, but not yet received and items received but not installed. Items must be valued at more than $1,000 with a life expectancy of two or more years and would be added to the master fixed asset listing (MFAL).

EXCLUDES: All items identified in GLAC 185, Construction in Progress.

TYPE OF TRANSACTION	DR 179	CR 179	OFFSET ENTRY
1. Items in transit	X		201
2. Completed items		X	171, 173, 178 181, 183, 186 175

GLAC 181: Fixed Assets-Furniture and Equipment (NAF)

INCLUDES: Acquisition cost of individual items, which cost $1,000 or more, have a life expectancy of two years or more, and do not lose their identity in use. This includes furniture, equipment, vehicles, NAF-owned amusement machines, aircraft, portable buildings, etc. Cost includes purchase price plus transportation and installation charges.

EXCLUDES: Property costing less than $1,000, all chaplain fund property, and all furniture, and fixtures and equipment where government (APF) has taken title.

	DR	CR	
TYPE OF TRANSACTION	181	181	OFFSET ENTRY
1. Item purchased	X		101, 201 913
2. Transfers in	X		185, 287
3. Property donations	X		288
4. Disposal of Asset		X	101, 11X, 182 913, 813
5. Transfers out to other NAFIs		X	182, 287

GLAC 182: Accumulated Depreciation-Furniture and Equipment--NAF

INCLUDES: The depreciation expensed to date for items capitalized in GLAC 181.

	DR	CR	
TYPE OF TRANSACTION	182	182	OFFSET ENTRY
1. Disposal of asset	X		101, 11X, 181, 913
2. Transfers-out	X		181, 287
3. Periodic depreciation		X	798

GLAC 183: Fixed Assets-Furniture and Equipment - APF Title

INCLUDES: Acquisition costs of individual items where title is transferred to APF. These items cost $1,000 or more, have a life expectancy of two years or more, and do not lose their identity in use.

EXCLUDES: All items not authorized to be transferred to APF.

TYPE OF TRANSACTION	DR 183	CR 183	OFFSET ENTRY
1. Equipment Purchased with NAF Funds	X		101, 201
2. Transfers in		X	185, 287
3. Transfers out		X	287
4. Disposal of Assets		X	184, 913 813

GLAC 184: Accumulated Depreciation-Fixed Assets – Furniture & Equipment - APF Title

INCLUDES: The depreciation expensed to date on items capitalized in GLAC 183. Depreciation should start one month after equipment installation.

EXCLUDES: Accumulated depreciation or amortization from other than GLAC 183.

TYPE OF TRANSACTION	DR 184	CR 184	OFFSET ENTRY
1. Disposal of assets	X		183, 913 813
2. Deletion of fully depreciated assets	X		183
3. Periodic depreciation		X	798

GLAC 185: Construction In Progress

INCLUDES: The cost of construction in progress, including progress payments and equipment, bulk expendable items, supply items, furniture and fixtures acquired during construction. Transfer completed projects within 30 days of beneficial occupancy to GLAC 130, 194, 171, 173, 175, 177, 181, 183, or 186 (refer to **Chapter 7**).

TYPE OF TRANSACTION	DR 185	CR 185	OFFSET ENTRY
1. Contract increments	X		201
2. Completed projects		X	181, 183 186, 130 194, 171 173, 175 177

GLAC 186: Facilities and Improvements

INCLUDES: Acquisition cost of permanent facilities acquired or improvements made on existing permanent facilities from nonappropriated funds, costing $1,000 or more, and having a life expectancy of two years or more.

EXCLUDES: All items identified in GLACS 171, 173, 175, 177, 181, 183, or 188.

TYPE OF TRANSACTION	DR 186	CR 186	OFFSET ENTRY
1. Facilities purchased or improved with NAF Funds		X	101, 201
2. Transfers in		X	185, 287
3. Disposal of Assets		X	187, 913 813

GLAC 187: Accumulated Depreciation-Facilities and Improvements

INCLUDES: The depreciation expensed to-date on items capitalized in GLAC 186. Depreciation should start within 30 days after beneficial occupancy.

EXCLUDES: Accumulated depreciation or amortization from any GLAC other than 186.

TYPE OF TRANSACTION	DR 187	CR 187	OFFSET ENTRY
1. Disposal of Assets	X		186, 913
			813
2. Periodic depreciation		X	799

GLAC 188: Capital Leases

INCLUDES: Assets for which ownership will be transferred to the NAFI at the end of the lease or a lease where an option to purchase is included (commercial leases, when authorized by HQ AFSVA/SVF).

EXCLUDES: Items purchased under the NAF Capital Lease program.

TYPE OF TRANSACTION	DR 188	CR 188	OFFSET ENTRY
1. Establish lease (current)	X		249
2. Establish lease (long term portion)	X		260
3. Exercise option to purchase		X	181
4. Exercise option to terminate		X	913

GLAC 189: Accumulated Amortization-Capital Leases

INCLUDES: The amortization expensed to date for items leased in GLAC 188.

TYPE OF TRANSACTION	DR 189	CR 189	OFFSET ENTRY
1. Disposal of lease	X		188, 913
2. Amortization per accounting period		X	798

GLAC 191: Long-Term Lease Receivable

INCLUDES: Portion of leases outstanding that will not be collected during the next 12 months.

EXCLUDES: Leases recordable in GLAC 116.

TYPE OF TRANSACTION	DR 191	CR 191	OFFSET ENTRY
1. Disbursement of lease	X		101
2. Portions of lease, which become current		X	116

GLAC 192: Long-Term Severance Benefits Receivable

INCLUDES: Actual or estimated receivable for the unfunded portion of separation pay beyond 12 months that is due NAFIs from MAJCOM or host country.

TYPE OF TRANSACTION	DR 192	CR 192	OFFSET ENTRY
1. Establish unfunded amount	X		816
2. Payments/transfers		X	101
3. Foreign currency rate adjustments	X	X	259

GLAC 194: Prepaid Expenses-Long Term

INCLUDES: Expenses paid for but chargeable to future periods greater than the next 12 months. Portion of like items costing less than $1,000 which exceeds 12 months.

EXCLUDES: Items that will be expensed over the next 12 months, recordable in GLAC 130.

	DR	CR	
TYPE OF TRANSACTION	194	194	OFFSET ENTRY
1. Payment of expense	X		201
2. Portion of prepaid which becomes payable during current 12 month period		X	130

GLAC 195: Long-Term Investment-Severance Benefits

INCLUDES: Amounts on deposit in a dedicated severance (SEV) investment account which are to be used to fund severance benefits and separation allowances. Deposits (debits) are made to this account at the end of each accounting period to maintain the minimum 25% funding level. Withdrawals (credits) must have prior approval of MAJCOM and will be used for actual payment to NAF employees or transfer of excess funds to the regular CMIP account. Separate the funding set aside for both severance benefits and separation allowances by shredding this GLAC to separate the two items.

	DR	CR	
TYPE OF TRANSACTION	195	195	OFFSET ENTRY
1. Deposits	X		101, 110
2. Interest earned	X		804,
3. Withdrawals		X	101, 108, 110
4. Gain/Loss on Exchange Rate	X	X	910

GLAC 201: Accounts Payable

INCLUDES: Amounts owed to creditors for goods and services purchased.

	DR	CR	
TYPE OF TRANSACTION	201	201	OFFSET ENTRY
1. Establishment of liability		X	1XX,4XX,7XX,9XX
2. Disbursements	X		101

GLAC 202: 401(k) Payable

INCLUDES: 401(k) employee and employer contributions not paid that month.

	DR	CR	
TYPE OF TRANSACTION	202	202	OFFSET ENTRY
1. Employee contribution		X	217
2. Employer contribution		X	699
3. Payments	X		101

GLAC 203: FERS and CSRS Payable

INCLUDES: FERS AND CSRS employee contributions and employer contributions not paid that month.

	DR	CR	
TYPE OF TRANSACTION	203	203	OFFSET ENTRY
1. Employee contribution		X	217
2. Employer contribution		X	694
3. Payments	X		101

GLAC 204: TSP Payable

INCLUDES: The employers share of TSP expense for the US payroll.

TYPE OF TRANSACTION	DR 204	CR 204	OFFSET ENTRY
1. Employee contribution		X	217
2. Employer contribution		X	693
3. Payments	X		101

GLAC 205: Federal Withholding Taxes Payable

INCLUDES: Federal withholding tax withheld from employees' wages but not paid to IRS. Disbursements are made according to IRS requirements.

TYPE OF TRANSACTION	DR 205	CR 205	OFFSET ENTRY
1. Employee deduction		X	217
2. Disbursement to IRS	X		101

GLAC 206: State and Local Taxes Payable

INCLUDES: State or local taxes withheld but not paid. If amounts withheld involve more than one entity, the amount payable to each is determined by reviewing the biweekly payroll lists.

TYPE OF TRANSACTION	DR 206	CR 206	OFFSET ENTRY
1. Employee deductions		X	217
2. Tax payments	X		101

GLAC 207: Federal Insurance Contribution Act (FICA) Taxes Payable

INCLUDES: FICA tax, withheld from employees' pay and employer's contribution not paid to IRS. Also includes withholding on tips that are subject to FICA tax.

TYPE OF TRANSACTION	DR 207	CR 207	OFFSET ENTRY
1. Employee deduction		X	217
2. Employer contributions accrued		X	703
3. Payments	X		101

GLAC 208: Foreign Taxes and AssessmentsOverseas Only

INCLUDES: Taxes withheld from direct hire foreign nationals and national insurance contributions payable to foreign governments.

TYPE OF TRANSACTION	DR 208	CR 208	OFFSET ENTRY
1. Employee Deductions		X	702
2. Employer contribution accrual		X	704
3. Payments	X		101

GLAC 209: Severance Benefits Payable

INCLUDES: Actual or estimated liability for employee severance benefits to be paid within the next 12 months.

TYPE OF TRANSACTION	DR 209	CR 209	OFFSET ENTRY
1. Accruals		X	711
2. Payments	X		101, 108
3. Transfer (from long term)		X	259
4. Foreign currency rate adjustments	X	X	910, 117

GLAC 210: Retirement Fund Payable

INCLUDES: Retirement premium costs (employee and employer share) withheld and accrued but not paid to the designated pension fund.

TYPE OF TRANSACTION	DR 210	CR 210	OFFSET ENTRY
1. Employee deduction		X	217
2. Employer contributions accrued		X	712
3. Payments	X		101

GLAC 211: Bonds Payable

INCLUDES: Employee deductions for US saving bonds but not paid to bond issuing agent.

TYPE OF TRANSACTION	DR 211	CR 211	OFFSET ENTRY
1. Employee deductions		X	217
2. Bonds purchased	X		101

GLAC 212: Union Dues Payable

INCLUDES: Union dues withheld from employees but not paid to applicable union.

TYPE OF TRANSACTION	DR 212	CR 212	OFFSET ENTRY
1. Employee deductions		X	217
2. Payments to union	X		101

GLAC 213: Charity Deductions Payable

INCLUDES: Deductions for charity withheld from employees but not paid to the authorized charitable organizations.

TYPE OF TRANSACTION	DR 213	CR 213	OFFSET ENTRY
1. Employee deductions		X	217
2. Payment to charities	X		101

GLAC 214: Charge Tips Payable

INCLUDES: Tips charged by members and payable to employees.

EXCLUDES: Gratuities collected from special functions.

	DR	CR	
TYPE OF TRANSACTION	214	214	OFFSET ENTRY
1. Charged tips		X	111
2. Tips paid to employees	X		101, 102

GLAC 215: Accrued Annual Leave Payable

INCLUDES: The dollar value of annual leave accrued but not taken.

	DR	CR	
TYPE OF TRANSACTION	215	215	OFFSET ENTRY
1. Leave accruals		X	713
2. Leave taken or employee termination	X		701, 101

GLAC 216: Group Health and Life Insurance Payable

INCLUDES: Insurance premiums withheld from employees and the employer's share of premium not yet paid to the carrier.

	DR	CR	
TYPE OF TRANSACTION	216	216	OFFSET ENTRY
1. Employee deduction		X	217
2. Employer contributions accrued		X	705
3. Payments	X		101

GLAC 217: Accrued Payroll

INCLUDES: Salaries and wages earned but not paid. The accrual is made at the end of one accounting period and reversed at the beginning of the following accounting period.

TYPE OF TRANSACTION	DR 217	CR 217	OFFSET ENTRY
1. Accruals		X	701, 702, etc.
2. Accrual reversal	X		701, 702, etc.

GLAC 218: Health Maintenance Insurance (HMO) Payable

INCLUDES: Health Maintenance Organization (HMO) premiums withheld from employees and employer's share of HMO premium that have not been paid to the HMO.

EXCLUDES: Group Health and Life Insurance Premium (GLAC 216) payable to Air Force.

TYPE OF TRANSACTION	DR 218	CR 218	OFFSET ENTRY
1. Employee deduction		X	217
2. Employer contributions accrued		X	705
3. Payments	X		101

GLAC 219: Unemployment Compensation Payable

INCLUDES: Amounts assessed for Air Force for Unemployment Compensation Insurance, not paid.

TYPE OF TRANSACTION	DR 219	CR 219	OFFSET ENTRY
1. Assessment accrual		X	710
2. Disbursement to HQ AFSVA/SVF	X		101

GLAC 220: Workers' Compensation Payable

INCLUDES: Amounts assessed for Air Force for Workers' Compensation not paid.

TYPE OF TRANSACTION	DR 220	CR 220	OFFSET ENTRY
1. Assessment accrual		X	708
2. Disbursement to HQ AFSVA/SVF	X		101

GLAC 222: Separation Allowances Payable

INCLUDES: Actual or estimated liability for employee separation allowances to be paid within the next 12 months.

TYPE OF TRANSACTION	DR 222	CR 222	OFFSET ENTRY
1. Accruals		X	707
2. Payments	X		101, 108
3. Transfer (from long term)		X	258
4. Foreign currency rate adjustments	X	X	910, 117

GLAC 224: Allotments Payable

INCLUDES: Allotments withheld from employees' pay that are to be paid to authorized financial organizations.

TYPE OF TRANSACTION	DR 224	CR 224	OFFSET ENTRY
1. Employee allotments		X	217
2. Payments to financial organizations	X		101

GLAC 225: Other Personnel Expenses Payable

INCLUDES: Amounts owed for retroactive pay and benefits, unclaimed wages, awards payable such as employee of the quarter, employee bonus, training and travel.

	DR	CR	
TYPE OF TRANSACTION	225	225	OFFSET ENTRY
1. Liability established		X	7XX
2. Payments	X		101
3. Unclaimed checks canceled after 120 days		X	101
4. Transfer of unclaimed wages after 1 year	X		812

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GLAC 226: Vending Machine Income Sharing

INCLUDES: The accrued estimated liability of net vending machine income sharing with the blind (refer to AFI 34-206).

	DR	CR	
TYPE OF TRANSACTION	226	226	OFFSET ENTRY
1. Accruals		X	783
2. Payments	X		101

GLAC 227: Reserved

GLAC 229: C.A.R.E. Accrual

INCLUDES: Amounts for accrual of transactions as identified in the C.A.R.E. system between the end of cycle date and the actual end of month.

EXCLUDES: Any other payable.

TYPE OF TRANSACTION	DR 229	CR 229	OFFSET ENTRY
1. Accrual		X	Expense Accts
2. Reversal	X		Expense Accts

GLAC 232: Unearned Income

INCLUDES: Income received but not earned until a later period, such as advance dues, swimming pool patches, annual green fees, tokens, block time, deposits on special orders, gift certificates, etc.

EXCLUDES: Not applicable for use by base restaurant funds.

TYPE OF TRANSACTION	DR 232	CR 232	OFFSET ENTRY
1. Advance Collections		X	101
2. Refunds	X		101
3. Earned income	X		3XX, 5XX, 8XX

GLAC 2328: Name Brand Gift Cards

INCLUDES: Gift cards sold in a name brand food operation facility.

EXCLUDES: All other gift cards/certificates.

TYPE OF TRANSACTION	DR 2328	CR 2328	OFFSET ENTRY
1. Gift Cards issued		X	101
2. Gift Cards redeemed	X		301, 303

GLAC 241: Dividends/Grants Payable

INCLUDES: Dividends or grants payable. For MAJCOM and MWRFs supporting IUFs.

TYPE OF TRANSACTION	DR 241	CR 241	OFFSET ENTRY
1. Amount payable		X	904, 905
2. Disbursements	X		101

GLAC 245: Current Portion of Loans Payable

INCLUDES: Portion of notes and loans to be paid during the next 12 months.

EXCLUDES: That portion of loans over 12 months.

TYPE OF TRANSACTION	DR 245	CR 245	OFFSET ENTRY	
1. Loans established		X	101	
2. Loan repayments	X		101	
3. Transfers		X	X	251

GLAC 249: Other Payables

INCLUDES: Other amounts due for various payables such as interest, awards (non-personnel), fees, veterinary surcharge, lease payments, etc., or transactions not properly recordable to another liability account.

EXCLUDES: Deposit validation variances.

TYPE OF TRANSACTION	DR 249	CR 249	OFFSET ENTRY
1. Establish liability		X	175, 188 7XX, 9XX
2. Transfer liability to income accounts	X		5XX, 8XX
3. Payment	X		101

GLAC 251: Long-Term Loans Payable

INCLUDES: Portion of notes and loans that will not be paid during the next 12 months.

TYPE OF TRANSACTION	DR 251	CR 251	OFFSET ENTRY
1. Loans established		X	101
2. Transfers	X	X	245

GLAC 258: Separation Allowances Payable

INCLUDES: Actual or estimated liability for separation allowances beyond 12 months.

EXCLUDES: That portion payable within 12 months (GLAC 222).

TYPE OF TRANSACTION	DR 258	CR 258	OFFSET ENTRY
1. Benefits accrued		X	707
2. Payments	X		101
3. Establish retroactive amount		X	286
4. Transfer to current (within next 12 months)	X		222
5. Foreign currency rate adjustments	X	X	910

GLAC 259: Severance Benefits Payable

INCLUDES: Actual or estimated liability for employee benefits beyond 12 months.

EXCLUDES: That portion payable within 12 months (GLAC 209).

TYPE OF TRANSACTION	DR 259	CR 259	OFFSET ENTRY
1. Benefits accrued		X	711
2. Payments	X		101
3. Establish retroactive amount		X	286
4. Transfer to current (within next 12 months)	X		222
5. Foreign currency rate adjustments	X	X	910

GLAC 260: Other Long-Term Liabilities

INCLUDES: Amounts due for other payables not expected to be paid during the current 12 months.

	DR	CR	
TYPE OF TRANSACTION	260	260	OFFSET ENTRY
1. Amounts payable		X	2XX

GLAC 273: Reserved Equity--Outstanding Orders

INCLUDES: The value of outstanding orders (contracting documents such as 2209's, AF Form 9's. AFNAFPO purchases, etc.) that have been issued to obligate funds for goods or services, but the NAFI has not received the goods or services. For partial shipments, only the portion that has not been received is outstanding. For construction contracts, the outstanding portion is the total contract cost less any progress payments previously set up in accounts payable or paid to the contractor.

	DR	CR	
TYPE OF TRANSACTION	273	273	OFFSET ENTRY
1. Base/MAJCOM/AF: Prior month reversal (Reverse prior month JV).	X		274, 275, 290
2. Base: All outstanding orders regardless of funding source		X	274, 275, 290
3. MAJCOM: Outstanding orders for MAJCOM HQ operations		X	290
4. AF: Outstanding order for AF HQ operations		X	290

GLAC 274: Outstanding Orders--MAJCOM Funded

INCLUDES: The value of MAJCOM funded outstanding orders (contracting documents such as 2209s, AF Form 9s, AFNAFPO purchases, etc.) that have been issued to obligate funds for goods or services, but the NAFI has not received the goods or services. For partial shipments, only the portion that has not been received is outstanding. For construction contracts, the outstanding portion is the total contract cost less any progress payments previously set up in accounts payable or paid to the contractor. NOTE: Consider orders to be funded by MAJCOM, if the MAJCOM has said to expect reimbursement for the expenditure from them.

TYPE OF TRANSACTION	DR 274	CR 274	OFFSET ENTRY
1. Base: Reverse prior month JV		X	273, 275 290
2. MAJCOM/AF: Reverse prior month JV	X		290
3. Base: Outstanding Order to be funded by MAJCOM	X		273, 275 290
4. MAJCOM: Outstanding orders funded by MAJCOM for bases		X	290

GLAC 275: Outstanding Orders--Air Force Funded

INCLUDES: The value of Air Force funded outstanding orders (contracting documents such as 2209's, AF Form 9's. AFNAFPO purchases, etc.) that have been issued to obligate funds for goods or services, but the NAFI has not received the goods or services. For partial shipments, only the portion that has not been received is outstanding. For construction contracts, the outstanding portion is the total contract cost less any progress payments previously set up in accounts payable or paid to the contractor. *NOTE:* Consider orders to be funded by Air Force if the Air Force is expected to reimburse you for the expenditure.

TYPE OF TRANSACTION	DR 275	CR 275	OFFSET ENTRY
1. Base: Prior month reversal (Reverse prior month JV)		X	273, 274, 290
2. MAJCOM/AF: Prior month reversal (Reverse prior month JV)		X	290
3. Base: Outstanding orders to be funded by Air Force		X	273, 274, 290
4. MAJCOM: Outstanding orders for MAJCOM HQ Operations to be funded by Air Force		X	273, 290
5. Air Force: Outstanding Orders Funded by Air Force for MAJCOMs and Bases		X	290

GLAC 276: Capital Requirements – Total – Outyears (Years 2-5)

INCLUDES: The value of planned capital expenditures that are reflected on the NRB and approved by the base or command NAFs Council for purchase or contract award for outyears 2-5. Includes equipment, quantity expendable (bulk) equipment, high value supplies, and facilities.

EXCLUDES: NRB items approved for purchase within the next 12 months and NRB items already on order.
NOTE: Each month's journal entry reflects the planned capital expenditures for outyears 2-5.

TYPE OF TRANSACTION	DR 276	CR 276	OFFSET ENTRY
1. Reverse prior month JV	X		290
2. Establish approved budget amount outyears 2-5		X	290

GLAC 277: Capital Requirements – Total – Current 12 Months

INCLUDES: The value of planned capital expenditures reflected on the NRB and approved by the base or command NAFs council for purchase or contract award within the next 12 months. Includes equipment and facilities that qualify for capitalization (GLACs 170-189). Each month's journal entry reflects the planned capital expenditures for the next 12 months.

EXCLUDES: NRB items that qualify for capitalization that are already on order.

TYPE OF TRANSACTION	DR 277	CR 277	OFFSET ENTRY
1. Reverse prior month JV	X		278, 279 290
2. Base: All approved NRB items the base expects to buy in the next 12 months regardless of funding source.		X	278, 279 290
3. MAJCOM: All approved items the MAJCOM expects to buy for MAJCOM HQ operations in the next 12 months.		X	278, 290
4. AF: All approved items that AF expects to buy for AF HQ operations in the next 12 months.		X	279, 290

GLAC 278: Capital Requirements--MAJCOM Funded – Current 12 Months

INCLUDES: The value of MAJCOM funded/planned capital expenditures reflected on the NAF Requirements Budget and approved by the base or command NAFs council for purchase or contract award within the next 12 months. Includes equipment and facilities that qualify for capitalization (includes GLACS 170-189). Each month's journal entry reflects the planned capital expenditures for the next 12 months. *Note:* Consider expenditures to be funded by MAJCOM, if you expect your MAJCOM to eventually reimburse you for the expenditure or if you are seeking MAJCOM funding assistance for the item.

EXCLUDES: NRB items that qualify for capitalization that are already on order.

TYPE OF TRANSACTION	DR 278	CR 278	OFFSET ENTRY
1. Base: Reverse prior month JV		X	277, 279 290
2. MAJCOM: Reverse prior month JV	X		290
3. Base: All approved NRB items that will be funded by MAJCOM	X		277, 279 290
4. MAJCOM: Total projected cost of MAJCOM approved NRB items to be funded by MAJCOM for the bases.		X	290

GLAC 279: Capital Requirements-AF Funded – Current 12 Months

INCLUDES: The value of AF funded/planned capital expenditures reflected on the NRB and approved by the base or command NAFs council for purchase or contract award within the next 12 months. Includes equipment and facilities that qualify for capitalization (includes GLACS 170-189). Each month's journal entry reflects the planned capital expenditures for the next 12 months. *Note:* Consider expenditures to be funded by AF, if you expect AF to eventually reimburse you for the expenditure or if you are seeking AF funding assistance for the item.

EXCLUDES: NRB items that qualify for capitalization that are already on order.

TYPE OF TRANSACTION	DR 279	CR 279	OFFSET ENTRY
1. Base: Reverse prior month JV		X	277, 278 290
2. MAJCOM: Reverse prior month JV	X		290
3. Air Force: reverse prior month JV	X		290
4. Base: All approved NRB items that will be funded by Air Force	X		277, 278 290
5. MAJCOM: All approved NRB items that will be funded by AF	X		290
6. Air Force: Total projected cost of command approved NRB items that Air Force will fund for MAJCOM/bases		X	290

GLAC 280: Reserved Equity - Expendable Purchases – Total – Current 12 Months

INCLUDES: The value of the planned/funded unexpended portion of the next 12 months' expendable purchases that do not meet the capitalization criteria (recorded in GLACs 277, 278, and 279) and that have not been obligated. These items would be approved for purchase and included on the cash flow budget.

EXCLUDES: Items recorded as capital requirements (GLAC 277, 278, and 279) and items obligated for purchase.

TYPE OF TRANSACTION	DR 280	CR 280	OFFSET ENTRY
1. Reverse prior month JV	X		284, 285 290
2. Base: All approved NRB items the base expects to buy in the next 12 months regardless of funding source.		X	284, 285 290
3. MAJCOM: All approved NRB items that MAJCOM expects to buy for MAJCOM HQ operations in the next 12 months.		X	284, 290
4. AF: All approved NRB items that AF expects to buy for AF HQ operations in the next 12 months.		X	290

GLAC 281: Grants-Nonoperating

INCLUDES: Grants provided by MAJCOM or Air Force for new construction, facility improvements, furniture, equipment, bulk purchases, and expendable equipment. Includes Air Force Base Capital Improvement Fund (AFBCIF) grants

EXCLUDES: Operating grants issued by MAJCOM recorded in GLAC 833.

	DR	CR	
TYPE OF TRANSACTION	281	281	OFFSET ENTRY
1. Grant received		X	101
2. Return of any unused portion	X		101
3. Grants Issued (MAJCOM/AF)	X		101
4. Year end closing	X	X	290

GLAC 282: Residual Assets-Dissolved NAFIs

INCLUDES: The net value of assets or liabilities received by a successor fund when a NAFI is dissolved.

	DR	CR	
TYPE OF TRANSACTION	282	282	OFFSET ENTRY
1. Net assets or liabilities received	X	X	1XX, 2XX
2. Year-end closing	X	X	290

GLAC 283: Prior Period Fund Equity Adjustments

INCLUDES: Request authorization from SAF/FMCEB through your MAJCOM and HQ AFSVA/SVF to use this account. The use of this account is limited to items of prior year income or expense approved for adjustment according to **Chapter 1**.

TYPE OF TRANSACTION	DR 283	CR 283	OFFSET ENTRY
1. Adjustments	X	X	1XX, 2XX, 3XX, 4XX, 5XX, 7XX, 8XX, 9XX
2. Year-end closing	X	X	290

GLAC 284: Expendable Purchases – MAJCOM Funded - Current 12 Months

INCLUDES: The value of MAJCOM funded/planned unexpended portion of the next 12 months' expendable purchases that do not meet the capitalization criteria (recorded in GLACs 277, 278, and 279) and that have not been obligated. These items would be approved for purchase and included on the cash flow. NOTE: Consider expenditures to be funded by AF, if you expect AF to eventually reimburse you for the expenditure or if you are seeking AF funding assistance for the items. NOTE: Each month's journal entry reflects the planned purchases of expendable purchases for the next 12 months.

EXCLUDES: Items recorded as capital requirements (GLAC 277, 278, and 279) and items obligated for purchase. Outstanding requirements funded by a different organizational level (for example, the base does not record outstanding requirements that AF or base funds).

TYPE OF TRANSACTION	DR 284	CR 284	OFFSET ENTRY
1. Base: Reverse prior month JV		X	280, 285, 290
2. MAJCOM/AF: Reverse prior month JV	X		290
3. Base: All approved NRB items that will be funded by MAJCOM	X		280, 285, 290
4. MAJCOM: Total projected cost of command approved NRB items to be funded by MAJCOM for the bases		X	290

GLAC 285: Expendable Purchases – AF Funded – Current 12 Months

INCLUDES: The value of AF Funded/planned unexpended portion of the next 12 months' expendable purchases that do not meet the criteria of fixed assets (recorded in GLACS 277, 278, and 279) and that have not been obligated. These items would be approved for purchase and included on the cash flow budget. These items are from the NRB. NOTE: Consider expenditures to be funded by AF if you expect AF to eventually reimburse you for the expenditure or if you are seeking AF funding assistance for the items. NOTE: Each month's journal entry reflects the planned purchases of expendable purchases for the next 12 months.

EXCLUDES: Items recorded as capital requirements (GLAC 277, 278, and 279) and items obligated for purchase. Outstanding requirements funded by a different organizational level (for example, the base does not record outstanding requirements that base or MAJCOM funds).

TYPE OF TRANSACTION	DR 285	CR 285	OFFSET ENTRY
1. Base: Reverse prior month JV		X	280, 284, 290
2. MAJCOM/AF: Reverse prior month JV	X		290
3. Base: All approved NRB items that will be funded by AF	X		280, 284, 290
4. MAJCOM/AF: All approved NRB items that will be funded by AF		X	290

GLAC 286: Unamortized Retroactive Severance Benefits

INCLUDES: The retroactive portion of benefits caused by renegotiations of the union contract or Status of Forces Agreement for pay and benefits. GLAC 259 (Severance/Separation BenefitsLongTerm) will be credited for the same amount.

TYPE OF TRANSACTION	DR 286	CR 286	OFFSET ENTRY
1. Establish retroactive amount	X		259
2. Year-end closing		X	290

GLAC 287: Transferred Equity

INCLUDES: The value of assets transferred between NAFIs, MAJCOMs, and Air Force. Residual assets or liabilities of dissolved NAFIs transferred to the successor fund. Includes Command Lodging Fund grants. Includes cash transfers to provide working capital for normal operations or to level the cash balances among the bases within a MAJCOM.

	DR	CR	
TYPE OF TRANSACTION	287	287	OFFSET ENTRY
1. Transfer out	X		1XX. 2XX
2. Transfer in		X	1XX, 2XX
3. Year-end closing	X	X	290

GLAC 288: Donated Equity

INCLUDES: The fair market value of property donated to NAFIs from sources other than Air Force NAFIs. Receipt of donated items is contingent upon approval according to AFI 34-201.

EXCLUDES: Cash, loan forgiveness.

	DR	CR	
TYPE OF TRANSACTION	288	288	OFFSET ENTRY
1. Receipt of donation		X	181
2. Disposal of donated property	X		181
3. Year-end closing	X	X	290

GLAC 289: Reserved

GLAC 290: Fund Equity-Prior Years

INCLUDES: The excess of assets over liabilities representing the cumulative balance of fund equity as of the end of the previous year.

TYPE OF TRANSACTION	DR 290	CR 290	OFFSET ENTRY
1. Year-end closing	X	X	281, 282
			283, 286
			287, 288
			289
2. Expense for the year (automated posting)		X	4XX, 6XX
	X		3XX, 5XX
			8XX
3. Reserved equity adjustments	X	X	273 – 280
			284, 285

GLAC 291: Net Income (Loss)-Current Year

INCLUDES: The cumulative balance of current year net income and expense. Although the books are formally closed only at the end of the fiscal year, this account is the accumulated year-to-date net income or loss on periodic financial statements.

NOTE: No GLACs are closed to this account. This GLAC is a computed line on the interim financial statements (net of total assets, total liabilities, and all equity accounts) to show current year retained earnings at a specific point in the year. After the September End of Period is done, the End of Year process closes all I&E GLACs to GLAC 290. The NAF Standard Accounting system generates this account balance. DO NOT POST TO THIS ACCOUNT.

GLAC 301: Sales NonTip Environment

INCLUDES: Cash and charge sales of food, beverage, and other merchandise, bingo cards and fundowned vending machines receipts.

EXCLUDES: Service fees, sales attributed to tipped employees (refer to GLACs 3011-3014), aviation POL issues when aircraft use fee includes cost of POL (wet).

	DR	CR	
TYPE OF TRANSACTION	301	301	OFFSET ENTRY
1. Sales		X	101, 111
2. Sales returns	X		101, 111
3. Year-end closing	X		290

GLAC 3011: Cash Sales Tip Environment

INCLUDES: Cash food and beverage sales that are attributed to tipped employees. For example, sales in the bar that are attributable to a waiter, waitress, bartender, etc. This information must be captured to meet IRS requirements on tip allocations.

EXCLUDES: Sales generated by special functions, refer to GLAC 3014 and sales not attributed to tipped employees, GLAC 301.

	DR	CR	
TYPE OF TRANSACTION	3011	3011	OFFSET ENTRY
1. Sales		X	101
2. Sales returns	X		101
3. Year-end closing	X		290

GLAC 3012: Charge Sales-Tip Environment-No Tips

INCLUDES: Charged food and beverage sales attributable to tipped employees without receiving charged tips.

EXCLUDES: All other sales (cash or charge) and service fees.

TYPE OF TRANSACTION	DR 3012	CR 3012	OFFSET ENTRY
1. Sales		X	101, 111
2. Sales returns	X	X	101, 111
3. Year-end closing	X		290

GLAC 3013: Charge Sales Tip Environment-With Tips

INCLUDES: Charged food and beverage sales attributable to tipped employees receiving charged tips.

EXCLUDES: All other sales (cash or charge) and service fees.

TYPE OF TRANSACTION	DR 3013	CR 3013	OFFSET ENTRY
1. Sales		X	101, 111
2. Sales returns	X		101, 111
3. Year-end closing	X		290

GLAC 3014: Sales-Special Function

INCLUDES: Record sales for special functions as a mandatory shred to GLAC 301, with the service fee as a shred to GLAC 507. AFI 34-115 defines special functions for food and beverage outlets.

TYPE OF TRANSACTION	DR 3014	CR 3014	OFFSET ENTRY
1. Sales		X	101, 111
2. Sales returns	X		101, 111
3. Year-end closing	X		290

GLAC 3015: Delivery Sales – Non-Tip Environment

INCLUDES: Cash and charge sales of food, beverages, and other merchandise that are delivered to another facility/home.

EXCLUDES: Service fees and sales for items purchased and served within the facility or bulk alcoholic beverages delivered to another location. Excludes sales attributed to tipped employees (refer to GLACs 3011-3014 and 3031-3034).

TYPE OF TRANSACTION	DR 3015	CR 3015	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3016: Bar Sales –Non-Tip Environment (1st Area-Shared Kitchen)

INCLUDES: Cash and charge sales of alcoholic beverages in a shared kitchen. A shared kitchen is two activities that are sharing their inventory in a single kitchen, i.e., JR Rockers & NYPD.

EXCLUDES: Service fees and sales of items purchased and served within the facility or bulk alcoholic beverages delivered to another location or sales attributed to tipped employees (refer to GLACs 3011-3014 and 3031-3034).

TYPE OF TRANSACTION	DR 3016	CR 3016	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3017: Bulk Beverage Sales-Non-Tip Environment

INCLUDES: Cash and charge sales of bulk beverages.

EXCLUDES: Service fees and sales for items purchased and served within the facility and sales attributed to tipped employees (refer to GLACs 3011-3014 and 3031-3034).

TYPE OF TRANSACTION	DR 3017	CR 3017	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3018: Sundry Sales (Shared Kitchen Facility)

INCLUDES: Cash and charge sales of sundry type items.

EXCLUDES: Service fees, activity revenues, and sales for items purchased in a tipped environment (refer to GLACs 3011-3014 and 3031-3034).

TYPE OF TRANSACTION	DR 3018	CR 3018	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 302: Sales Discounts Offered in any other MAJCOM

INCLUDES: Sales discounts offered under the preferred members plus program.

EXCLUDES: Discounts offered in any other MAJCOMs.

TYPE OF TRANSACTION	DR 302	CR 302	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 303: Sales – Non-Tip Environment (2nd Area with a Shared Kitchen)

INCLUDES: Cash and charge sales of food and beverage sales in an area with a shared kitchen.

EXCLUDES: Service fees and sales attributed to tipped employees (refer to GLACs 3011-3014 and 3031-3034).

TYPE OF TRANSACTION	DR 303	CR 303	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3031: Cash Sales-Tip Environment (2nd Area with a Shared Kitchen)

INCLUDES: Cash food and beverage sales that are attributed to tipped employees in an area with a shared kitchen.

EXCLUDES: Service fees, special function sales, and sales not attributed to tipped employees.

TYPE OF TRANSACTION	DR 3031	CR 3031	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3032: Charge Sales – Tip Environment – No tips (2nd Area with a Shared Kitchen)

INCLUDES: Charge food and beverage sales that are attributed to tipped employees without receiving changed tips in an area with a shared kitchen.

EXCLUDES: Service fees, special function sales, and sales not attributed to tipped employees.

TYPE OF TRANSACTION	DR 3032	CR 3032	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3033: Charge Sales – Tip Environment – with Tips (2nd area with a Shared Kitchen)

INCLUDES: Charge food and beverage sales that are attributed to tipped employees receiving charged tips in an area with a shared kitchen.

EXCLUDES: Service fees, special function sales, and sales not attributed to tipped employees.

TYPE OF TRANSACTION	DR 3033	CR 3033	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3035: Bar Sales – (2nd Area with a Shared Kitchen)

INCLUDES: Cash and charge sales of alcoholic beverages in an area with a shared kitchen.

EXCLUDES: Service fees, special functions sales, and sales attributed to tipped employees.

TYPE OF TRANSACTION	DR 3035	CR 3035	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3036: Bonanza Bingo Sales

INCLUDES: Cash and charge sales of bonanza-type bingo cards.

EXCLUDES: Sales of all other types including regular bingo programs.

TYPE OF TRANSACTION	DR 3036	CR 3036	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3037: Bulk beverage sales – Non-Tip Environment – (2nd Area with a Shared Kitchen)

INCLUDES: Cash and charge sales of bulk beverage sales.

EXCLUDES: Service fees and sales for items purchased for consumption inside the facility and sales attributed to tipped employees (refer to GLACs 3011-3014 and 3031-3034).

TYPE OF TRANSACTION	DR 3037	CR 3037	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3038: Sundry Sales – (2nd Area with Shared Kitchen)

INCLUDES: Cash and charge sales of sundry-type items for a second area with a shared kitchen.

EXCLUDES: Service fees, activity revenues, and sales for items purchased in a tipped environment (refer to GLACs 3011-3014 and 3031-3034).

TYPE OF TRANSACTION	DR 3038	CR 3038	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 401: Purchases

INCLUDES: The cost of merchandise purchased or transferred from other cost centers for resale. The purchase price is net of the cash discount. Also includes transportation costs on salable merchandise deemed to be material and readily assignable to individual inventory items.

EXCLUDES: Services or their related costs.

TYPE OF TRANSACTION	DR 401	CR 401	OFFSET ENTRY
1. Issues from decentralized storeroom	X		164
2. Transfers between cost centers	X	X	CC Code
3. Purchases	X		101, 201
4. Issues from centralized storeroom	X		113, 161
5. Transfers to promotional expense		X	75X
6. Year-end closing		X	290

GLAC 4011: Beginning Inventory

NOTE: The NAF Standard Accounting System automatically establishes beginning inventory amounts. Do not manually post to this account.

	DR	CR	
TYPE OF TRANSACTION	4011	4011	OFFSET ENTRY
1. Inventory reversal	X	X	162

GLAC 4012: Transportation Cost and Commissary Surcharge

INCLUDES: Nonmaterial amounts of freight or postage associated with the purchase of resalable merchandise. Include commissary surcharges paid on food for in-use inventories.

EXCLUDES: Amounts on resalable merchandise deemed to be material and chargeable to individual inventory items (GLAC 401). Exclude freight or postage associated with supplies, expendable equipment, and capitalized assets.

	DR	CR	
TYPE OF TRANSACTION	4012	4012	OFFSET ENTRY
1. Purchases	X		201
2. Year-end closing	X		290

GLAC 4013: Ending Inventory

INCLUDES: Cost of resale inventory as of the end of each accounting period (estimated or actual).

	DR	CR	
TYPE OF TRANSACTION	4013	4013	OFFSET ENTRY
1. Current period inventory	X		162
2. Inventory reversal	X	162, 4011	

GLAC 4014: Resale - Discounts Earned

INCLUDES: Discounts for prompt payment of resale purchases (i.e., 2% discount, if the invoice is paid within 10 days). Also, includes the total discount earned on a mixed invoice (i.e., an invoice containing both resale and supply items) when the discount is offered on the same invoice. Note: If the invoice is not paid by the discount terms, record the amount of the lost discount to GLAC 794, Discounts Lost.

EXCLUDES: CVPP discounts, non-resale items except those supply items on a mixed invoice.

TYPE OF TRANSACTION	DR 4014	CR 4014	OFFSET ENTRY
1. Resale discounts earned		X	201
2. Year-end closing	X		290

GLAC 4015: Prime Vendor Rebate

INCLUDES: Prime Vendor rebates for resale inventory items, where the benefiting cost center is identifiable. Record in appropriate cost center.

EXCLUDES: Prime Vendor rebates for non-inventory purchases, or where cost center is not identifiable. Record unidentifiable rebates in GLAC 834 A1.

TYPE OF TRANSACTION	DR 4015	CR 4015	OFFSET ENTRY
1. Reimbursement received		X	101
2. Year-end closing	X		290

GLAC 501: Fees and Charges

INCLUDES: Income generated by customer use of facilities, equipment, etc. Examples are: green fees, bowling lane fees, lodging daily service fees, aircraft rental, etc. Include RRRP income not associated with DRMO.

EXCLUDES: NAF AO service fees and services provided to other NAFIs/activities which are recorded to GLAC 801 and special function gratuities recorded in GLAC 507.

	DR	CR	
TYPE OF TRANSACTION	501	501	OFFSET ENTRY
1. Fees earned		X	101, 111, 232
2. Refunds or adjustments	X		101, 111
3. Year-end closing	X		290

GLAC 502: Dues and Initiation Fees

INCLUDES: Membership dues and initiation fees.

EXCLUDES: Base restaurant funds.

	DR	CR	
TYPE OF TRANSACTION	502	502	OFFSET ENTRY
1. Amounts earned		X	101, 111, 232
2. Refunds or adjustments	X		101, 111
3. Year-end closing	X		290

GLAC 503: Slot Machine Income

INCLUDES: Income from slot machines.

TYPE OF TRANSACTION	DR 503	CR 503	OFFSET ENTRY
1. Collections		X	101
2. Refunds, adjustments, hopper transactions	X	X	101
3. Year-end closing	X		290

GLAC 504: Instructional Fees

INCLUDES: Income generated by customer participation in instructional programs; such as dance classes, gymnastics, craft classes, golf lessons, flight ground instruction, and piano classes.

TYPE OF TRANSACTION	DR 504	CR 504	OFFSET ENTRY
1. Fees earned		X	101, 111, 232
2. Refunds or adjustments	X		101, 111
3. Year-end closing	X		290

GLAC 505: Amusement Machine Income

INCLUDES: Income from either fund-owned or vendor-owned amusement machines.

TYPE OF TRANSACTION	DR 505	CR 505	OFFSET ENTRY
1. Collections or earnings		X	101, 111
2. Refunds or adjustments	X		101, 111
3. Year-end closing	X		290

GLAC 506: Concession Income

INCLUDES: NAFs share of income from concessionaire operations, such as barber shops, pro shops, vending machines, etc. (where a contract exists between concessionaire and NAFI).

TYPE OF TRANSACTION	DR 506	CR 506	OFFSET ENTRY
1. Amount earned		X	101, 115
2. Refunds or adjustments	X		101, 115 249
3. Year-end closing	X		290

GLAC 507: Support/Service Fees

INCLUDES: Fees charged to customers for services including telephone, clean-up maintenance on transient aircraft, nursery charges for family services or Red Cross volunteers, etc. Also includes service charges to employees as stated in special function contracts, and income received from special functions covering cost of entertainment, i.e., bands, flowers, decorations, etc.

EXCLUDES: Food costs in conjunction with special functions and support fees such as HRO and value of services provided to other activities.

TYPE OF TRANSACTION	DR 507	CR 507	OFFSET ENTRY
1. Fees received or charged for service provided		X	101, 111, 113, 232, 758
2. Refunds or adjustments	X		101, 111, 113, 232, 758
3. Year-end closing	X		290

GLAC 508: Admission/Entry Fees

INCLUDES: Income from admission fees, special entertainment or events, and entry fees for tournaments and contests.

EXCLUDES: The cost of sales on merchandise included in a package. For example: a New Year's eve party with admission charge of $15 per person, includes a meal and bottle of champagne with a cost of $11. Record only the difference of $4 in this account and the $11 in the appropriate sales account.

	DR	CR	
TYPE OF TRANSACTION	508	508	OFFSET ENTRY
1. Amount collected or billed		X	101, 111, 232
2. Refunds or adjustment	X		101, 111
3. Year-end closing	X		290

GLAC 509: Foreign Currency Accommodation Fees

INCLUDES: Fees associated with the resale of foreign currency by customers at selected locations. Gain or loss on daily revaluation of foreign currency held for resale, and profit generated from resale of foreign currency.

	DR	CR	
TYPE OF TRANSACTION	509	509	OFFSET ENTRY
1. Amount collected		X	101
2. Gain/loss on revaluation	X	X	105
3. Profit on resales		X	101
4. Year-end closing	X		290

GLAC 510: USDA Reimbursement

INCLUDES: Amounts received from the USDA for the food program, family day care coordinator, training materials, and supplies.

TYPE OF TRANSACTION	DR 510	CR 510	OFFSET ENTRY
1. USDA reimbursement		X	101,115
2. Year-end closing	X		290

GLAC 511: Reserved

GLAC 512: Activity Revenue Discounts – Preferred Members Plus (AFMC only)

INCLUDES: Activity revenue discounts – Preferred Members Plus.

EXCLUDES: Discounts offered in any other MAJCOMs.

TYPE OF TRANSACTION	DR 512	CR 512	OFFSET ENTRY
1. Sales	X		101, 125
2. Sales returns		X	101, 125
3. Year-end closing		X	290

GLAC 513: Payment for Services Rendered – Military Phenomenon

INCLUDES: APF receipts in support of expenses incurred as a result of military phenomena and recorded in GLACS 970-973. Amounts received should be recorded in the cost center in which the expenses were incurred.

TYPE OF TRANSACTION	DR 513	CR 513	OFFSET ENTRY
1. Payment		X	101, 115
2. Year-end closing	X		290

GLAC 514: Funding for MWR During Special Security Conditions

INCLUDES: APF receipts in support of expenses incurred as a result of special security conditions and recorded in GLACS 970 and 974-976. Amounts received should be recorded in the cost center in which the expenses were incurred.

TYPE OF TRANSACTION	DR 514	CR 514	OFFSET ENTRY
1. Payment		X	101, 115
2. Year-end closing	X		290

GLAC 518: Payment for Non-Strategic Sourcing MOA

INCLUDES: Amounts received from other non-services organizations for NAF costs associated with operating programs as required by the intra-service (ISA) or Memorandum of Agreement (MOA), i.e., dining facilities, laundry service, etc.

EXCLUDES: Amounts received for NAF MOAs or for strategic sourcing MOAs.

TYPE OF TRANSACTION	DR 518	CR 518	OFFSET ENTRY
1. Payment		X	101, 115
2. Year-end closing	X		290

GLAC 519: Payment for NAF MOAs

INCLUDES: Amounts received from other non-services NAFIs for NAF costs associated with operating programs as required by the intra-service agreement (ISA) or Memorandum of Agreement (MOA), i.e., accounting support for chapel programs, etc.

EXCLUDES: Amounts received from APF.

TYPE OF TRANSACTION	DR 519	CR 519	OFFSET ENTRY
1. Payment		X	101, 115
2. Year-end closing	X		290

GLAC 520: Payment for Strategic Sourcing MOA (MWR Fund only)

INCLUDES: Amounts received from strategic sourcing of activities within the MWR fund. Activities must be part of the footprint as identified in the agency strategic sourcing guide.

EXCLUDES: All other amounts received for MOAs.

TYPE OF TRANSACTION	DR 520	CR 520	OFFSET ENTRY
1. Payment		X	101, 115
2. Year-end closing	X		290

GLAC 680: Personnel Expense Contra - Self-Help Projects.

INCLUDES: The cost of NAF personnel expense incurred in a qualifying renovation self-help construction/renovation project. Use this GLAC to offset personnel expense GLACs to show the amount of personnel expense capitalized as part of a self-help renovation project. The net amount of GLAC 680 and the personnel expense GLACs (GLACs 701-714) show the personnel expense not capitalized for that period. Do not change the personnel expense amounts in GLACs 701-714 in any way for this transfer. Record the applicable personnel expense (701-714) and contra amount (680) in the activity where personnel are originally assigned.

EXCLUDES: The cost of personnel expense for self-help projects when the projects do not meet the capitalization criteria.

TYPE OF TRANSACTION	DR 680	CR 680	OFFSET ENTRY
1. Labor transferred		X	185
2. Year-end closing	X		290

GLAC 693: Employer's TSP Expense

INCLUDES: The employer's share of TSP expense for the US payroll.

	DR	CR	
TYPE OF TRANSACTION	693	693	OFFSET ENTRY
1. Cost accrued during the PP	X		204
2. Labor transfers	X	X	CC Code
3. Year-end closing		X	290

GLAC 694: Employer's FERS and CSRS Expense

INCLUDES: The employer's share of FERS and CSRS retirement expense for the US payroll.

	DR	CR	
TYPE OF TRANSACTION	694	694	OFFSET ENTRY
1. Cost accrued during the PP	X		203
2. Labor transfers	X	X	CC Code
3. Year-end closing		X	290

GLAC 699: Employer's 401(k) Expense

INCLUDES: The employer's share of 401(k) expense for the US payroll.

	DR	CR	
TYPE OF TRANSACTION	699	699	OFFSET ENTRY
1. Cost accrued during the PP	X		202
2. Labor transfers	X	X	CC Code
3. Year-end closing		X	290

GLAC 701: NAF Payroll

INCLUDES: The cost of wages, salaries, transfers from cost center to cost center, and benefits, such as taxable meals.

EXCLUDES: Personnel expenses applicable to GLACs 702 and 715. Accrued annual leave that is recorded to GLAC 713.

TYPE OF TRANSACTION	DR 701	CR 701	OFFSET ENTRY
1. Accrued payroll expenses	X		217
2. Accrual for end of accounting period	X		217
3. Reverse prior period accrual		X	217
4. Labor transfers	X	X	CCC
5. Year-end closing		X	290

GLAC 702: Foreign National Payroll (Overseas Only)

INCLUDES: The cost of wages, salaries, and awards of foreign national personnel. Includes transfer of labor (wage plus applicable portion of annual leave) from one cost center to another. The cost of awards include employee of the month and sustained superior performance awards.

EXCLUDES: Personnel expenses applicable to GLAC 701 and 703-715. Accrued annual leave which is recorded to GLAC 713.

TYPE OF TRANSACTION	DR 702	CR 702	OFFSET ENTRY	
1. Actual payroll expensed	X		201	
2. Accrual for end of accounting period	X		217	
3. Reverse prior period accrual		X	217	
4. Labor transfers		X	X	CC Code
5. Year-end closing		X	290	

GLAC 703: FICA Tax

INCLUDES: The cost of employer's share of FICA taxes. Include expense applicable to labor transferred from other cost centers.

	DR	CR	
TYPE OF TRANSACTION	703	703	OFFSET ENTRY
1. Current period accrual	X		207
2. Labor transfer	X	X	CC Code
3. Year-end closing		X	290

GLAC 704: Foreign Tax (Overseas Only)

INCLUDES: Employer's share of foreign employee's taxes. Include expense applicable to labor transferred from other cost centers.

	DR	CR	
TYPE OF TRANSACTION	704	704	OFFSET ENTRY
1. Foreign taxes accrued during period	X		208
2. Labor transfer	X	X	CC Code
3. Year-end closing		X	290

GLAC 705: Group Insurance

INCLUDES: The employer's share of employees group health and life insurance for the US payroll. Include expense applicable to labor transferred from other cost centers.

	DR	CR	
TYPE OF TRANSACTION	705	705	OFFSET ENTRY
1. Cost accrued during period	X		216, 218
2. Labor transfer	X	X	CC Code
3. Year-end closing		X	290

GLAC 706: US Citizens' Benefits

INCLUDES: The cost of benefits given to US employees, such as nontaxable meals, and training and travel. Also includes monetary awards expense transfer from GLAC 701 for awards given to US employees such as employee of the month and quarter and sustained superior performance award. Includes expense for plaques, bond cost, etc.

EXCLUDES: Taxable meals, awards and wages earned while in a TDY status.

	DR	CR	
TYPE OF TRANSACTION	706	706	OFFSET ENTRY
1. Benefits made	X		225
2. Awards expense transfer	X		701
3. Labor transfer	X	X	CC Code
4. Year-end closing		X	290

GLAC 707: Foreign Nationals' Benefits (Overseas Only)

INCLUDES: The cost of benefits given to Foreign National employees, such as meals, group insurance, retirement, bonus, separation allowances, and training and travel. Include expense applicable to labor transferred from other cost centers.

EXCLUDES: Awards and wages earned while in a TDY status.

	DR	CR	
TYPE OF TRANSACTION	707	707	OFFSET ENTRY
1. Benefits earned	X		201, 222 225, 258
2. Labor transfer	X	X	CCC
3. Year-end closing		X	290

GLAC 708: Workers' Compensation

INCLUDES: The cost of workers' compensation benefits for US employees. Include expense applicable to labor transferred from other cost centers.

TYPE OF TRANSACTION	DR 708	CR 708	OFFSET ENTRY
1. Amounts assessed for benefits applicable to current period	X		220
2. Labor transfer	X	X	CC Code
3. Year-end closing		X	290

GLAC 709: Sick Leave

INCLUDES: Regular pay paid as sick leave in the month incurred for US and FN employees.

EXCLUDES: Any sick leave accruals.

TYPE OF TRANSACTION	DR 709	CR 709	OFFSET ENTRY
1. Sick leave expense for the PP	X		217
2. Year-end closing		X	290

GLAC 710: Unemployment Compensation

INCLUDES: Amounts assessed for unemployment benefits for US employees. Include expense applicable to labor transferred from other cost centers.

TYPE OF TRANSACTION	DR 710	CR 710	OFFSET ENTRY
1. Amounts assessed, applicable to current period	X		219
2. Labor transfer	X	X	CC Code
3. Year-end closing		X	290

GLAC 711: Severance Benefits

INCLUDES: The expensing of severance and terminal benefits for NAFI employees. Include expense applicable to labor transferred from other cost centers.

EXCLUDES: Accruals of severance expense for closing bases (refer to GLAC 964).

TYPE OF TRANSACTION	DR 711	CR 711	OFFSET ENTRY
1. Benefit accruals	X		209, 259
2. Labor transfers	X	X	CCC
3. Year-end closing		X	290

GLAC 712: Retirement Benefits-US Payroll

INCLUDES: The employer's share of retirement benefits earned by NAFI employees. Include expense applicable to labor transferred from other cost centers.

	DR	CR	
TYPE OF TRANSACTION	712	712	OFFSET ENTRY
1. Benefits expensed	X		210
2. Labor transfer	X	X	CC Code
3. Year-end closing		X	290

GLAC 713: NAF Annual Leave Expense

INCLUDES: The cost of each applicable NAF employees' (FN and US) annual leave per pay period.

TYPE OF TRANSACTION	DR	CR	
	713	713	OFFSET ENTRY
1. Annual leave earned	X		215
2. Year-end closing		X	290

GLAC 715: Contract Services

INCLUDES: Amounts paid to contract personnel such as instructors, sports officials, janitorial service contractors, aero club instructors and mechanics fees, and other authorized personnel expenses not specified in GLAC 701714.

EXCLUDES: Transfer of labor between cost centers.

	DR	CR	
TYPE OF TRANSACTION	715	715	OFFSET ENTRY
1. Expenses incurred	X		201
2. Year-end closing		X	290

GLAC 716: NAF AO Services

INCLUDES: Accounting and payroll support provided to NAFIs other than the host MWRF.

	DR	CR	
TYPE OF TRANSACTION	716	716	OFFSET ENTRY
1. Cost incurred	X		201
2. Year-end closing		X	290

GLAC 717: HRO Expenses

INCLUDES: NAFIs' (other than host MWRF) cost for operation of the NAF Human Resources office.

	DR	CR	
TYPE OF TRANSACTION	717	717	OFFSET ENTRY
1. Costs incurred	X		201
2. Year-end closing		X	290

GLAC 718: Computer Services

INCLUDES: The cost of computer services furnished by commercial concerns. Also, the cost of computerrelated equipment lease or rental.

	DR	CR	
TYPE OF TRANSACTION	718	718	OFFSET ENTRY
1. Costs incurred	X		201
2. Year-end closing		X	290

GLAC 719: Credit Card Expense

INCLUDES: Amounts charged by credit card company or bank for credit card charge system handling fee.

TYPE OF TRANSACTION	DR 719	CR 719	OFFSET ENTRY
1. Handling fee	X		201
2. Year-end closing		X	290

GLAC 720: Supply Expense

INCLUDES: The cost (purchased from a vendor or transferred from other cost centers or NAFIs) of supplies, including guest checks, office supplies, expendable equipment, ice, amortization from GLAC 130 and freight or transportation fees which are attributable to these items.

EXCLUDES: Items recorded in GLAC 171 and amortized using GLAC 797.

TYPE OF TRANSACTION	DR 720	CR 720	OFFSET ENTRY
1. Direct purchases	X		201
2. Prepaid supplies	X		130
3. Storeroom issues	X		164
4. Year-end closing		X	290

GLAC 721: Petroleum, Oil, and Lubrications (POL)

INCLUDES: The cost of all POL consumed for vehicle, boat and aircraft operations.

TYPE OF TRANSACTION	DR 721	CR 721	OFFSET ENTRY
1. POL issued from storeroom or purchased	X		101, 164, 201
2. Year-end closing		X	290

GLAC 722 A/R Statements

INCLUDES: Amounts paid to vendors for accounts receivable statements used to mail customer bills.

	DR	CR	
TYPE OF TRANSACTION	722	722	OFFSET ENTRY
1. Statements purchased	X		201
4. Year-end closing		X	290

GLAC 723: Maintenance and Repair-Fund Owned

INCLUDES: The cost of maintenance and repair of Fixed AssetsNAF, expendable equipment, and slot machines. Includes cost of parts and materials and other applicable costs.

EXCLUDES: Costs of maintenance and repair on property and equipment that is not NAF-owned. Also, labor cost of mechanics that are under individual services contracts.

	DR	CR	
TYPE OF TRANSACTION	723	723	OFFSET ENTRY
1. Costs incurred	X		201
2. Prepaid expense	X		130
3. Year-end closing		X	290

GLAC 724: Maintenance and Repair-Non Fund Owned

INCLUDES: The cost of maintenance, repair and inspection fees for NAF purchased assets transferred to APF, authorized TA APF equipment or leased equipment. Includes cost of parts and materials and other applicable cost.

EXCLUDES: Costs of maintenance and repair on property that is NAF-owned. Also, labor cost of mechanics that are under individual service contracts.

TYPE OF TRANSACTION	DR 724	CR 724	OFFSET ENTRY
1. Costs incurred	X		201
2. Prepaid expense	X		130
3. Year-end closing		X	290

GLAC 725: Other Material Related Expense

INCLUDES: Other material related expenses not properly recorded in GLACs 720-727.

TYPE OF TRANSACTION	DR 725	CR 725	OFFSET ENTRY
1. Costs incurred	X		201
2. Prepaid expense	X		130
3. Monthly accrual	X		227
4. Year-end closing		X	290

GLAC 726: Postage, Subscriptions and Dues

INCLUDES: The cost of postage associated with mailing statements, subscriptions, and dues in authorized national associations, and leagues.

EXCLUDES: Freight and postage costs associated with capital purchases, resale or storeroom inventory items and supplies.

	DR	CR	
TYPE OF TRANSACTION	726	726	OFFSET ENTRY
1. Costs incurred	X		201
2. Prepaid supplies	X		130
3. Year-end closing		X	290

GLAC 727: Spoilage, Breakage and Out-Dated Items

INCLUDES: Spoilage, breakage, and out-dated items over $100.

EXCLUDES: Items under $100 which are absorbed in cost of goods.

	DR	CR	
TYPE OF TRANSACTION	727	727	OFFSET ENTRY
1. Costs incurred	X		161, 164, 401
2. Year-end closing		X	290

GLAC 728: Amenities (Lodging fund only)

INCLUDES: Record expense for purchases of coffee, sweeteners, tea, sugar, cream, shampoo, combs, lotion, mouthwash, candy, stirrers, hot chocolate mix, hair conditioner, and shoe shine cloths/sponges. These items are personal in nature.

EXCLUDES: Supply items for the use of Lodging guest and customers (such as dish towels, oven mitts, paper plates, plastic tumblers, coffee cups, memo pads). Record these as supply expense. These are not personal in nature.

	DR	CR	
TYPE OF TRANSACTION	728	728	OFFSET ENTRY
1. Purchases	X		201
2. Year-end closing		X	290

GLAC 729: Slot Machine Maintenance Expense

INCLUDES: Prorated share of expenses from CCC A9 to the benefiting cost center code. The proration method is based on MAJCOM criteria.

	DR	CR	
TYPE OF TRANSACTION	729	729	OFFSET ENTRY
1. Amount of prorated slot machine exp from CCC A9	X		(801 in CCC A9)
Record GLAC 729 in the benefiting cost center code.			
2. Year-end closing		X	290

730: AF Initiative Expenses (AF Purchased)

INCLUDES: The cost of base-level operating expenses purchased by AF in support of an AF initiative (i.e., TLF, Club – Core Menu, Core Catering, and Signature Brands). These expenses are recorded at the user level in the base-level cost center that benefits from the items purchased in support of the AF initiative. AFSVA/SVF will provide the dollar amount authorized to be recorded in GLAC 730 for each AF purchase.

EXCLUDES: All purchases, regardless of funding level, when the purchase qualifies as a capital asset or a bulk purchase of expendable equipment. Note: The benefiting base would record these items in the applicable asset (GLAC 171, 181, etc.) and depreciate or amortize using GLAC 797 or 798, to the benefiting cost center code. Also, excludes any locally or MAJCOM purchased operating expenses in support of the AF initiative.

TYPE OF TRANSACTION	DR 730	CR 730	OFFSET ENTRY
1. Receipt of operating expense item (paid for by AF)	X		287
2. Year-end closing		X	290

GLAC 731: Amusement Machine Operating Expense

INCLUDES: Prorated share of expenses from CCC AA to the benefiting cost center code. The proration method is based on a combination of the number of machines and amusement machine income (GLAC 505) generated by the machines in the benefiting cost center.

TYPE OF TRANSACTION	DR 731	CR 731	OFFSET ENTRY
1. Amount of prorated amusement machine expense. Record GLAC 731 in the benefiting cost center code	X		801 AA
2. Year-end closing		X	290

GLAC 750: Club Member Promotion Discount

INCLUDES: Discounts authorized for club members, family members, and their bona fide guests for food purchases.

EXCLUDES: Purchases of alcohol.

TYPE OF TRANSACTION	DR 750	CR 750	OFFSET ENTRY
1. Costs incurred	X		301, 303X
2. Year-end closing		X	290

GLAC 751: Entertainers

INCLUDES: The cost of hiring orchestras, musicians, and other entertainers; including lodging and transportation costs as specified by the contract. The expense is charged to the cost center receiving benefit.

EXCLUDES: Events included in the annual SV marketing plan. (For these events, refer to the CCC A5 description and record expenses in the applicable GLAC, i.e., payroll, supplies. NAF expenses for these events that are attributable to a NAFI other than the MWR fund are transferred to that activity and not kept in CCC A5.)

TYPE OF TRANSACTION	DR 751	CR 751	OFFSET ENTRY
1. Costs incurred	X		201
2. Year-end closing		X	290

GLAC 752: Coupons

INCLUDES: Face value of coupons given to members for opening accounts, free meals, dues, free lines of bowling or rounds of golf, etc. The expense is charged to the cost center receiving benefit.

EXCLUDES: Events included in the annual SV marketing plan. (For these events, refer to the CCC A5 description and record expenses in the applicable GLAC, i.e., payroll, supplies. NAF expenses for these events that are attributable to a NAFI other than the MWR fund are transferred to that activity and not kept in CCC A5.)

	DR	CR	
TYPE OF TRANSACTION	752	752	OFFSET ENTRY
1. Costs incurred	X		301,501,502
2. Year-end closing		X	290

GLAC 7522: Be Our Guest – Name Brand Coupons

INCLUDES: Face value of coupons given by name brand food operations to customers for free food or beverages.

EXCLUDES: All other coupons.

	DR	CR	
TYPE OF TRANSACTION	7522	7522	OFFSET ENTRY
1. Cost incurred	X		301X, 303X
2. Year-end closing		X	290

GLAC 753: Membership Night

INCLUDES: Cost of hosting membership night for members. Use for membership activities only. The expense is charged to the administrative cost center.

EXCLUDES: Labor that is specifically scheduled and used in conjunction with membership night. Events included in the annual SV marketing plan. (For these events, refer to the CCC A5 description and record expenses in the applicable GLAC, i.e., payroll, supplies. NAF expenses for these events that are attributable to a NAFI other than the MWR fund are transferred to that activity and not kept in CCC A5.)

	DR	CR	
TYPE OF TRANSACTION	753	753	OFFSET ENTRY
1. Costs incurred	X		401
2. Year-end closing		X	290

GLAC 754: Prizes

INCLUDES: Cost of prizes, such as gift certificates, given away during membership night, door prizes, or tournament sponsored events, etc. The expense is charged to the cost center receiving benefit.

EXCLUDES: Bingo prizes. Events included in the annual SV marketing plan (for these marketing events, refer to the CCC A5 description and record expenses in the applicable GLAC, i.e., payroll, supplies. NAF expenses for these events that are attributable to a NAFI other than the MWR fund are transferred to that activity and not kept in CCC A5).

	DR	CR	
TYPE OF TRANSACTION	754	754	OFFSET ENTRY
1. Costs incurred	X		201, 164, 401
2. Year-end closing		X	290

GLAC 755: Special Occasions

INCLUDES: Cost of special items given away for birthdays, etc. Record expense in the administrative cost center.

EXCLUDES: Events included in the annual SV marketing plan (for these events, refer to the CCC A5 description and record expenses in the applicable GLAC, i.e., payroll, supplies. NAF expenses for these events that are attributable to a NAFI other than the MWR fund are transferred to that activity and not kept in CCC A5).

	DR	CR	
TYPE OF TRANSACTION	755	755	OFFSET ENTRY
1. Costs incurred	X		201, 401
2. Year-end closing		X	290

GLAC 756: Complimentary Items

INCLUDES: The cost of totally free snacks transferred for giveaway programs. Examples include two for one, buy-one get-one-free programs, social hour snacks, free coffee, etc. The key is a totally "free item". The expense is chargeable to the specific cost center receiving the benefit.

EXCLUDES: Free food given away for membership night chargeable to GLAC 753. Events included in the annual SV marketing plan (for these marketing events, refer to the CCC A5 description and record expenses in the applicable GLAC, i.e., payroll, supplies). NAF expenses for these marketing events that are attributable to a NAFI other than the MWR fund are transferred to that activity and not kept in CCC A5.) Also excludes amenities given away by the Lodging fund.

	DR	CR	
TYPE OF TRANSACTION	756	756	OFFSET ENTRY
1. Costs incurred	X		201, 401
2. Year-end closing		X	290

GLAC 757: Advertising

INCLUDES: Cost of authorized NAF advertising. Could include club calendars, employment search, youth center flyers and distribution, etc. Record in the cost center receiving benefit.

EXCLUDES: Events included in the annual SV marketing plan (for these marketing events, refer to the CCC A5 description and record expenses in the applicable GLAC, i.e., payroll, supplies. NAF expenses for these marketing events that are attributable to a NAFI other than the MWR fund are transferred to that activity and not kept in CCC A5).

	DR	CR	
TYPE OF TRANSACTION	757	757	OFFSET ENTRY
1. Costs incurred	X		201
2. Year-end closing		X	290

GLAC 758: Child Care Services

INCLUDES: Cost of child care services paid by the NAFI or cost center for special events such as membership night, volunteers for red cross, family services, etc. Record in the cost center receiving benefit.

EXCLUDES: Events included in the annual SV marketing plan (for these marketing events, refer to the CCC A5 description and record expenses in the applicable GLAC, i.e., payroll, supplies. NAF expenses for these marketing events that are attributable to a NAFI other than the MWR fund are transferred to that activity and not kept in CCC A5.)

	DR	CR	
TYPE OF TRANSACTION	758	758	OFFSET ENTRY
1. Costs incurred	X		507
2. Year-end closing		X	290

GLAC 759: Other Promotional Expenses

INCLUDES: Record entertainment costs not properly recordable in GLACs 751758. Record in the cost center receiving benefits.

EXCLUDES: Events included in the annual SV marketing plan (for these marketing events, refer to the CCC A5 description and record expenses in the applicable GLAC, i.e., payroll, supplies. NAF expenses for marketing events that are attributable to a NAFI other than the MWR fund are transferred to that activity and not kept in CCC A5.)

	DR	CR	
TYPE OF TRANSACTION	759	759	OFFSET ENTRY
1. Costs incurred	X		164, 201, 401
2. Year-end closing		X	290

GLAC 766: Interest Expense – Commercial Capital Lease

INCLUDES: Commercial capital lease interest payments, which will be recorded in the benefiting cost center expenses.

EXCLUDES: All NAF Capital Lease interest payments, which will be recorded in the benefiting cost center expenses.

	DR	CR	
TYPE OF TRANSACTION	766	766	OFFSET ENTRY
1. Cost incurred	X		249
2. Year-end closing		X	290

GLAC 767: Interest Expense – Prompt Payment

INCLUDES: Interest penalties resulting from late payments to vendors, to be in compliance with the Prompt Payment Act. Record interest.

EXCLUDES:

TYPE OF TRANSACTION	DR 767	CR 767	OFFSET ENTRY
1. Amounts amortized	X		201
2. Year-end closing		X	290

GLAC 768: Franchise Fee/Royalties

INCLUDES: The franchise fees and royalties paid to the owner of a company for use of their company name (Name Brand Operations) and the right to sell their products.

EXCLUDES: Monies paid to anyone other than the Signature Brand Operations company owner.

TYPE OF TRANSACTION	DR 768	CR 768	OFFSET ENTRY
1. Amount of initial franchise fee	X		201, 249
2. Amount of monthly/quarterly fees	X		201, 249
3. Year-end closing		X	290

GLAC 773: Uncollectible Returned Checks Expense

INCLUDES: Write off or allowance for uncollectible returned checks. Must be recorded in CCC A1 in MWR Funds and CCC 31 in Lodging Funds.

EXCLUDES: Write off or estimated write offs for all other accounts or recoursed accounts.

TYPE OF TRANSACTION	DR 773	CR 773	OFFSET ENTRY
1. Uncollectible amount (accrual)	X		120
2. Adjustments	X	X	120
3. Year-end closing		X	290

GLAC 774: Uncollected Special Functions

INCLUDES: Dollar amount of denied credit card transactions for special function prorata processed through the Air Force Club Membership Maintenance Software program. Club must follow-up on denied credit card transactions to get another method of payment from the POC for the denied transaction. Also, includes dollar amount of any other uncollected amounts from special functions (i.e., missing prorata sheets or unpaid parties). The expense is charged to the cost center receiving the benefit of the special function revenue (i.e., club, golf course, specialty restaurant, etc.). If this is not identifiable, then the expense is charged to the club's administrative cost center code. Write off uncollected special functions in accordance with AFI 34-202 and AFMAN 34-212.

TYPE OF TRANSACTION	DR 774	CR 774	OFFSET ENTRY
1. Denied credit card transactions	X		101
2. Receipt of payment for denied credit card transactions		X	101
3. Uncollected special function amounts approved for write off	X		111
4. Year-end closing		X	290

GLAC 777: Travel/Transportation of Persons

INCLUDES: TDY and travel costs paid with NAFs. Includes per diem, airline tickets, rental car, and PCS move costs. Record costs in the activity receiving the benefit (i.e., travel costs for bowling center employee are recorded into the bowling center cost center code).

EXCLUDES: Payroll expenses of personnel going TDY or PCS. Excludes conference/training registration fees that should be recorded in GLAC 706.

TYPE OF TRANSACTION	DR 777	CR 777	OFFSET ENTRY
1. Travel and Transportation Expense	X		201
2. Year-end closing		X	290

GLAC 779: Central Kitchen Operating Expense (CWF Only)

INCLUDES: The prorated share of central kitchen operating expenses that are transferred to Civilian Welfare Fund activities. Use the proration from your MAJCOM, if provided.

EXCLUDES: Inventory costs that will use GLAC 401 in both the central kitchen and the receiving Base Restaurant activity.

TYPE OF TRANSACTION	DR 779	CR 779	OFFSET ENTRY
1. Activity's share of central kitchen operating expense	X		801 (in central kitchen)
2. Year-end closing		X	290

GLAC 781: Inventory Adjustments

INCLUDES: Gains or losses resulting from reconciliation and subsequent adjustments of physical inventories and GLAC 141, 161, 164.

EXCLUDES: Reconciliation adjustments from property inventories.

	DR	CR	
TYPE OF TRANSACTION	781	781	OFFSET ENTRY
1. Inventory gain or loss	X	X	141, 161, 164
2. Year-end closing	X	X	290

GLAC 782: Bank Fees and Charges

INCLUDES: Bank fees and charges not identified to a customer, such as, fees for deposit bags, keys, or deposit slips; re-presented check fees; armored car service, etc.

	DR	CR	
TYPE OF TRANSACTION	782	782	OFFSET ENTRY
1. Cost incurred	X		201
2. Year-end closing		X	290

GLAC 783: Vending Machine Income Sharing Expense

INCLUDES: Share of the vending machine net income as required by AFI 34-206.

	DR	CR	
TYPE OF TRANSACTION	783	783	OFFSET ENTRY
1. Costs incurred	X		226
2. Year-end closing		X	290

GLAC 784: Recoursed Accounts Write-off Expense

INCLUDES: Write off or allowance for uncollectible recoursed accounts.

EXCLUDES: Write off or estimated write offs for all other accounts or returned checks.

TYPE OF TRANSACTION	DR 784	CR 784	OFFSET ENTRY
1. Uncollectible Amount	X		124
2. Adjustments	X	X	124
3. Year-end closing		X	290

GLAC 785: Reimbursable Management Expense

INCLUDES: Management expenses deemed to be reimbursable.

TYPE OF TRANSACTION	DR 785	CR 785	OFFSET ENTRY
1. Expenses claimed by manager as reimbursable	X		201
2. Year-end closing		X	290

GLAC 786: Bad Debt Expenses - Other

INCLUDES: Write off or allowance for uncollectible accounts receivable.

EXCLUDES: Write off or estimated write offs for accounts recoursed under the Air Force club membership program (also called Recourse Accounts) and uncollectible returned checks.

TYPE OF TRANSACTION	DR 786	CR 786	OFFSET ENTRY
1. Uncollectible Amount	X		120
2. Adjustments	X	X	120
3. Year-end closing		X	290

GLAC 787: Telephone

INCLUDES: The cost of telephone expense and leased phone systems.

EXCLUDES: Income received from customers to defray personal telephone cost.

TYPE OF TRANSACTION	DR 787	CR 787	OFFSET ENTRY
1. Costs incurred	X		201
2. Year-end closing		X	290

GLAC 788: Utilities

INCLUDES: The cost of water, electricity, gas, propane heating/cooking oil and other utilities for facilities and trailers.

	DR	CR	
TYPE OF TRANSACTION	788	788	OFFSET ENTRY
1. Cost incurred	X		201
2. Year-end closing		X	290

GLAC 789: Miscellaneous Operating Expenses

INCLUDES: Operating costs not specifically identified in the 7XX series, such as trophies, licenses, registration and safety inspections for vehicles, boats, and aircraft, flowers, audits, etc.

	DR	CR	
TYPE OF TRANSACTION	789	789	OFFSET ENTRY
1. Costs incurred	X		2XX
2. Year-end closing		X	290

GLAC 790: Insurance

INCLUDES: HQ AFSVA/SVF self insurance program premiums administered or approved by HQ AFSVA/SVX and expensed per accounting period. Examples are asset and liability insurance and hull and liability insurance for aircraft.

	DR	CR	
TYPE OF TRANSACTION	790	790	OFFSET ENTRY
1. Premium expense per accounting period		X	249
2. Adjustments to premium	X	X	249
3. Year-end closing		X	290

GLAC 791: Laundry and Linens

INCLUDES: The cost of cleaning or renting all laundry and linens.

EXCLUDES: The purchase of linens.

	DR	CR	
TYPE OF TRANSACTION	791	791	OFFSET ENTRY
1. Cost incurred	X		201
2. Year-end closing		X	290

GLAC 792: Cash Overages and Shortages

INCLUDES: Cash overages or shortages resulting from daily operations, cash counts, etc. Do not retain overages to offset them with shortages under any circumstances.

	DR	CR	
TYPE OF TRANSACTION	792	792	OFFSET ENTRY
1. Cash shortages	X		101
2. Cash overages		X	101
3. Year-end closing	X	X	290

GLAC 793: Rental

INCLUDES: The cost of rental or approved lease items such as land, buildings, sheds, docks, etc. Also includes rental of kitchen items and dining room furniture when rented for a large function, and rental cost of aero club leased aircraft.

EXCLUDES: The rental cost of laundry and linens, and telephone.

	DR	CR			
TYPE OF TRANSACTION	793	793	OFFSET ENTRY		
1. Cost incurred	X		201		
2. Year-end closing				X	290

GLAC 794: Discounts Lost

INCLUDES: Amount of vendor discounts lost due to failure to meet payment terms. Record in the NAF AO CCC.

EXCLUDES: Prompt payment interest expense, GLAC 767.

TYPE OF TRANSACTION	DR 794	CR 794	OFFSET ENTRY
1. Lost discount amount	X		201
2. Year-end closing		X	290

GLAC 795: Interest Expense – NAF Capital Lease

INCLUDES: Capital lease interest payments, which will be recorded in the benefiting cost center expenses.

TYPE OF TRANSACTION	DR 795	CR 795	OFFSET ENTRY
1. Cost incurred	X		249
2. Year-end closing		X	290

GLAC 796: Amortization on NAF Capital Lease Expense

INCLUDES: Amortization expense on NAF capital leases.

EXCLUDES: Items amortized and expensed in GLAC 797 and/or depreciated and expensed in GLAC 798-799, and items expensed directly to GLAC 720.

	DR	CR	
TYPE OF TRANSACTION	796	796	OFFSET ENTRY
1. Cost incurred	X		176
2. Year-end closing		X	290

GLAC 797: Amortization-Expendable (Bulk) Equipment.

INCLUDES: Amortization expense on NAF purchased quantity expendable (bulk) equipment.

EXCLUDES: Items depreciated and expensed in GLAC 798-799, and items expensed direct to GLAC 720.

	DR	CR	
TYPE OF TRANSACTION	797	797	OFFSET ENTRY
1. Amounts amortized	X		172
2. Year-end closing		X	290

GLAC 798: Depreciation/Amortization Fixed Assets – Furniture and Equipment

INCLUDES: Depreciation expense on NAF purchased furniture and equipment that meet the capitalization criteria (NAF or APF title). Includes depreciation of information technology hardware, software, and software in development. Also, includes amortization of commercial capital lease of furniture or equipment and repairs of equipment that qualifies to be capitalized.

EXCLUDES: Depreciation of NAF purchased facilities or renovations, NAF capital lease items, and amortization of quantity expendable (bulk) items.

TYPE OF TRANSACTION	DR 798	CR 798	OFFSET ENTRY
1. Amounts depreciated	X		174, 178 182, 184 189
2. Year-end closing		X	290

GLAC 799: Depreciation/Amortization Fixed Assets – Facilities and Improvements

INCLUDES: Depreciation expense on NAF purchased facilities and improvements that meet the capitalization criteria (NAF or APF title).

EXCLUDES: Depreciation of NAF purchased furniture and equipment, NAF & commercial lease items, and amortization of quantity expendable (bulk) items.

TYPE OF TRANSACTION	DR 799	CR 799	OFFSET ENTRY
1. Amounts depreciated	X		187
2. Year-end closing		X	290

GLAC 801: Reimbursement from Another Activity/NAFI

INCLUDES: The cost of providing a service to another activity and/or NAFI. Examples include the cost of providing slot machine maintenance support at overseas locations, the costs of providing plaques to other activities/NAFIs, the cost of repairing vehicles for other activities/NAFIs, service fees for HRO/NAF accounting office support, etc. All services are provided at cost.

EXCLUDES: Expenses that are appropriately recorded in another cost center such as labor transfers for employees that physically work in cost centers other than they one they are assigned to, and transfers of merchandise among activities/NAFIs. These types of expenses should be processed as labor transfers or transfers between cost centers, as applicable.

	DR	CR	
TYPE OF TRANSACTION	801	801	OFFSET ENTRY
1. Amount of cost to prorate (record in activity where the actual expense is recorded)		X	7XX (in activity receiving the service)
2. Year-end closing	X		290

GLAC 802: Contributions and Donations

INCLUDES: The value of contributions and donations received, as authorized by AFIs 34-201 and 34-202. Includes donations received through the commissary "Cause Marketing" program.

EXCLUDES: Capital items which are recorded to GLAC 288. Not applicable for use by base restaurants.

	DR	CR	
TYPE OF TRANSACTION	802	802	OFFSET ENTRY
1. Cash donations		X	101
2. Year-end closing	X		290

GLAC 804: Interest Income

INCLUDES: Interest accrued from or paid by CMIP, and severance cash in bank accounts, or other interestbearing instruments and dividends received from other NAFIs. Record in the applicable NAFIs administrative cost center code.

EXCLUDES: AAFES Simplified Dividends

	DR	CR	
TYPE OF TRANSACTION	804	804	OFFSET ENTRY
1. Interest earned		X	109, 110, 114, 115, 117
2. Interest penalties charged by AFFMF	X		109, 110 ,114, 115
3. Year-end closing		X	290

GLAC 805: AAFES Dividends and Commercial Travel

INCLUDES: AAFES Simplified dividends; concession fees and NAF official discounts from the Commercial Travel office

	DR	CR	
TYPE OF TRANSACTION	805	805	OFFSET ENTRY
1. Funds received or accrued		X	101, 114, 119
2. Year-end closing		X	290

GLAC 806: Dividends

INCLUDES: Dividends received or accrued from base restaurants.

	DR	CR	
TYPE OF TRANSACTION	806	806	OFFSET ENTRY
1. Dividends received or accrued		X	101, 113
2. Year-end closing	X		290

GLAC 807: Late Payment Charge

INCLUDES: Fees charged to customers for accounts delinquent 30 days or more. Record to NAF AO cost center.

	DR	CR	
TYPE OF TRANSACTION	807	807	OFFSET ENTRY
1. Late fees charged		X	111
2. Year-end closing	X		290

GLAC 808: Returned Check Charge

INCLUDES: Amount of NAFI levied service charge on returned checks. Record to NAF AO cost center.

	DR	CR	
TYPE OF TRANSACTION	808	808	OFFSET ENTRY
1. Service charges		X	112
2. Reversal of service fee	X		112
3. Year-end closing	X		290

GLAC 810: AF Central Vendor Discounts

INCLUDES: Record discounts refunded by HQ AFSVA/SVF through the base's CMIP account. The NAF AO tracks the dollar amount purchased by each activity and prorates the discount refund due to each activity

	DR	CR	
TYPE OF TRANSACTION	810	810	OFFSET ENTRY
1. AF central vendor discount received		X	101
2. Year-end closing	X		290

GLAC 811: Advertising Fees

INCLUDES: Revenue received from vendors to advertise in Services publications. Advertising fees are recorded in the activity bearing the expense of producing the publication.

TYPE OF TRANSACTION	DR 811	CR 811	OFFSET ENTRY
1. Advertising fees received		X	101
2. Year-end closing	X		290

GLAC 812: Miscellaneous Income

INCLUDES: Any income for which a separate account has not been specified, outstanding checks when voided after appropriate time, tokens unredeemed when series changes, and so forth. (Other payroll deductions are programmatically entered to miscellaneous income. Transfer any portion that belongs in another account by journal entry.) Prior year adjustments that do not qualify as equity adjustments.

TYPE OF TRANSACTION	DR 812	CR 812	OFFSET ENTRY
1. Income received		X	101
2. Prior year adjustments		X	1XX, 2XX
3. Year-end closing	X		290

GLAC 813: Gain on Disposal of Assets

INCLUDES: Revenue received for disposal of assets including trade-in allowed.

EXCLUDES: Write off of the asset.

TYPE OF TRANSACTION	DR 813	CR 813	OFFSET ENTRY
1. Income received		X	101
2. Year-end closing	X		290

GLAC 816: Severance Benefits Subsidy Received

INCLUDES: The portion of severance pay funded by command or host country.

EXCLUDES: Subsidies, other than severance, received from foreign governments, refer to GLAC 855.

TYPE OF TRANSACTION	DR 816	CR 816	OFFSET ENTRY
1. Severance benefit to be subsidized		X	114, 115, 117, 192
2. Year-end closing	X		290

GLAC 820: Resource Recovery and Recycling Program (RRRP)

INCLUDES: DRMO funds received via FM from the RRRP. Do not transfer from F3 to benefiting cost center.

EXCLUDES: Local NAF funds received from RRRP sales recorded in GLACs 301, 501.

	DR	CR	
TYPE OF TRANSACTION	820	820	OFFSET ENTRY
1. Income earned		X	101, 115
2. Year-end closing	X		290

GLAC 833: Special Grants-Operating

INCLUDES: Grants received from higher echelons of command for specific programs to offset the operating expenses to conduct the specific program. Funds received must be used for the event designated. Record in the activity benefiting from the special grant.

EXCLUDES: Grants for construction projects or capital acquisitions and distribution of capital. Cash provided to a base for capital investment and cash to provide for working capital. Command Lodging Fund Grants and AFBCIF grants.

	DR	CR	
TYPE OF TRANSACTION	833	833	OFFSET ENTRY
1. Grants received		X	101, 114, 232
2. Returned funds	X		101
3. Year-end closing	X		290

GLAC 834: Prime Vendor Income

INCLUDES: Income received from manufacturer(s) for purchases made from Prime Vendors. Use this GLAC for non-inventory items in the benefiting cost center, when identifiable, or place the entire Prime Vendor rebate in the NAFI administrative cost center when the benefiting cost center(s) cannot be identified.

EXCLUDES: Income received from CVPP recorded in GLAC 810.

TYPE OF TRANSACTION	DR 834	CR 834	OFFSET ENTRY
1. Reimbursement received		X	101
2. Year-end closing	X		290

GLAC 855: Operating Subsidies

INCLUDES: Subsidies, authorized in the status of forces agreement, from foreign governments to offset specific expenses.

EXCLUDES: Subsidies for severance benefits recorded in GLAC 816.

TYPE OF TRANSACTION	DR 855	CR 855	OFFSET ENTRY
1. Reimbursement received or accrued		X	101, 113, 114
2. Year-end closing	X		290

GLAC 902: Contributions and Donations

INCLUDES: The expense of contributions and donations as authorized by AFI 34-201.

TYPE OF TRANSACTION	DR 902	CR 902	OFFSET ENTRY
1. Disbursements	X		201
2. Year-end closing		X	290

GLAC 904: Special GrantsOperating (MAJCOM Only)

INCLUDES: Funds issued to bases for special events or special programs.

EXCLUDES: Base level use and distribution of equity.

	DR	CR	
TYPE OF TRANSACTION	904	904	OFFSET ENTRY
1. Disbursements	X		241
2. Return of unused portion		X	101
3. Year-end closing		X	290

GLAC 905: Allocations Paid-Supplemental (MAJCOM Only)

INCLUDES: All supplemental allocations issued from MAJCOM to bases.

EXCLUDES: Base level use, regular allocations, construction or operating grants.

	DR	CR	
TYPE OF TRANSACTION	905	905	OFFSET ENTRY
1. Disbursements	X		241
2. Return of unused portion		X	101
3. Year-end closing		X	290

GLAC 908: Air Force Assessments

INCLUDES: Expenses for assessments levied by Air Force.

	DR	CR	
TYPE OF TRANSACTION	908	908	OFFSET ENTRY
1. Assessment levied	X		101, 2XX
2. Year-end closing		X	290

GLAC 910: Gain/Loss on Foreign Currency

INCLUDES: Periodic adjustments resulting from accruals in foreign currencies whose rates have fluctuated since time of purchase, quarterly adjustments resulting from foreign currency reevaluations to severance investments (GLAC 108). Adjustments resulting from official currency reevaluations and devaluations.

	DR	CR	
TYPE OF TRANSACTION	910	910	OFFSET ENTRY
1. Gain or Loss	X	X	1XX, 2XX
2. Year-end closing	X	X	290

GLAC 912: Miscellaneous Expense

INCLUDES: Any expense for which an account has not been specified. Minimal use of this account is prescribed. Prior year adjustment that does not meet the criteria for an equity adjustment.

	DR	CR	
TYPE OF TRANSACTION	912	912	OFFSET ENTRY
1. Costs incurred or accrued	X		101, 2XX
2. Prior year adjustments	X		1XX, 2XX, 401
3. Year-end closing		X	290

GLAC 913 – Loss on Disposal of Assets

INCLUDES: Book value (Original cost less accumulated depreciation) of disposed assets.

EXCLUDES: Any revenue received for the assets.

GLAC 916: Severance Benefits Subsidy Paid (MAJCOM Only)

INCLUDES: Used to record that portion of periodic severance pay expense funded by the MAJCOM.

EXCLUDES: Base level use.

	DR	CR	
TYPE OF TRANSACTION	916	916	OFFSET ENTRY
1. Establish severance benefits payable	X		259
2. Year-end closing		X	290

GLAC 946: Disapproved Prior Period Fund Equity Adjustments

INCLUDES: Dollar amount of disapproved prior year fund equity adjustments. Before posting to this account you must have a disapproval memo from higher headquarters (MAJCOM/SVF, HQ AFSVA/SVF, HQ USAF/A7V, SAF/FMCEB). You must attach your disapproval memo and back-up support to the journal voucher for the adjustment to the general ledger. Record the transaction in the benefiting cost center code where identifiable. For example, a disapproved prior year adjustment request for a transaction affecting the bowling center snack bar would be recorded in the bowling center snack bar cost center.

	DR	CR	
TYPE OF TRANSACTION	946	946	OFFSET ENTRY
1. Adjustments	X	X	1XX, 2XX, 3XX, 4XX, 5XX, 7XX, 8XX, 9XX
2. Year-end closing	X	X	290

GLAC 961: Extraordinary Items

INCLUDES: Those transactions that result from events that are unusual and significant such as floods, earthquakes, major changes in mission of the base. For base closure events, refer to **Chapter 1**. Use of 961 requires prior SAF/FMCEB approval (through your MAJCOM/SVF, HQ AFSVA/SVF and AF/SVF).

	DR	CR	
TYPE OF TRANSACTION	961	961	OFFSET ENTRY
1. Approved adjustments	X		1XX, 2XX
2. Year-end closing		X	290

GLAC 962: Loss on Property Due to Discontinued Operations

INCLUDES: Request authorization from SAF/FMCEB through HQ AFSVA/SVF to use this account (applicable for use at closing bases only). When the base closes, write off the remaining fixed assets according to **Chapter 1**.

EXCLUDES: Any property transaction resulting from extraordinary occurrences which must be recorded in GLAC 961 or assets other than property for discontinued operations which must be recorded in GLAC 963.

	DR	CR	
TYPE OF TRANSACTION	962	962	OFFSET ENTRY
1. Approved adjustments	X	X	1XX, 2XX
2. Year-end closing	X	X	290

GLAC 963: Loss on Assets Due to Discontinued Operations

INCLUDES: Request authorization from SAF/FMCEB through HQ AFSVA/SVF to use this account (applicable for use at closing bases only). When the base closes, write off the remaining assets (except fixed assets) according to **Chapter 1**.

EXCLUDES: Any property transaction resulting from extraordinary occurrences which must be recorded in GLAC 961 or fixed assets for discontinued operations which must be recorded in GLAC 962.

	DR	CR	
TYPE OF TRANSACTION	963	963	OFFSET ENTRY
1. Approved adjustments	X	X	1XX, 2XX
2. Year-end closing	X	X	290

GLAC 964: Loss Due to Severance Expense for Discontinued Operations

INCLUDES: Limit the use of this account to severance expenses incurred by closing bases. Begin to use this account as the liability is being accrued (once projected closure is known). Includes both US citizens and foreign local nationals. You do not need prior approval to use this account.

EXCLUDES: Severance expenses resulting from other than base closures.

	DR	CR	
TYPE OF TRANSACTION	964	964	OFFSET ENTRY
1. Quarterly accruals	X		209/259
2. Year-end closing	X	X	290

GLAC 970: Military Phenomenon - Expense Offset

INCLUDES: Offset memo entries from amounts recorded in GLACs 971-973 and 974-976. Bases must obtain MAJCOM authorization prior to the use of this GLAC. This GLAC is authorized only to offset expenses incurred as a result of exceptional, unusual, and abnormal military excursions, such as Operation Desert Storm (in GLACs 971, 972, and 973) and when FPCON level is at "Charlie (C)" or above in category C activities (974-976) and is to be used only by activities incurring the costs.

TYPE OF TRANSACTION	DR 970	CR 970	OFFSET ENTRY
1. Military Phenomenon-expense offset		X	971, 972 973
2. Funding for MWR during special security conditions		X	974, 975 976
3. Year-end closing	X		290

GLAC 971: Military Phenomenon - Personnel Expense

INCLUDES: Memo entries for expenses incurred in GLACs 701-713 as a result of exceptional, unusual, and abnormal military excursions, such as Operation Desert Storm. For example, expenses related to insurance costs of NAF personnel recalled from reservist status, active duty military personnel replaced with NAF personnel, or personnel costs related to additional personnel hired as ID checkers. Bases must obtain MAJCOM authorization prior to the use of this GLAC. This GLAC is restricted for designated use only and is only to be used by activities incurring expenses resulting from military phenomenon.

TYPE OF TRANSACTION	DR 971	CR 971	OFFSET ENTRY
1. Military phenomenon- personnel exp - memo	X		970
2. Year-end closing		X	290

GLAC 972: Military Phenomenon - Supplies Expense

INCLUDES: Memo entries for expenses incurred in GLACs 720-749 as a result of exceptional, unusual, and abnormal military excursions, such as Operation Desert Storm. Bases must obtain MAJCOM authorization prior to the use of this GLAC. This GLAC is restricted for designated use only and is only to be used by activities incurring expenses resulting from military phenomenon.

	DR	CR	
TYPE OF TRANSACTION	972	972	OFFSET ENTRY
1. Military phenomenon - supplies exp - memo	X		970
2. Year-end closing		X	290

GLAC 973: Military Phenomenon - Other Expense

INCLUDES: Memo entries for expenses incurred in GLACs 751759 as a result of exceptional, unusual, and abnormal military excursions, such as Operation Desert Storm. Bases must obtain MAJCOM authorization prior to the use of this GLAC. This GLAC is restricted for designated use only and is only to be used by activities incurring expenses resulting from military phenomenon.

	DR	CR	
TYPE OF TRANSACTION	973	973	OFFSET ENTRY
1. Military phenomenon - other exp - memo	X		970
2. Year-end closing		X	290

GLAC 974: Funding for MWR During Special Security Conditions–Manager Salary

INCLUDES: Memo entries for expenses incurred in GLACs 701-713 as a result of special security conditions. This GLAC is restricted for designated use only and is only to be used by activities incurring expenses resulting from these conditions.

	DR	CR	
TYPE OF TRANSACTION	974	974	OFFSET ENTRY
1. Special security condition – manager salary	X		970
2. Year-end closing		X	290

GLAC 975: Funding for MWR During Special Security Conditions–Janitorial Services

INCLUDES: Memo entries for expenses incurred in GLACs 701-713 as a result of special security conditions. This GLAC is restricted for designated use only and is only to be used by activities incurring expenses resulting from these conditions.

TYPE OF TRANSACTION	DR 975	CR 975	OFFSET ENTRY
1. Special security condition – janitorial services		X	970
2. Year-end closing		X	290

GLAC 976: Funding for MWR During Special Security Conditions–Utilities

INCLUDES: Memo entries for expenses incurred in GLAC 788 as a result of special security conditions. This GLAC is restricted for designated use only and is only to be used by activities incurring expenses resulting from these conditions.

TYPE OF TRANSACTION	DR 976	CR 976	OFFSET ENTRY
1. Special security condition - utilities	X		970
2. Year-end closing		X	290

Attachment 6

COMMERCIAL CREDIT SYSTEM

PART I - CHECKLIST

YES	NO	A - OPERATING MANAGER (Step 1)
		Did the flight chief or activity manager, with the help of the NAFFA, prepare a cost analysis to determine the discount rate required to make a commercial system an attractive alternative to the present system? (Refer to Part II.)
		Will the present inhouse accounts receivable system be eliminated by the proposed credit charge system?
		Did the flight chief or manager brief the advisory committee or governing body and installation commander and obtain approval before presenting credit system proposal to members?
		Did the activity manager inform customers that a new credit charge system was under consideration and explain the basic features of the new system?
		Were members informed that they will be permitted to select a club membership card that restricts charges and (or) monthly dues billing to the NAFI? (Refer to article I, paragraph D, of sample contract.)
		Has the requirement been prepared on an AF Form 9, Request for Purchase, and is the statement of work detailed enough to be sensible, clear, and concise so the RMFC can start procurement action?
		If two or more NAFIs or activities want the commercial credit system, have the requirements been submitted as a package to procurement so that a consolidated contract can be negotiated?
		Have all approvals been attached to the purchase request?
YES	NO	B - CONTRACTING OFFICER (Step 2)
		Has the RMFC been given enough time to negotiate and complete the contract before the desired starting date?
		Has the sample contract format in AFMAN 64-302 been used as the first bargaining position?
		Were all area banks invited to submit proposals?
		If two or more NAFIs or activities want the credit charge system, has a consolidated contract been negotiated as well as separate contracts to determine the most costeffective approach?
		Does the membership association contract provide for a charge card limited to dues and purchases at the membership association for members who want such a card?
		Does the contract permit credit to all members or customers regardless of grade or type of membership?
		Does the contract provide for a period of notification to the NAFI if the contractor elects to revoke a member's or customer's charge privileges?

		Does the contract contain a provision that permits both the contracting officer and the contractor to end the contract for convenience at no cost, if notice is given in writing?
		Has the date the credit charge system is implemented been set no earlier than 4 weeks from the date of approval?
		Does the contract contain the following clause under article III, if a standard merchant agreement is incorporated into the contract as **Attachment 1**? "The provisions set forth in **Attachment 1** are incorporated herein. If there is conflict between the provisions of the basic contract (the schedule and the general provision) and the provisions in **Attachment 1**, the provisions in the basic contract control."
		Was the contract reviewed by the base Judge Advocate before signature?
		Were cost analyses (prepared by the NAFI) and deviations from the sample contract reviewed before contract was awarded?

PART II - COST ANALYSIS (Refer to Note)

1. Average Monthly Cost of Present System:	
A/R Clerks (i.e., on extra number of transactions processed per month including posting of dues	_____
Supplies	_____
Postage	_____
Posting machine (depreciation and maintenance)	_____
Bad debt expense	_____
Other expenses (itemize)	_____
TOTAL AVERAGE MONTHLY COST	$
2. Expected Monthly Cost of Proposed Credit Charge System:	
Monthly charge sales X applicable discount rate =	_____
Monthly member dues x applicable discount rate =	_____
Number of members _____	
Additional expenses (supplies, imprinters, and so on)	_____
Cost of any in-house receivables processing which will be continued after conversion	_____
LESS: Savings resulting from immediate conversion of A/R to cash (current annual interest rate/12 X monthly credit sales and member dues)	_____
Other expenses (itemize)	_____
TOTAL EXPECTED MONTHLY COST	$
3. Cost Increase (or Decrease):	
Total average monthly cost less total expected monthly cost	$

(If the proposed system results in a cost increase, what improvements does it provide over the current system?)

NOTE: The NAF AO prepares part 1 of the cost analysis and shows average charge sales and dues amounts in part 2 before preparing the contract (AFMAN 64-302). A copy of the analysis is provided to the custodian with guidance on costs acceptable to the NAFI. When the most favorable proposed contract has been negotiated, the NAF AO completes the rest of the cost analysis, based on the terms of the contract, before award of the contract. In addition to submitting the cost analysis, the NAF AO must identify all deviations from the sample contract in AFMAN 64-302.

Attachment 7

14 AUGUST 1998

SUMMARY OF REVISIONS

This change incorporates interim change (IC) 98-1 which provides guidance for Air Force Services vehicle management. Paragraph **3.5.1.3.** added the requirement to justify NAF Requirements Budgets (NRB) and to coordinate vehicle purchases with the vehicle control officer (VCO). Paragraph **3.6.4.** added a bullet which requires the SV commander or division chief to review and approve the annual NAF vehicle budget exhibit. Paragraph **3.12.** was added to explain the requirements of the annual NAF vehicle budget exhibit. **Figure 3.3.** was added as a format to follow for the annual NAF vehicle budget exhibit. Paragraph **7.14.1.** was added to require the AF Form 2534 be annotated with the sales price when NAF vehicles are sold. Paragraph 7.14.2 was renumbered from **7.14.1.** and clarified to include information that the NAF Accounting Office (NAF AO) should receive the completed AF Form 2534.

3.5.1.3. Justify the requirements on their NRBs. Justifications for NAF vehicle purchases are coordinated with the vehicle control officer. See paragraphs **3.12.** and **7.14.** and AFI 34-204.

Paragraph 3.6.4 added:

- Reviews and approves the annual NAF vehicle budget exhibit and submits it to the base NAFs council as part of the NRB budget submission.

3.12. **NAF Vehicle Budget Exhibit.** Before the beginning of each fiscal year, the vehicle control officer prepares a NAF Vehicle Budget Exhibit. This exhibit should be prepared in conjunction with the normal actions and deadlines set by the RMFC for submitting budgetary documents to the base NAFs' council. The exhibit will be an information item in the base NAFs' council agenda when submitting activity NAF Requirements budgets for approval.

3.12.1. The VCO obtains a list of all budgeted vehicles from the NAF AO. The data on this list should be for the next fiscal year. It should identify the activity, type of vehicle budgeted, estimated purchase price and estimated quarter of purchase. The VCO ensures all vehicles budgeted by activity managers have been justified and approved by the Services commander or director using the guidance in AFI 34-204. If there is not an approved vehicle authorization, the VCO works with the applicable activity manager to prepare the needed justification documentation.

3.12.2. The VCO uses the information received from the NAF AO to develop a NAF Vehicle Budget Exhibit. Refer to the sample at **Figure 3.3.** At a minimum the exhibit includes the following:

- Activities requesting NAF vehicles.
- Descriptions for vehicles requested.
- Quarter the vehicle is programmed for purchase.
- Estimated purchase price for each vehicle.

- Total dollar amounts for all budgeted vehicles (by quarter and annual total)
- The total proceeds received from sales of NAF vehicles during the past 12 months. Use the 12 months prior to the date the report is prepared. Annotate which months were used for determining the proceeds from sales of vehicles. Refer to paragraph **7.14.** for instructions on determining the dollar amount of proceeds from sales of NAF vehicles.

3.12.3. The NAF vehicle budget exhibit is provided to the SV Commander or Director for review and approval and then submitted to the base NAFs Council as an integral part of all Services NAF budgets submitted to the installation commander for approval.

Paragraph 7.14. added: For NAF Vehicles, the VCO annotates the AF Form 2534 with the sales price for NAF vehicles sold. The VCO should ensure this information is available for use when preparing the annual NAF vehicle budget exhibit (see paragraph **3.12.**)

Figure 3. 3. Sample NAF Vehicle Budget Exhibit.

Sample NAF Vehicle Budget Exhibit

FY 98

		Quarter Programmed for Purchase and Estimated Purchase Price:				
Location:	**Type of Vehicle:**	**Q1**	**Q2**	**Q3**	**Q4**	**TOTAL FY98**
ITT	**15 PAX Van**	**$45,000**				
Golf Maintenance	**Dump Truck**	**55,000**				
Officers' Club	**Mini-Van**		**$32,000**			
Enlisted Club	**Mini Van**		**32,000**			
Officers' Club	**Hatchback**			**$11,000**		
Bowling Center	**Sedan, 4 dr**				**$25,000**	
	TOTALS:	**$100,000**	**$64,000**	**$11,000**	**$25,000**	**$200,000**

Proceeds Received from Sales of NAF Vehicles During Past 12 months (Sep 96 - Aug 97) $34,000

Prepared as of: XX Aug 97

Attachment 8

IC 99-1 TO AFMAN 34-214, PROCEDURES FOR NAF FINANCIAL MANAGEMENT AND ACCOUNTING

4 OCTOBER 1999

SUMMARY OF REVISIONS

This change incorporates interim change (IC) 99-1 which provides guidance for maintaining Construction in Progress (CIP) accounts and closing out CIP projects. Paragraph **7.2.** was replaced and provides a general description of what types of items the CIP account should contain. Paragraph **7.2.1.** was added to require the use of a separate third digit shred to the CIP account for each project. Paragraph **7.2.2.** was added to provide details on documents to maintain in the project subsidiary folder. Paragraph **7.2.3.** was added to provide procedures on removing old renovations from the general ledger when a new project substantially replaces the old project. Paragraph **7.2.4.** was added to give procedures for posting to the CIP account. Paragraph **7.2.5.** was added to define beneficial occupancy and states that it is the date to use for transferring project costs out of the CIP account. Paragraphs **7.2.5.1.** through **7.2.5.3.** were added to give procedures for the NAF AO to move the project costs and the notification/certification required to be given to the Services deputy. Paragraph **7.2.6.** was added to explain who notifies the NAF AO of canceled projects or projects put on hold and the accounting guidance. Paragraph **7.2.7.** was added to explain the procedures when the final bills are received after the project has been transferred out of the CIP account. A bar (|) indicates revision from previous edition.

7.2. Construction-In-Progress. . Construction-in-progress includes all costs attributable to an ongoing construction project to include costs of new buildings, renovations of existing buildings, and fixed assets purchased as part of the project.

7.2.1. The NAF AO assigns a separate third digit shred to the Construction-in-Progress general ledger account (GLAC 185) for each ongoing project.

7.2.2. The NAF AO maintains a separate subsidiary folder for each project. The subsidiary contains copies of all accounting related documents pertaining to the project (contract, modifications, budget approvals, copies of paid invoices, receiving reports, etc.). In addition to the detailed supporting documents, the subsidiary must contain a construction summary which lists the financial transactions relating to the project. As a minimum, the summary should list each payment, payment date, amount, and the purpose of the payment (construction, equipment, bulk purchases, supplies). The NAF AO must reconcile the subsidiary to the general ledger monthly. This summary and the back-up documents are used at the end of the project to remove items from the Construction-in-Progress account to the respective general ledger account codes.

7.2.3. When starting a new renovation, the NAF AO reviews the property list of the respective activity to identify previous renovations in the same activity. The RMFC, working with the activity manager, determines which previous renovations will be substantially changed by the new renovation. If the renovation description on the property list is unclear, the RMFC makes the final determination or changes the property description to include more descriptive information to better identify the renovation area. The RMFC writes-off the undepreciated value of a previous renovation when the new renovation substantially changes the previous one. The undepreciated value is written-off to the Gain/Loss on Disposal of Assets account in the benefiting activity (GLAC 913). See paragraph **7.14.** for information on disposal documentation.

7.2.4. During a construction or renovation project for NAF facilities or facility improvements, the NAF AO posts payments for the project to the applicable Construction-in-Progress account. This includes project payments for contract progress payments, design costs, needs assessments, purchases of equipment items which are part of the project, and purchases of supplies which the activity will not use until the project is complete. The NAF AO posts amounts based on documentation supporting the contract completion. When contractors base progress payments on a percentage of completion clause, post the amount due, or paid, into construction-in-progress.

7.2.5. When the base takes beneficial occupancy of the building, the project is considered complete and the amounts in the Construction-in-Progress account must be moved to the appropriate asset and expense accounts. The beneficial occupancy date is when the program/function for which the facility/project was intended is operating and/or open to customers. There may be some items that require additional work, but, unless these prevent the use of the facility, the project is considered 100 percent construction complete.

7.2.5.1. The SV deputy notifies the NAF AO, in writing, as soon as a project reaches the beneficial occupancy date using the guidance in AFI 34-105, Programming for NAF Facility Requirements.

7.2.5.2. Upon receipt of the memo, the NAF AO moves the project costs from the Construction-in-Progress account to the proper asset or expense accounts within 30 days of the beneficial occupancy date.

7.2.5.2.1. If you are capturing equipment cost in construction-in-progress until the activity puts the equipment in use, record each equipment item, individually, in the fixed-asset equipment account if it qualifies to be capitalized.

7.2.5.2.2. Post the total cost of the project, except for equipment, expendable items, and supply items, into the applicable Fixed-Asset--Facilities and Renovations GLAC.

7.2.5.2.3. The RMFC and civil engineers (CE) establish the facility depreciation periods according to **Table 7.2.** Submit completion report as required by AFI 34-201.

7.2.5.3. The RMFC must certify that the project is correctly transferred out of the Construction-in-Progress account and recorded into the appropriate asset and expense accounts. The RMFC provides a certification memo and a copy of the general journal detail listing showing the transfer of the entries from the Construction-in-Progress account to the appropriate accounts to the Services deputy.

7.2.6. The Services deputy also notifies the NAF AO, in writing, when a project is canceled or put on indefinite hold. Once notified that a project is canceled or put on indefinite hold, the NAF AO must remove any project costs from the Construction-in-Progress account within 30 days of the written notification. These costs are normally design costs or needs assessment costs. The amount is expensed directly to the Gain/Loss on Disposal of Assets account in the benefiting activity. The RMFC must follow the guidance in paragraph **7.2.5.3.** also.

7.2.7. Many times when a project reaches the beneficial occupancy date, the NAF AO has not received all final bills. Do no delay removing the project from the Construction-in-Progress account because all bills have not been received. If the final invoice is received within three months of the initial set-up of the project (the time the project was moved to asset and expense accounts), delete the original asset from the financial reports and re-establish the asset with the new dollar value. If the final invoice is received after 3 months, record the transactions under the same asset number and assign a suffix to identify the new entry with the original property item. For example, if the original property number is 10010, assign 10010A, B, etc. for final invoices received after three months.

Attachment 9

IC 2002-1 TO AFMAN 34-214, PROCEDURES FOR NONAPPROPRIATED FUNDS FINANCIAL MANAGEMENT AND ACCOUNTING

8 AUGUST 2002

SUMMARY OF REVISIONS

This change incorporates interim change (IC) 2002-1, which provides guidance for the centrally funded capital lease program. This program is being established for ILV approved programs to fill a void in the process for obtaining certain high-ticket capital assets. Paragraphs **7.10.2.** – **7.10.2.8.7.** are added to establish the new procedures.

7.10.2. Central NAF Capital Lease Program. The following policies apply.

7.10.2.1. NAFIs will not obtain cash loans, deferred time payments, lines of credit, or capital leases from commercial or other non-Air Force sources without prior approval of HQ USAF/ILV.

7.10.2.2. This program will be operated through the Air Force Financial Management Fund (AFFMF).

7.10.2.3. All leases under this program will be established with a lease payment of both principal and interest (interest factor subject to change quarterly – Oct, Jan, Apr, and Jul equal to the interest the AFFMF would have earned on invested monies).

7.10.2.4. All leases will be for the estimated useful life of the leased property as the ownership of the asset will be transferred from the AFFMF to the applicable base NAFI once the asset is purchased.

7.10.2.5. Leases from the AFFMF are solely for equipment items; all facility acquisitions must be processed through the Air Force Base Capital Improvement Fund (AFBCIF).

7.10.2.6. HQ AFSVA/SVF will establish lease terms for repayment terms consistent with GAAP.

7.10.2.6.1. If the base cannot meet the monthly payment, the MAJCOM successor fund will be responsible for payment. If neither can fund, ownership of the asset will revert to the AFFMF and the custodian will determine appropriate disposition.

7.10.2.7. Monthly lease payments will be made through CMIP, Cash Transfer (CT).

7.10.2.8. To obtain approval for a central NAF capital lease:

7.10.2.8.1. The NAFI must budget for the lease of the capital asset to ensure cash flow will sustain the monthly payments. The installation NAFs Council and installation commander must approve the lease request. Budget of this expense is through the Income and Expense Budget.

7.10.2.8.2. The installation commander receiving the lease request takes one of the following actions:

7.10.2.8.2.1. Approves submission of the request if it is determined to be valid, forwards the request to the MAJCOM/SV to HQ AFSVA/SVF, and funds payments from available local NAFI resources.

7.10.2.8.2.2. Disapproves submission of the request in whole or in part and returns it to the initiator through channels.

7.10.2.8.3. The installation commander submits the request in writing with a description of the requirement, justification, funding source, indication of the NAF Council's support, and any additional information that supports the request.

7.10.2.8.4. The MAJCOM/SV will ensure support or non-support for the request from the MAJCOM/CC or designee, and will forward supported lease requests to HQ AFSVA/SVF and return those not supported to the requesting bases.

7.10.2.8.5. HQ AFSVA/SVF will validate the request seeking input from Agency functional representatives. If valid, the request will be forwarded to HQ USAF/ILV for decision through AFSVA/CC.

7.10.2.8.6. If approved by HQ USAF/ILV, the asset will be purchased by AFNAFPO for the AFFMF with delivery instructions to the requesting base.

7.10.2.8.7. Once the base receives the asset, AFSVA will begin to withdraw payment of principal and interest through CMIP. Amounts collected will be deposited in the AFFMF.

7.10.3. An operating lease does not meet the criteria of a capital lease as listed above. The NAF AO posts the cost of an operating lease as rental expense (GLAC 793) using the appropriate cost center code when payment is made. Make payments in accordance with the rental agreement.

7.10.4. Treat capital leases not covered in paragraph **7.10.2.** as operating leases. Record rental expense (GLAC 793) to the applicable cost center over the life of the lease agreement. Attachment 5.

GLAC 116: Lease Receivable (Air Force use only)

INCLUDES: That portion of all authorized leases for which payment will be received within 12 months following the end of the current accounting period.

EXCLUDES: Not applicable to base restaurant funds.

	DR	CR	
TYPE OF TRANSACTION	116	116	OFFSET ENTRY
1. Disbursement for NAF			
Capital Lease Asset	X		101
2. Payments Received		X	101

GLAC 175: NAF Capital Lease Asset

INCLUDES: Assets for which ownership will be transferred to the NAFI at the end of the lease or a lease where option to purchase is included.

	DR	CR	
TYPE OF TRANSACTION	175	175	OFFSET ENTRY
1. Establish lease (current)	X		249
2. Establish lease (long term portion)	X		260
3. Exercise option to purchase		X	181
4. Exercise option to terminate		X	913

GLAC 176: Accumulated Amortization-Capital Leases

INCLUDES: The amortization expensed to date for items leased in GLAC 175.

	DR	CR	
TYPE OF TRANSACTION	176	176	OFFSET ENTRY
1. Disposal of lease	X		175, 913
2. Amortization per accounting period		X	796

GLAC 191: Long—Term Lease Receivable (Air Force use only)

INCLUDES: Portion of leases outstanding that will not be collected during the next 12 months.

EXCLUDES: Leases recordable in GLAC 116

	DR	CR	
TYPE OF TRANSACTION	191	191	OFFSET ENTRY
1. Disbursement of lease	X		101
2. Portions of lease which become current		X	116

GLAC 249: Other Payables

INCLUDES: Other amounts due for various payables such as interest, awards (non-personnel), fees, veterinary surcharge, lease payments, etc., or transactions not properly recordable to another liability account.

EXCLUDES: Deposit validation variances

	DR	CR	
TYPE OF TRANSACTION	249	249	OFFSET ENTRY
1. Establish liability		X	7XX, 9XX, 175, 188
2. Transfer liability to income accounts	X		5XX, 8XX
3. Payment	X		101

GLAC 260: Other Long-Term Liabilities

INCLUDES: Amounts due for other payables not expected to be paid during the current 12 months.

	DR	CR	
TYPE OF TRANSACTION	260	260	OFFSET ENTRY
1. Amounts payable		X	2XX

GLAC 767: Interest Expense – Prompt Payment

INCLUDES: Interest penalties resulting from late payments to vendors, to be in compliance with the Prompt Payment Act. Record interest.

EXCLUDES:

	DR	CR	
TYPE OF TRANSACTION	767	767	OFFSET ENTRY
1. Amounts amortized	X		201
2. Year-end closing		X	290

GLAC 795: Interest Expense – NAF Capital Lease

INCLUDES: Capital lease interest payments, which will be recorded in the benefiting cost center expenses.

	DR	CR	
TYPE OF TRANSACTION	795	795	OFFSET ENTRY
1. Cost incurred	X		249
2. Year-end closing		X	290

GLAC 796: Amortization on NAF Capital Lease Expense

INCLUDES: Amortization expense on NAF capital leases.

EXCLUDES: Items amortized and expensed in GLAC 797 and/or depreciated and expensed in GLAC 798-799, and items expensed directly to GLAC 720.

	DR	CR	
TYPE OF TRANSACTION	796	796	OFFSET ENTRY
1. Cost incurred	X		176
2. Year-end closing		X	290

Attachment 10.

IC 2006-01 to AFMAN 34-214, Procedures for Nonappropriated Funds Financial Management and Accounting

14 February 2006

SUMMARY OF REVISIONS

This revision incorporates Interim Change IC 2006-01. This change incorporates changes which update payroll and accounts payable information to include electronic funds transfer, off-line payroll processing, changes in the fixed and bulk assets, and redefines the aged accounts receivable schedule. **Attachment 2**- **Attachment 5** have been updated to include all cost center codes and general ledger account codes that have been added/changed. A bar (|) indicates revisions from the previous edition. The NAF AO and SSC are interchangeable where the accounting system is at the SSC.

1.16. **Program Training Aids (PTAs).** Additional guidelines can be found in the Services Program Training Aids located on the Air Force Services web site, **www-r.afsv.af.mil**. A complete index of the PTAs can be found for various subjects.

3.6.4.6. **Budget Approval.** Forwards completed budgets, except the CWF budgets, through the base NAFs council, then to the installation commander for approval. Forward completed CWF budgets through the CWF council, then to the installation commander for approval.

3.6.4.7. **Reserved**

6.1. **Nonappropriated Fund Management Information System (NAFMIS) Payroll.** The NAFMIS payroll system operates on DISA OKC level UNISYS 2200 series computer and provides payroll support for United States Air Force (USAF) non-appropriated fund civilian employees. Reference AFCSM (Air Force Computer Systems Manual) 34-378, *NAFMIS Payroll Users Manual*, for detailed information.

6.1.1. **Time and Attendance (T&A) Report.** Before pay is processed for an employee, an authenticated T&A report must be submitted to the Payroll Technician within the Resource Management Flight. One T&A report is required for each active employee whether or not the employee is in a pay status. The Activity Manager or authorized designee certifies each T&A report with his/her signature. Facsimile and electronic signatures are NOT authorized. T&A reports are completed using the Time and Attendance Report produced by the AF approved Labor Management System. A list of individuals authorized to sign T&A reports must be forwarded to the Resource Management Flight Office and updated on a continued basis, as necessary.

6.1.2. **Overtime Approval.** Overtime payment is required for hours worked that are officially ordered or approved. Non-exempt employees must also be paid for overtime suffered or permitted. Generally, if management determines the need for overtime work, it must be approved, in writing, in advance. An exception to the prior approval rule are instances where overtime work is required on short notice and prior written authorization cannot be obtained. If management does not authorize overtime work, it must make sure that employees work only during their scheduled tour of duty. Authorizations for overtime work are handled at the

activity/cost center and are NOT forwarded to the payroll processing office. Overtime payment is authorized by the employee's supervisor or designee via an authenticated Time and Attendance (T&A) Report.

6.3. **Payroll Checks/EFT.** NAF employees are federal employees and governed by federal law. EFT for payment of wages is a condition of employment or a waiver must be on file in the employee's payroll folder. The NAF AO distributes the leave and earnings statement (LES) and the payment of wages are available on the Friday following the end of the pay period. Bases with a manual or contract payroll should ensure checks are dated the Friday following the end of a pay period; pay dates in NAFMIS are handled programmatically. As an exception, pay dates are the preceding day, Thursday, when Independence Day, Veterans' Day, Christmas, or New Year's Day are observed on a payday.

6.4. **Manual Pay Preparation.** When manual preparation of pay is necessary due to unforeseen circumstances (for example, as a result of input error, incorrect EFT data, or miscellaneous other situations), the NAF AO will utilize the central cashier operation to make payment.

6.4.1. The payroll technician will prepare an AF Form 2539, NAF Disbursement Request. The technician will calculate the amount due to the employee and complete the request, as currently done attaching all supporting documentation. The technician will prepare an AF Form 2557, NAF Cash Receipt Voucher, pre-numbered, in triplicate. These pre-numbered forms should not have more than a maximum 5-digit numbering sequence.

6.4.2. The disbursement request must be approved for payment by the RMFC or designee.

6.4.3. The disbursement request will be vouchered through accounts payable and expensed to the employee's cost center in GLAC 812.

6.4.4. After all paperwork is completed and approved, contact the employee to report to the central cashier cage. Forward the paperwork to the central cashier. When the employee arrives, the central cashier will pay the employee the dollar amount written on the request and the AF Form 2557, verifying the two amounts are the same. The employee will sign the AF Form 2557 and receive the second copy of the form. The original signed AF Form 2557 will be attached to the AF Form 2539 as verification that the disbursement was made and accepted by the employee. The third copy of the AF Form 2557 will remain with the central cashier as supporting documentation for the daily deposit.

6.4.5. Accounts payable will process the payment to clear the voucher using the signed copy of the AF Form 2557 as proof of payment (similar to a check copy). Using the central vendor payment (CVPP) screen in the field accounting system (FAS) to clear the open item using the number from the AF Form 2557 as the check number. This process will make the appropriate general ledger entries. See the FAS users' guide, **Chapter 6**, for detailed instructions of the CVPP process.

6.4.6. **Final Pay.** NAF employees are federal employees and governed by federal law. There are no federal requirements to issue the final paycheck anytime prior to its normal issue date.

7.1.3. Other type assets used in the activity are recorded (for control purposes) with a zero dollar value (see AFI 34-204).

7.2.3. When starting a new renovation, the NAF AO reviews the property list of the respective activity to identify previous renovations in the same activity. The RMFC, working with the activity manager, determines which previous renovations will be substantially changed by the new renovation. If the renovation description on the property list is unclear, the RMFC makes the final determination or changes the property description to include more descriptive information to better identify the renovation area. The RMFC writes-off the undepreciated value of a previous renovation when the new renovation substantially changes the previous one, The undepreciated value is written-off to the Gain/Loss on Disposal of Assets accounts in the benefiting activity (GLAC 913 or 813). See paragraph **7.14.** for information on disposal documentation.

7.3. **Fixed Assets-APF Titled.** The activity manager, working with the logistics manager, may transfer NAF procured property or facilities to APF for maintenance when allowed by AFIs 34-201 and 65-106. The NAF AO posts these items in the NAF property records and general ledger as Fixed Assets-APF titled (signifies government title). Depreciate them according to **Table 7.2.** Include the following footnote in the balance sheet: "The title of real property financed with nonappropriated funds and reported hereon is vested in the United States Government. See AFI 34-204 to determine what assets are to be recorded on the Master Fixed Asset Listing (MFAL).

7.7. **Non-reimbursable Transfers.** Record property items received from, or transferred to, another Air Force NAFI as a transfer of equity. The NAF AO uses the fair market value of the items transferred as the acquisition price of the transferred equity. Capitalize items transferred with a value of $1,000 or more, including all transportation, training, or related charges. These items must have a useful life of two years or more. Depreciate the asset according to **Table 7.2.** Expense those items valued at less than $1,000 to the applicable receiving activity and those items with a useful life of less than two years. Refer to AFI 34-201 for additional guidance concerning inter- and intra-NAFI transfers.

7.12.2.4. Do not charge depreciation to a NAFI's or activity's administrative cost center code except when it meets the criteria in AFI 34-209.

7.14. **Disposition of Assets.** The accounting procedures for disposing of NAF property contained in AFI 34-209 apply to all assets including those acquired by transfer or donation (unless there is an exception stated in this chapter). See AFI 34-204 for detailed instructions to be followed when disposing of assets.

7.15. **NAF Fixed Assets Inventory.** As a minimum, activities must conduct a physical inventory of NAF fixed assets at least once during each fiscal year. Personnel from activities, other than the activity being inventoried, observe activity personnel as they take the impartial physical inventory. See AFI 34-204 for fixed asset inventory requirements, procedures and individual responsibilities.

7.15.1. Delete

7.15.2. Delete

7.16.1.1.2.2. Posts monthly amortization expense (GLAC 796, 797, 798, or 799) in the operating statement to the benefiting CCC.

7.16.1.1.2.5. Bulk purchased items will remain on property subsidiary until disposed of

7.16.1.2. Volume Purchases of High Value Supplies. SV may treat certain types of bulk purchases as volume purchases of high value supply items. These items do not qualify for the procedures in paragraph **7.16.1.1.** Each supply item in the bulk purchase must have a useful life of three months or more. The RMFC, working with the SV commander or division chief, sets a policy to determine the dollar value for high value supplies purchased in volume. (see AFI 34-204)

7.16.1.2.1.4. Glass coffee pots/servers.

7.16.1.2.1.5. Irons and ironing boards.

7.16.1.2.1.6. Bowling pins.

7.16.1.2.1.7. Other similar supply-type items.

7.16.1.2.2.1. Posts the acquisition costs to short-term/long-term prepaid expenses (GLAC 130/194). Items may be prorated for a maximum of three years (one year short-term and two years long-term). Do not exceed the life of the items in the volume purchase.

7.16.1.2.2.2. Posts monthly supply expense (GLAC 720) in the operating statement to the benefiting cost center (CCC).

7.16.1.2.2.3. Establishes a minimum proration of $200 or above, but do not prorate over a period that is less than 3 months, or greater than the life of the item.

7.17. **Reserved.**

7.18. **Aero Clubs.** Do not set up accruals for major renovations or engine overhauls to be performed in the future.

7.18.1. Aircraft Capital Improvements. The NAF AO sets up capital improvements made to an aircraft in the fixed asset system as a repair. The repair should include adequate descriptions, serial numbers etc. to enable identification of the improvement. The fixed asset system will separately identify the addition to the original aircraft as part of that aircraft but will identify it separately.

7.18.2. Delete

7.18.3. Delete

7.18.4. Delete

7.18.5. Delete

10.1.16. Utilizes the government preferred method of payment, i.e., Government Purchase Card (GPC) or Electronic Fund Transfer (EFT) for all purchases.

11.1. **Establishment of Accounts Payable.** The amounts recorded as accounts payable are for liabilities incurred for the receipt of goods or services. Orders or agreements must be in writing and supported by a receiving report or proof of shipment before a liability may be recorded.

11.1.1. Maintain a suspense file for all payables. This file should be set up to ensure timely payments and facilitate end of month reconciliation. Documents remaining unpaid at the end of month should equal the outstanding items on the invoice register. The invoice register, in turn, should equal the balance in GLAC 201.

11.2. **Electronic Fund Transfer (EFT).** The NAF AO is required by Congressional mandate to use EFT to pay U.S. vendors. Authorized EFT exemptions that require no further approval and for which checks or petty cash would be used for the disbursements are as follows:

11.2.1. SM&W expenditures are to be made by EFT to the vendor when a purchase order is required and through the central cashier to reimburse for approved expenditures. No advance of funds is authorized.

11.2.2. Entertainment contracts.

11.2.3. Customer refunds (use the Change Fund/Daily Activity Receipts, where possible).

11.2.4. Change Fund establishment or replenishment.

11.2.5. Prize/Bingo winners (use Change Fund/Daily Activity Receipts, where possible).

11.2.6. Other Federal Agencies (i.e., DFAS or DAO). For DAOs, funds will be disbursed via EFT or through the central cashier.

11.2.7. State entities not accepting EFT.

11.2.8. Isolated Unit Funds. Funds will be disbursed via EFT or through the central cashier.

11.2.9. Bowling League accounting done by NAF AO.

11.2.10. The RMFC may approve exemptions for persons on Individual Service Contracts who are not expected to be paid more than one time during the current fiscal year. These individuals will continue to be paid by check.

11.2.11. Base-level units receiving MWR support for unit activities should make payment using the GPC (government purchase card) or prepare an AF Form 1401, NAF Petty Cash/Refund Voucher, to obtain funds from the central cashier. The base-level unit fund representative may be accompanied by a Services representative with a NAF GPC to make the needed purchases.

11.2.12. If a vendor returns your EFT payment (i.e., because they are not on-line with their bank to receive the EFT information), do not calculate prompt payment penalties. The vendor was considered paid when the EFT payment was sent to their bank account. Prepare and mail a check to pay the vendor.

11.3. **Proof of Shipment.** Sometimes it is necessary to pay a vendor on proof of shipment rather than on receipt of goods. Although this is more common for overseas orders, review contract terms to determine if the vendor requires payment on shipment.

11.3.1. Match the proof of shipment and vendor invoice to the suspense copy of the Purchase Order. Establish the account payable using the invoice with proof of shipment as the supporting documentation and enter into the general ledger as Inventory in Transit (GLAC 163).

11.3.2. Suspense the paid voucher pending receipt of the receiving report from the activity. When the order is received, process a journal voucher to credit GLAC 163 to clear the original entry and debit the appropriate expense account.

11.4. **Documentation Required for Payment.** Three documents are usually required to process payment to a vendor. They are a purchase order or a delivery order written against an NPA, EPP, or BPA, a receiving report and a valid invoice. For OCONUS bases an additional document would be the proof of shipment (see **11.3.** above). Payment to the vendor should be

made in accordance with the contract terms. Contracts are not required to process payments for registration or entry fees, NAF official travel, workers' compensation payments, Government Purchase Card (GPC), or commercial telephone service. Use an AF Form 2539, NAF Disbursement Voucher, for these type payments and attach all supporting documentation.

11.4.1. If the NAF AO overpays a vendor, make an adjustment on the next payment to the vendor. Take a credit for the overpayment. Reference the credit taken to the contract or the PO number and to the vendor's invoice number. If the overpayment was made to a vendor that is not regularly used, the NAF AO contacts the vendor and requests a refund. Reverse the overpayment from the appropriate expense account, and establish it as an account receivable, using GLAC 115, Outside Agency Receivables.

11.4.2. Do not delay payment of bills because of minor errors. When the NAF AO receives an invoice containing minor errors and the contracting officer confirms that prices on the PO or contract are correct, make one of the following adjustments:

11.4.2.1. When the price stated on the invoice is higher than the price stated in the PO, pay the price stated in the PO for the quantity actually received.

11.4.2.2. When the price stated on the invoice is less than the price stated on the PO, pay the invoice price for the quantity received.

11.4.3. In certain cases, such as payments for entertainers, the RMFC may authorize advance preparation of disbursement requests. Payment may be made by electronic funds transfer (EFT) or check. In either instance the activity manager or designee certifies completion of the performance and forwards the certification to the NAF AO on the first business day following completion of service.

11.4.4. Do not process any payments before obtaining required approval signature.

11.5. **Distribution of EFTs/Checks/Paid Documents.** For payments made by EFT, print remittance advices and obtain the signature of an authorized check signer. Mail or fax one copy of the remittance advice to the vendor and attach the other copy to the paid voucher. If a check has been issued, the NAF AO mails the original check to the vendor. Mark spoiled checks as void, deface the signature block, and forward to the CMIP technician for update to the cash control summary.

11.5.1. Maintain a check number control log to record checks issued. This can be accomplished by running the check register from the field accounting system (FAS) whenever checks are printed. Suspense these copies until end of month when a Monthly Check Register can be printed.

11.5.2. Stamp all invoices as "paid" and file the original disbursement voucher with supporting documentation in alphabetical order by vendor, with a secondary breakout in chronological order.

11.6. **BPA.** In view of the requirements of the Prompt Payment Act (paragraph **11.10.**), the NAF AO can pay for purchases monthly as long as the guidelines in paragraph **11.10.4.** are followed. The NAF AO does not need to make this at the end of month. The NAF Contracting Officer can work with vendors to establish mid-month due dates and lighten the end-of-month workload. A monthly payment allows the accumulation of documents relating to a single vendor to be

processed as one payment. In some cases, payment will be made before the regular payment cycle to take advantage of discounts or to fulfill partial pre-payment provisions in a contract.

11.7. **Centralized Payment of Consolidated Purchases.** HQ AFSVA/SVT normally makes payment based on constructive delivery (receipt of proof of shipment) of the items. On the day of payment, the applicable base's CMIP message will reflect the withdrawal from the CMIP account. If the activity has already received the merchandise and recorded the transaction in accounts payable, process the CMIP transaction by selecting Accounts Payable in the Check Processing Menu. If an Accounts Payable has not been established, prepare a JV to record the CMIP withdrawal as a debit to GLAC 163,Inventory In Transit. Keep a copy of the CMIP message to support this entry, and reverse as soon as merchandise is received, credit GLAC 163, and debit the correct expense account. All CVPP discounts are posted to GLAC 810 XX. When CVPP merchandise is received before the CMIP transaction has been processed, record the receipt of goods in Accounts Payable and debit the appropriate expense account. Refer to paragraph **10.2.** for CVPP.

11.8. **Payments to Family Child Care Home Providers.** Individuals wishing to provide child care services in their homes complete an application and sponsor agreement provided by the Family Child Care Coordinator (FCC). The provider records the number of breakfasts, lunches, snacks, and dinners on a USDA form provided by the FCC. The family child care provider submits this form to the Family Child Care Coordinator at the end of each month. The coordinator computes the amount of reimbursement due each provider and the amount of sponsorship fee, if any, due the Family Child Care Program, and forwards the disbursement voucher to the NAF AO. The NAF AO:

11.8.1. Assigns the family child care provider a vendor code in the accounts payable system. Do not generate an IRS Form 1099. USDA Child Care Food Program disbursements are "grants-in-aid" and aren't taxable since the IRS considers the payments to be reimbursements for running a non-profit food service program based upon pre-set meal rates or actual costs.

11.8.2. Sets up an accounts payable voucher in the standard NAF accounting system each month and records the amount due to be reimbursed by USDA in GLAC 115, Outside Agency Receivables.

11.9. **Payments For Government Travel Card and Government Purchase Card Accounts.** HQ AFSVA/SVF establishes Government Travel Cards (GTC) for the RMFC at each base and for each MAJCOM. HQ AFSVA/SVF centrally administers account activation and deactivation. The RMFC administers the account locally. Official Travel may not be charged to the GPC account and must be charged to the GTC. Accounts payable should be set up as soon as tickets or other travel expenses are charged to the GTC account. The accounts payable transactions are cleared when payment is processed upon receipt and verification of the bank statement.

11.9.1. Cardholders enter Government Purchase Card (GPC) purchases into the bank online transaction log. The cardholder reconciles GPC purchases posted to the cardholder's account by the bank against the transaction log, and either approves or disputes transactions. When the cycle closes for the month, or the last business day prior to the end of the cycle, the cardholder approves the monthly cardholder statement online. The billing official reviews cardholder transactions for propriety and certifies the invoice for payment online after all cardholders have approved their monthly statements. GPC invoices are transmitted to the base by EDI and

electronically interface into the NAF accounting system. Payment method is Confirm and Pay, which requires billing official invoice certification before the invoice will transmit to the base. The payment voucher is created at the time of interface and should be paid in full. The NAF AO manually vouchers any interface rejects and includes the amount in the payment to the bank. It is not necessary for the NAF AO to wait to receive all EDI invoices before making payment. Payment against each voucher should be made as soon as possible in order to maximize the refund offered by the bank. Cardholders should follow-up on any disputed charges with the vendor and bank. The NAF AO should track any credits due from the bank to ensure they are received.

11.10. **Prompt Payment Act (Public Law 97-177) Requirements.** The Prompt Payment Act applies to contracts awarded (including purchase and delivery orders), calls placed against blanket purchase agreements, and blanket delivery orders on or after 1 Apr 1989. The Act also applies to contracts awarded by contracting officers located outside the United States, when performance of the services or delivery of the supplies will occur outside the United States.

11.10.1. The Act requires federal agencies to pay their bills on time. The NAF AO takes discounts when payments are made by the discount date and pays interest penalties on late payments. HQ AFSVA/SVF publishes the applicable rate, as required by the Secretary of the Treasury. The NAF AO must pay interest penalties when due, regardless of whether the vendor concerned requests their payment. Interest calculation is based on a 360-day year.

11.10.2. Under the provisions of the Act and this AFMAN, consider the vendor paid on the settlement date for an EFT payment, or on the date the NAF AO issues the check. Mail checks the same day they are dated (issued). The Act requires that:

11.10.2.1. When the payment includes a penalty, the NAF AO must include a notice to tell the vendor:

11.10.2.1.1. The amount of the interest penalty included in the payment.

11.10.2.1.2. The rate used to compute the penalty.

11.10.2.1.3. The number of days used to compute the penalty.

11.10.3. Except for GPC card payments, do not make payments earlier than 7 days before the due date. However, if the day a payment is due (basic period ending with the due date) falls on a Saturday, Sunday, or a holiday, the NAF AO may make payment the following workday without an interest penalty. Unavoidable late payments are subject to the interest penalties discussed in this paragraph, and will cover the period from the day after the due date through the payment date.

11.10.3.1. Interest penalty amounts, which remain unpaid at the end of each 30-day period, are added to the original principal amount. The interest then accrues on the new principal amount for the next 30 days. The process repeats until the NAF AO makes payment for the total amount. Do not accrue interest in excess of one year.

11.10.3.2. Interest penalties are not due until the payment due date has passed, the NAFI has accepted delivery (paragraph **11.10.9.**), and the NAFI has received a proper invoice (paragraph **11.10.7.**). If an EFT payment is rejected due to incorrect bank account information supplied by the vendor, interest under this regulation will not accrue until seven days after correct

information is received (provided vendor has been notified of incorrect bank information within seven days of payment being rejected by AFSVA).

11.10.3.3. The Act does not require interest penalties when the NAF AO delays payment because of a disagreement over the amount of the payment or other issues concerning compliance with the terms of the contract, for financing payments such as advance payments, or for the period when amounts are withheld temporarily according to the contract. Interest payment is not required when an EFT payment is not credited to the vendor's account because of a failure on the part of the Federal Reserve or the vendor's own financial institution. The NAF AO need not pay interest penalties of less than $1.00. Interest penalties do not continue to accrue for more than one year or after a claim for such penalties is filed under the Contract Dispute Act of 1978.

11.10.3.4. The rate used to figure the interest penalty is the rate in effect at the time of the payment due date, not at the time the payment is made.

11.10.3.5. The Act requires an additional penalty, 100% of the original unpaid interest, when a late payment interest penalty is owed and is not paid within 10 days of making the late payment and the contractor makes a written request. To be valid, the contractor must postmark the request by the 40th day after payment was made. If there is no postmark, the request is still valid if the NAF AO personnel receive the request and annotate it with the date of receipt by the 40th day.

11.10.3.5.1. The additional penalty does not apply to payment of utility bills.

11.10.3.5.2. The additional penalty will be no less than $25.00 and no more than $5,000.00.

11.10.3.5.3. The additional penalty on unpaid interest will accrue until it is paid (per paragraph **11.10.3.1.**).

11.10.4. If the contract states a specific due date, the NAF AO must pay interest if the NAF AO does not make payment on or before the due date. The following are payment due dates, unless otherwise specified by the contract (except paragraph **11.10.4.1.** below; in this instance the contract cannot specify any other payment due date).

11.10.4.1. In the case of meat or meat food products, poultry or poultry food products, egg or egg products, seven days after delivery.

11.10.4.2. In the case of perishable agricultural commodities, 10 days after delivery.

11.10.4.3. In the case of dairy products and edible oils and fats, the 10th day after receipt of a proper invoice.

11.10.4.4. In the case of construction contract progress payments, 14 days after the billing office receives a payment request from the contractor or such longer period as the contract may specify (does not include the final payment on a construction contract or a construction contract paid in one lump sum, which is covered in paragraph **11.10.4.5.** below).

11.10.4.5. In all other cases, 30 days after receipt of a proper invoice or acceptance, whichever is later.

11.10.4.6. In the case of mixed invoices that contain items with different payment periods, the NAF AO:

11.10.4.6.1. Makes payments as stated in the contractual payment provisions.

11.10.4.6.2. Must pay interest if payment is made so that some items are paid after their due dates.

11.10.4.6.3. May split payments for each category.

11.10.4.6.4. May encourage but not require contractors to submit multiple invoices for payment of individual orders.

11.10.4.6.5. May encourage but not require contractors to submit separate invoices for categories of products with different payment periods.

NOTE: For overseas shipments, the periods prescribed in this subparagraph start on receipt of a proper invoice and proof of shipment document or a proper invoice and receiving report, whichever is received earlier.

11.10.5. The interest penalty provisions in paragraphs **11.10.1.**, **11.10.2.**, and **11.10.3.** above and due date requirements prescribed in paragraph **11.10.4.** above also apply to contracts for goods or service that do not prohibit periodic payments and partial delivery payments for completed phases of construction projects, as distinguished from contract financing authorized by the contract.

11.10.6. If an invoice contains any defects or improprieties, the vendor must be notified, in writing, of the defects or improprieties within three days for meat or meat food products, five days for perishable agricultural commodities, dairy products and edible fats and oils, and seven days in all other cases after receipt. The effective date of the notice is the day the notice is transmitted (mailed, faxed, or e-mailed). If this notice is not given within the appropriate time period, the due date requirements apply and the number of days allowed for payment on receipt of a proper (corrected) invoice is reduced by the number of days the notice was forwarded after the end of the applicable notice period.

11.10.7. A proper invoice must include the name of the vendor; invoice date; contract number; the description, price, and quantity of the goods or services delivered; shipping and payment terms; name (where practicable), title, phone number, and mailing address of individual to whom payment is to be made; and any other information required by the contract.

11.10.8. When a time discount is available and taken, payment will be made as close as possible to but not later than the discount date. The discount date is the date by which, if payment is made, a specified discount can be taken. The discount period starts with the date of the invoice. Example: merchandise is received on 15 May and the invoice is dated 10 May, the date used to figure the discount period is 10 May. When a discount is improperly taken because payment was not made within the discount period, interest will be paid on the discount taken beginning with the day after the discount period ended until full payment is made.

11.10.9. Forward receiving reports to the NAF AO not later than the first business day after receipt and acceptance of the goods or services involved. The paying office must date stamp all invoices, receiving reports, and proof of shipment documents with the actual date received. If the paying office (NAF AO) fails to date stamp an invoice when received, consider the date of the invoice as the date of receipt by the paying office. An invoice is considered received on the later of:

11.10.9.1. The date a proper invoice is received by the designated billing office (NAF AO) and the invoice is stamped with the date of receipt at the time of receipt; or

11.10.9.2. The date on which the agency accepts the property or services; or

11.10.9.3. The fifth workday following delivery of the property or performance of services if acceptance is not specified in the contract; or

11.10.9.4. The date placed on a proper invoice by the contractor when the NAF AO fails to date-stamp the invoice with the date of receipt at the time of receipt.

11.10.10. For purposes of this paragraph, the following definitions apply:

11.10.10.1. Billing office. Refer to the definition for paying office.

11.10.10.2. Contract financing payments. Authorized disbursement of monies prior to acceptance of supplies or services including advance payments, progress payments based on cost, progress payments (other than under construction contracts or architect engineer contracts) based on a percentage or stage of completion, and interim payments on cost-type contracts. Contract financing payments do not include invoice payments or payments for partial deliveries.

11.10.10.3. Dairy products and edible fats or oils. All dairy products, as a minimum liquid milk, cheese, certain processed cheese products, butter, yogurt, and ice cream; edible fats or oils and food products prepared from edible fats or oils, as a minimum, mayonnaise, salad dressing, and other similar products.

11.10.10.4. Day. Calendar day, including weekends and holidays, unless otherwise indicated.

11.10.10.5. Meat and food products. All perishable (fresh, chilled, or frozen) meats, including processed meats such as edible fresh or frozen poultry meat, perishable poultry meat food products, fresh eggs and perishable egg products, luncheon meats, frankfurters, bacon and refrigerated ham; but excluding nonperishable meats, all perishable or nonperishable mixed products, seafood, and game.

11.10.10.6. Partial payments. Payments made for partial executions or delivery of accepted property or services where allowed by the contract.

11.10.10.7. Perishable agricultural commodities. Fresh fruits and vegetables of every kind and character, including those frozen, packed in ice, or packed in brine, dairy products, edible fats and oils.

11.10.10.8. Paying office. The office responsible for scheduling invoices for payment. For purposes of meeting the requirements of the Act, the NAF AO is designated the official paying office for Air Force NAFIs. NAF AO is also the designated billing office. The Act requires the billing office to be designated in contracts to receive invoices from contractors.

11.11. **Ratification.** If an individual makes an unauthorized purchase, a ratification package is prepared. This consists of Employee's Statement of Facts, Supervisor's Certification, Invoice, and funded Purchase Request. The NAF contracting officer will review and prepare necessary contractual documents for forwarding to the servicing legal office. After legal review the package is forwarded to the appropriate ratifying authority for consideration. Refer to AFMAN 64-302.

13.3.4.1. Schedule of Aged Accounts Receivable, RCS: HAF-SV(Q)0206.

13.3.4.1.1. Accounts Receivable. Report aged accounts receivable (A/R) information for Base MWR Funds, Isolated Unit Funds (IUF), and Base Lodging Funds to HQ AFSVA/SVFA as of the end of each quarter. Include GLACs 111, 113, 114, 115, 121, 122, and recoursed accounts written off for the quarter. Report for each NAFI the amount of A/R that is current, 30 days delinquent, 60 days delinquent, 90 days delinquent, and 120+ days delinquent. For the Lodging Fund, include the same information as for the MWRF and IUF, but break out separately the aging for the individual guests and for agency accounts (i.e., Air Force Reserves, Air National Guard units).

13.3.4.1.2. The MAJCOM will consolidate the report for the command and forward the report electronically to HQ AFSVA/SVFA NLT the 20th of the month following the end of the quarter.

13.3.4.1.3. Other Aged A/R Report. The MAJCOM may require additional or other types of aging reports. Follow MAJCOM guidance to prepare these reports, but do not deviate from HQ AFSVA/SVFA's reporting requirement.

Figure 13.3. **Statement of Income and Expense**

Notes:

4. Optional presentation after net income. Net income adding back GLACs 797-799, 730, 813, 913, 961, 923, 963.

Attachment 2.

NAFI AND COST CENTER CODES

A FUND OVERHEAD

A3	NAF MAINTENANCE TEAMS
AA	AMUSEMENT MACHINE MAINTENANCE/CONTROL
AB	CENTRAL STOREROOM
AC	RESOURCE RECOVERY AND RECYCLING PROGRAM (RRRP)
AD	NAF RESALE STORE

B FITNESS AND SPORTS PROGRAMS

B7	NAF OPERATED MEMBERSHIP FITNESS CENTERS (WRIGHT PATTERSON AFB ONLY)
B8	RESERVED

C BOWLING CENTERS

CB	BOWLING LANES MAINTENANCE (BOWLING CENTERS OVER 12 LANES)
CC	BOWLING LANES MAINTENANCE (BOWLING CENERS 12 LANES & UNDER)

D GOLF FACILITIES

D7	GOLF CARS

E OUTDOOR RECREATION

ED	BATTING CAGES

F INFORMATION, TICKET, AND TRAVEL

F2	RESERVED
F3	RESERVED
F7	TICKET OPERATIONS
F8	TRAVEL OPERATIONS
F9	INFORMATION, TICKET, AND TRAVEL (ITT) – UNOFFICIAL COMMERCIAL TRAVEL OFFICE SERVICES (CTO)

G OTHER COMMUNITY PROGRAMS

G7	RESERVED
G8	RESERVED
G9	RESERVED

H ARTS & CRAFTS PROGRAMS

H1	ARTS & CRAFTS CENTER
H3	ARTS & CRAFTS RESALE

Q SPECIAL MORALE AND WELFARE (SM&W)

Q7	RESERVED

T REVENUE PRODUCING ACTIVITIES

T6	MOA DINING FACILITY (SUPERVISED BY THE FOOD SERVICE

OFFICER)

W OFFICERS' CLUB

W1	OVERHEAD/GENERAL SERVICES
W3	BEVERAGE/BAR OPERATIONS
W5	SLOT MACHINES (OVERSEAS)
W8	CLUB DINING ROOM & SIGNATURE BRAND (SHARED KITCHEN)
W9	BARBER SHOP
WA	PIZZA OPERATION
WB	SNACK BAR (OUTSIDE MAIN CLUB)
WC	2ND SNACK BAR (OUTSIDE MAIN CLUB)
WD	3RD SNACK BAR (OUTSIDE MAIN CLUB)
WE	4TH SNACK BAR (OUTSIDE MAIN CLUB)
WF	SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)
WG	2ND SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)
WH	3RD SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)
WI	RESERVED
WJ	TWO SIGNATURE BRANDS (WITH SHARED KITCHEN)
WK	LOUNGE OPERATION (OUTSIDE MAIN CLUB)
WL	2ND LOUNGE OPERATION (OUTSIDE MAIN CLUB)
WM	3RD LOUNGE OPERATION (OUTSIDE MAIN CLUB)
WN	4TH LOUNGE OPERATION (OUTSIDE MAIN CLUB)
WO	RESERVED
WP	5TH LOUNGE OPERATION (OUTSIDE MAIN CLUB)

WQ	SLOT MACHINE OPERATIONS (OUTSIDE MAIN CLUB)
WR	2ND SLOT MACHINE OPERATION (OUTSIDE MAIN CLUB)
WS	3RD SLOT MACHINE OPERATION (OUTSIDE MAIN CLUB)
WT	4TH SLOT MACHINE OPERATION (OUTSIDE MAIN CLUB)

X ENLISTED CLUB

X1	OVERHEAD/GENERAL SERVICES
X3	BEVERAGE/BAR OPERATION
X5	SLOT MACHINES (OVERSEAS)
X8	CLUB DINING ROOM & SIGNATURE BRAND (SHARED KITCHEN)
X9	BARBER SHOP
XA	PIZZA OPERATION
XB	SNACK BAR (OUTSIDE MAIN CLUB)
XC	2ND SNACK BAR (OUTSIDE MAIN CLUB)
XD	3RD SNACK BAR (OUTSIDE MAIN CLUB)
XE	4TH SNACK BAR (OUTSIDE MAIN CLUB)
XF	SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)
XG	2ND SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)
XH	3RD SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)
XI	RESERVED
XJ	TWO SIGNATURE BRANDS (WITH SHARED KITCHEN)
XK	LOUNGE OPERATION (OUTSIDE MAIN CLUB)
XL	2ND LOUNGE OPERATION (OUTSIDE MAIN CLUB)
XM	3RD LOUNGE OPERATION (OUTSIDE MAIN CLUB)

XN	4TH LOUNGE OPERATION (OUTSIDE MAIN CLUB)
XO	RESERVED
XP	5TH LOUNGE OPERATION (OUTSIDE MAIN CLUB)
XQ	SLOT MACHINE OPERATIONS (OUTSIDE MAIN CLUB)
XR	2ND SLOT MACHINE OPERATION (OUTSIDE MAIN CLUB)
XS	3RD SLOT MACHINE OPERATION (OUTSIDE MAIN CLUB)
XT	4TH SLOT MACHINE OPERATION (OUTSIDE MAIN CLUB)

Y OTHER CLUBS

Y1	OVERHEAD/GENERAL SERVICES
Y3	BEVERAGE/BAR OPERATIONS
Y8	RESERVED

Z CONSOLIDATED/COLLOCATED CLUB OPERATION

Z1	OVERHEAD/GENERAL SERVICES
Z3	BEVERAGE/BAR OPERATIONS
Z3A	BEVERAGE/BAR OPERATIONS/OFFICERS
Z3B	BEVERAGE/BAR OPERATIONS/ENLISTED
Z5	SLOT MACHINES (OVERSEAS)
Z8	CLUB DINING ROOM & SIGNATURE BRAND (SHARED KITCHEN)
Z9	BARBER SHOP
ZA	PIZZA OPERATION
ZB	SNACK BAR (OUTSIDE MAIN CLUB)
ZC	2ND SNACK BAR (OUTSIDE MAIN CLUB)

ZD	3RD SNACK BAR (OUTSIDE MAIN CLUB)
ZE	4TH SNACK BAR (OUTSIDE MAIN CLUB)
ZF	SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)
ZG	2ND SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)
ZH	3RD SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)
ZI	TWO SIGNATURE BRANDS (WITH SHARED KITCHEN)
ZJ	4TH SPECIALTY RESTAURANT (OUTSIDE MAIN CLUB)
ZK	LOUNGE OPERATION (OUTSIDE MAIN CLUB)
ZL	2ND LOUNGE OPERATION (OUTSIDE MAIN CLUB)
ZM	3RD LOUNGE OPERATION (OUTSIDE MAIN CLUB)
ZN	4TH LOUNGE OPERATION (OUTSIDE MAIN CLUB)
ZO	RESERVED
ZP	5TH LOUNGE OPERATION (OUTSIDE MAIN CLUB)
ZQ	SLOT MACHINE OPERATIONS (OUTSIDE MAIN CLUB)
ZR	2ND SLOT MACHINE OPERATION (OUTSIDE MAIN CLUB)
ZS	3RD SLOT MACHINE OPERATION (OUTSIDE MAIN CLUB)
ZT	4TH SLOT MACHINE OPERATION (OUTSIDE MAIN CLUB)

NAFI ID: 70, 75

TITLE: LODGING FUND & CLF

38	VISITING QUARTERS (VQ)
41	OTHER LODGING ACTIVITIES

NAF ID: 97

TITLE: AIR FORCE ACADEMY ATHLETIC ASSOCIATION

70	ADMINISTRATION
71	FACILITIES
72	CONCESSIONS
73	BUSINESS OFFICE
74	TICKET OFFICE
75	EVENTS
76	FOOTBALL
77	BASKETBALL
78	HOCKEY
79	NON-REVENUE SPORTS

NAF ID: 87-96 and 98-99

TITLE: OTHER-NAFIS

Attachment 3

NONAPPROPRIATED FUND

COST CENTER CODE (CCC) DESCRIPTIONS

I. Morale, Welfare and Recreation Fund (NAF Identification (ID) 30-39, 50-59)

Code Cost Center Description

A. Fund Overhead

Do not prorate or transfer to other activities income and expense associated with the administrative function of the MWRF, with the exception of A3, A9, AA, and certain marketing expenses (refer to CCC A5 description). Do not prorate overhead profit or loss to serviced MWRF activities. Recoup expense associated with support to other NAFIs by charging predetermined fees and recording in Reimbursement from Another Activity/NAFI GLAC 801 using applicable NAFIs administrative CCC. Do not record income or expense that is identifiable to an individual cost center.

A1. Fund Administration

Record income and expense associated with the administrative duties and overhead for MWRF and items not specifically identifiable to other cost centers. Income includes interest on cash, allocations received, special operating grants, revenue for official travel received from the Commercial Travel program, contributions, and donations not designated to another cost center. Expenses include asset and liability insurance for the NAFI. Use CCC A1 to record sale of property through DRMO, unless identified to an activity. Other expenses include bank fees and charges, prompt payment interest expense, supplies, depreciation of equipment, and personnel associated with and assigned to administration for the MWRF.

NOTE: Charge administrative personnel and related expenses associated with any other activity, i.e., bowling, golf, Officers' Club, Enlisted Club, to the benefiting CCC.

A3. NAF Maintenance Teams

Expenses include NAF costs incurred by a NAF maintenance team. These costs, except for depreciation, are prorated to the using activities using Program Training Aid, NA-32, NAF Maintenance Teams.

A5. Marketing and Publicity

Record expense to develop and cultivate interest in activities to further income growth or participation, including expense associated with the publication and distribution of base newspapers, data for printing, reproduction, or advertising in civilian enterprise base newspapers or other type publications such as unofficial guides, directories, and flyers. Expenses in this CCC are those necessary to promote an SV marketing campaign for the overall MWRF and which are part of an SV Squadron-wide Marketing Plan. This CCC includes the publicity section, which produces flyers, posters, and other publicity materials for the MWRF, as well as supporting other NAFI and individual activity advertising needs (on a reimbursable basis). Do not include normal activity expenses in the SV Marketing Plan. Include these in the budget of the individual activity. Transfer actual, identifiable expenses for specific activity needs outside of the SV Marketing Plan to the applicable, benefiting activity CCC.

AA. Air Force Centralized Amusement Machine Maintenance/Control Record maintenance costs associated with the centralized amusement machine operations. Costs include salaries and wages for applicable personnel and all parts and supplies. Prorate these expenses from AA to the administrative cost centers where the machines are located, i.e., C1, J1, W1, X1, and Z1. Exception: Use G2 for resale/revenue operations in the Community Center. The criteria for prorating the costs will be based on a combination of the number of machines in the benefiting cost center and the amusement machine income generated by the machines. Divide the number of machines in each cost center by the total number of machines in the installation program. Divide the amusement machine revenue in each cost center by the combined amusement machine revenue for all participating activities. Add the corresponding percentages for each activity and divide by two. Use the resulting percentage to prorate the expenses. Do not post amusement machine revenues to this cost center. All amusement machine revenues will be recorded in the administrative CCC where the machines are physically located.

AB. Central Storeroom

Record cost of storeroom related expense, such as payroll and benefits, supplies, and related depreciation cost of equipment assigned to the storeroom.

AC. Recycling Program

Record income and expense associated with the operation of recycling programs. Include expense associated with the program such as personnel costs, supplies, repair, depreciation costs, etc. Includes income received from DFAS through DRMO for sale of recyclable materials and income from an MWRF consolidated program, if established by the SV commander or division chief. Excludes MWRF generated income when the SV commander or division chief has not established a consolidated program. Record this income to the generating activity.

AD. Resale Store

The resale outlet provides an option for disposing of excess NAF property. Record in this CCC all direct expenses incurred to operate the outlet. The resale store will be reimbursed for the handling costs associated with selling an activity's excess equipment. This cost center should operate on a break-even basis.

AH. NAF MOA Chaplain Accounting

Record income and expenses associated with the chaplain accounting. Includes administrative income or expense associated with this MOA operation.

B. Fitness and Sports

B7. NAF Operated Membership Fitness Centers (Wright Patterson AFB Only)

Record all income and expense of this membership operation. Includes NAF income and expense for instructional classes, physical conditioning programs, locker rental, self-directed activities such as personal training and assessments, personnel expense, operating expenses, and other related expenses including depreciation.

B8. Reserved

C. Bowling Center

CB. Bowling Lanes Maintenance (Bowling Centers Over 12 Lanes)

Record expenses for the construction, maintenance costs relating to upkeep, and renovation of bowling lanes. Do not include bowling center expenditures that are capitalized into GLAC 183 or 186 except for the related depreciation expense. This includes salaries, supplies, and maintenance costs for daily, weekly, and monthly maintenance costs for upkeep of the bowling lanes including the lanes, pinsetters, and other lane equipment.

CC. Bowling Lanes Maintenance (Bowling Centers 12 Lanes and Under)

Record all personnel costs associated with lane maintenance with the exception of APF manager and APF mechanic. In accordance with AFI 65-106, APFs should be used for lane maintenance.

D. Golf Facilities

D1. Golf Course

Record income and expense associated with green fees, golf lessons, club rental, club storage, pull carts, locker rental, and all related expenses. Includes administrative income or expense associated with the operation of golf courses and miscellaneous income and expense not included in D2 through D5 below.

D3. Golf Pro Shop

Record income and expense associated with pro shop merchandise sales and their related expense. Includes freight and postage in transporting resale inventory, personnel, supplies, maintenance and repair, and applicable depreciation expenses.

E. Outdoor Recreation

ED. Miscellaneous Recreational-Sport

Record income and expense associated with a NAF revenue-generating, recreational sport activity not conducted as part of another activity or program. Includes such activities as freestanding indoor or outdoor, coin-operated batting cages, tennis machines, basketball cages, golf driving ranges, pitching machines, or other similar type fee-for-service recreational-sport activity. Do not include programs properly classified in cost center code N1, conducted as part of the base APF funded fitness programs, or as part of another activity or program. Management responsibilities for CCC ED fall under outdoor recreation.

F. Information, Ticket, and Travel Operations

F2. Reserved

F3. Reserved

F7. Ticket Operations

Record income and expense associated with ticket sales such as entry into local event attractions and commissions, i.e., tickets obtained through consignment contracts.

F8. Tour Operations

Record income and expense associated with MWRF sponsored tour operations. Includes any and all parts of a trip, which is sponsored and conducted by the information ticket and tour (ITT) office. This includes planning the trip, contracting for the trip, entry into the event, transportation, and accommodations and taking the group on the trip.

F9. Information Ticket and Tour (ITT)Unofficial Commercial

Travel Office Services (CTO)

Record income and expense associated with unofficial travel and transportation services at approved overseas in-house operations. These operations include, but are not limited to: air, bus, rail reservations and ticketing; lodging; rental car arrangements; ticket and itinerary delivery; and assistance with visas and passports. Also includes CONUS satellite locations where the CTO contractor has elected to provide teleticketing capability only (no contractor manning or toll free numbers). At these locations, the MWRF retains the right to procure unofficial travel through in-house or other contract arrangements and the resulting gross travel sales are not covered by the CTO contract. Also includes the concession fee received for unofficial leisure travel that the base receives from the Commercial Travel Program (base receives through CMIP from AFSVA).

G. Other Community Programs

G1. Administration

Record income and expense associated with general administration and operation of community centers. Record expenses associated with community center functions where no fees are charged. Do not record income or expense identifiable to G2, G3, or G6.

G2. Resale/Revenue Operation

Record income and expense associated with the operation of resale and income from revenue producing functions within the community center. Include income and expenses associated with functions such as leisure instructional classes, hourly equipment fees, amusement machines, entertainment, performing arts, private parties, or sales of items such as balloons, gifts, tee shirts, mugs. Do not record items sold that should be recorded in cost centers G3 or G6.

G7. Reserved

G8. Reserved

G9. Reserved

H. Arts and Crafts Programs

H1. Arts & Crafts Center

Record income and expense associated with the administration and operation of arts and crafts programs which include electronic, lapidary, ceramic, etc. If needed, use a third-digit shred to designate between programs such as wood working, photography, etc. Includes all personnel costs, supplies, repair, related depreciation expense, etc.

H3. Arts & Crafts Resale

Record income and expenses associated with arts and crafts resale operations. If needed, use a third-digit shred to separate resale operations for arts and crafts, auto crafts, framing services, plaques and engraving, etc. Include sales and related costs for merchandise, freight and postage in transporting resale inventory, personnel, supplies, maintenance and repair, depreciation expense, etc., which are specifically associated with the resale function. Do not include use fees, shop fees, firing fees, instructional fees, or similar amounts associated with a customer's participation in specific arts and crafts programs, or any expenses associated with such programs.

J. Youth Programs

J6. Teen Programs. Record income and expenses associated with the operation of teen programs. This includes salaries, supplies, and all other income and expenses for the operation of teen programs.

Q. Special Morale and Welfare (SM&W)

Q7. Reserved

T. Revenue Producing Activities

T6. MOA Dining Facility (Supervised by the Food Service Officer). Record income and expense associated with the operation of the dining facility when supervised by the food service officer. Includes administrative income or expense associated with this MOA operation.

NOTE: There are four types of clubs: Officers, Enlisted, Other, and Consolidated/Collocated.

W. Officers' Club

Provide separate club programs for officers and other authorized personnel where market demand will ensure profitable operations. This club provides a variety of full services and programs to its membership. These services and programs include, but are not limited to food, beverage, catering, entertainment, and financial services.

W1. Overhead/General Services

Record income and expenses related to the administration of the general overall club operations and expenses related to the total overhead of the club. Include items related to the club overhead such as the manager, assistant manager, secretarial staff, supplies (not attributable to other cost centers), and depreciation of equipment for overhead operations (for example, the manager's computer), expense for the entire club facility such as utilities, telephone, postage, and facility purchase or improvement, and subsequent depreciation of the facility. Include items related to the administration of the general overall club operation such as cashiers in a cashier's operation, duty/night managers, caterers, and janitorial personnel. Include entertainment, marketing, membership night/drive, employee meals, and complimentary food/snacks. Other items include dues, concessions, admission, and sales revenue of items sold at the cashiers' cages, such as tobacco products and the cost of related items. Do not record the cost of personnel assigned to other cost centers to this CCC.

W2. Dining Room

Record income and expense related to dining room and special function (catering) food operations located in the primary Officers' Club facility. Dining room operations offer expanded menus and expanded services that may include sit down service, cafeteria-style breakfast/lunches and buffets/brunches. Expenses also include dining-related promotional costs (such as two for one steak, coupons for birthdays and Sunday Brunch). Record all costs for personnel assigned to the dining room and catering operations (chef, waiter, waitress, kitchen personnel, etc.).

W3. Beverage/Bar Operation

Record income and expense related to beverage/bar operations located in the primary Officers' Club facility. Includes special function bar sales and expenses, supplies, repairs, and depreciation related to the bar. Record all costs for personnel assigned to the beverage/bar operation (bar, manager, bartenders, bar backs, waiters, waitresses, etc.).

W4. Snack Bars

Record income and expense related to club operated snack bars or fast food outlets located within the primary Officers' Club facility (for example, snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by a more limited menu and service than dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Snack bar expenses must be separated from the dining room (CCC W2). The activity must segregate snack income and expenses from the dining room, including maintaining a separate snack bar inventory, otherwise they should account for the income and expense as part of the dining room.

W5. Slot Machines

Record income and expense related to operating slot machines. Includes all direct expenses such as personnel costs, supplies, and so on. Show all club expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities (for example, a cashier's position that also supports check cashing and other cashier duties).

W6. Bingo

Record income and expense related to operating a bingo program. Record bingo sales, cost of prizes, cash or merchandise, personnel costs (for all personnel assigned to the bingo operation (for example, caller and cashier), door prizes, supplies, and so on to this CCC.

W7. Bulk Sales

Record income and expense for all bulk sales sold by the club for off-premise consumption. Prices for bulk sales are normally set below regular bar prices. Do not report bulk sales in CCC W3.

W8. Club Dining Room & Signature Brand (With shared kitchen)

All income and expenses associated with the operation of the Club Dining Room & Signature Brands with a shared kitchen. All inventory is held jointly in one kitchen with no separation between the Club Dining Room and Signature Brand. Separate GLAC shreds are utilized to identify the sales between the two areas.

W9. Barber Shop

Record income and expense related to operating a barber shop (including concessionaire operated barber shops).

WA. Pizza Operation

Record income and expense related to running a pizza operation that is not part of the dining room or snack bar. The activity must segregate income and expenses from the dining room or snack bar, including maintaining a separate inventory.

WB. Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Officers' Club facility (for example snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service than dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

WC. Second Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Officers' Club facility (for example snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service than dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

WD. Third Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Officers' Club facility (for example snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service than dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

WE. Fourth Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Officers' Club facility (for example snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service than dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

WF. Specialty Restaurant (Outside Main Club)

Record income and expense related to operating a specialty restaurant (i.e., Mexican, Italian, Seafood, etc.) that is located outside the primary Officers' Club facility. Segregate the income and expenses for each separate restaurant.

WG. Second Specialty Restaurant (Outside Main Club)

Record income and expense related to operating a specialty restaurant (i.e., Mexican, Italian, Seafood, etc.) that is located outside the primary Officers' Club facility. Segregate the income and expenses for each separate restaurant.

WH. Third Specialty Restaurant (Outside Main Club)

Record income and expense related to operating a specialty restaurant (i.e., Mexican, Italian, Seafood, etc.) that is located outside the primary Officers' Club facility. Segregate the income and expenses for each separate restaurant.

WI. Reserved

WJ. Two Signature Brands (with a Shared Kitchen)

Record income and expense related to operating a signature brand specialty operation. Segregate the income and expenses for each separate restaurant.

WK. Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Officers' Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

WL. Second Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Officers' Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

WM. Third Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Officers' Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

WN. Fourth Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Officers' Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

WO. Reserved

WP. Fifth Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Officers' Club. Segregate the income and expenses **for each separate lounge. This includes maintaining a separate** inventory.

WQ. Slot Machine Operations (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Officers' Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

WR. Second Slot Machine Operation (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Officers' Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

WS. Third Slot Machine Operation (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Officers' Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

WT. Fourth Slot Machine Operation (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Officers' Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

WU. MOA dining facility (supervised by the Officers' Club manager)

Record income and expenses associated with the operation of the Dining facility when supervised by the Officers' Club manager. Includes administrative income or expense associated with this MOA operation.

X. ENLISTED CLUB

Provide separate club programs for enlisted and other authorized personnel where market demand will ensure profitable operations. This club provides a variety of full services and programs to its membership. These services and programs include, but are not limited to, food, beverage, catering, entertainment, and financial services.

X1. Overhead/General Services

Record income and expenses related to the administration of the general overall club operations and expenses related to the total overhead of the club. Include items related to the club overhead such as the manager, assistant manager, secretarial staff, supplies (not attributable to other cost centers), and depreciation of equipment for overhead operations (for example, the manager's computer), expense for the entire club facility such as utilities, telephone, postage, and facility purchase or improvement, and subsequent depreciation of the facility. Include items related to the administration of the general overall club operation such as cashiers in a cashier's operation, duty/night managers, caterers, and janitorial personnel. Include entertainment, marketing, membership night/drive, employee meals, and complimentary food/snacks. Other items include dues, concessions, admission, and sales revenue of items sold at the cashiers' cages, such as tobacco products and the cost of related items. Do not record the cost of personnel assigned to other cost centers.

X2. Dining Room

Record income and expense related to dining room and special function (catering) food operations located in the primary Enlisted Club facility. Dining room programs offer expanded menus and expanded services, which may include sit down service, cafeteria-style breakfast/lunches and buffets/brunches. Includes dining-related promotional costs (such as two for one steak, coupons for birthdays, and Sunday Brunch). Record all costs for personnel assigned to the dining room and catering operation (chef, waiter, waitress, kitchen personnel, etc.).

X3. Beverage/Bar Operation

Record income and expense related to beverage/bar operations located in the primary Enlisted Club facility. Includes special function bar sales and expenses, supplies, repairs, and depreciation related to the bar. Record all costs for personnel assigned to the beverage/bar operation (bar, manager, bartenders, bar backs, waiters, waitresses, etc.).

X4. Snack Bars

Record income and expense related to club operated snack bars or fast food outlets located within the primary Enlisted Club facility (for example, snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service than dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

X5. Slot Machines

Record income and expense related to operating slot machines. Includes all direct expenses such as personnel costs, supplies, etc. Show all club expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities (for example, a cashier's position that also supports check cashing and other cashier duties).

X6. Bingo

Record income and expense related to operating a bingo program. Record bingo sales, cost of prizes, cash or merchandise, personnel costs (for all personnel assigned to the bingo operation (for example, caller and cashier), door prizes, supplies, etc.

X7. Bulk Sales

Record income and expense for all bulk sales sold by the club for offpremise consumption. Prices for bulk sales are normally set below regular bar prices. Do not report bulk sales in CCC X3.

X8. Club Dining Room & Signature Brand (With shared kitchen)

All income and expenses associated with the operation of the Club Dining Room & Signature Brands with a shared kitchen. All inventory is held jointly in one kitchen with no separation between the Club Dining Room and Signature Brand. Separate GLAC shreds are utilized to identify the sales between the two areas.

X9. Barber Shop

Record income and expense related to operating a barber shop (including concessionaire operated barber shops).

XA. Pizza Operation

Record income and expense related to running a pizza operation that is not part of the dining room or snack bar. The activity must segregate income and expenses from the dining room or snack bar, including maintaining a separate inventory.

XB. Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Enlisted Club facility (for example, snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service from dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

XC. Second Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Enlisted Club facility (for example, snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service from dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

XD. Third Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Enlisted Club facility (for example snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service from dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

XE. Fourth Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Enlisted Club facility (for example snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service from dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

XF. Specialty Restaurant (Outside Main Club)

Record income and expense related to operating a specialty restaurant (i.e., Mexican, Italian, Seafood, etc.) that is located outside the primary Enlisted Club facility. Segregate the income and expenses for each separate restaurant.

XG. Second Specialty Restaurant (Outside Main Club)

Record income and expense related to operating a specialty restaurant (i.e., Mexican, Italian, Seafood, etc.) that is located outside the primary Enlisted Club facility. Segregate the income and expenses for each separate restaurant.

XH. Third Specialty Restaurant (Outside Main Club)

Record income and expense related to operating a specialty restaurant (i.e., Mexican, Italian, Seafood, etc.) that is located outside the primary Enlisted Club facility. Segregate the income and expenses for each separate restaurant.

XI. Reserved

XJ. Two Signature Brands (With a Shared Kitchen)

Record income and expense related to operating a signature brand specialty operation. Segregate the income and expenses for each separate restaurant.

XK. Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Enlisted Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

XL. Second Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Enlisted Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

XM. Third Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Enlisted Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

XN. Fourth Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Enlisted Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

XO. Reserved

XP. Fifth Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Enlisted Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

XQ. Slot Machine Operations (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Enlisted Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

XR. Second Slot Machine Operation (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Enlisted Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

XS. Third Slot Machine Operation (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Enlisted Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

XT. Fourth Slot Machine Operation (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Enlisted Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

Y. OTHER CLUBS (Need AFSVA/SVFA approval)

Y1. Overhead/General Services

Record income and expenses related to the administration of the general overall club operations and expenses related to the total overhead of the club. Include items related to the club overhead such as the manager, assistant manager, secretarial staff, supplies (not attributable to other cost centers), and depreciation of equipment for overhead operations (for example, the manager's computer), expense for the entire club facility such as utilities, telephone, postage, and facility purchase or improvement, and subsequent depreciation of the facility. Include items related to the administration of the general overall club operation such as cashiers in a cashier's operation, duty/night managers, caterers, and janitorial personnel. Include entertainment, marketing, membership night/drive, employee meals, and complimentary food/snacks. Other items include dues, concessions, admission, and sales revenue of items sold at the cashiers' cages, and the cost of related items. Do not record the cost of personnel assigned to other cost centers to this CCC.

Y2. Dining Room

Record income and expense related to dining room and special function (catering) food operations. Dining room programs offer expanded menus and expanded services that may include sit down service, cafeteria-style breakfast/lunches and buffets/brunches. Includes dining-related promotional costs (such as two for one steak, coupons for birthdays, and Sunday Brunch). Record all costs for personnel assigned to the dining room and catering operation (chef, waiter, waitress, kitchen personnel, etc.) in Y2.

Y3. Beverage/Bar Operation

Record income and expense related to beverage/bar operations. Includes special function bar sales and expenses, supplies, repairs, and depreciation related to the bar. Record all costs for personnel assigned to the beverage/bar operation (bar, manager, bartenders, bar backs, waiters, waitresses, etc.) in Y3.

Y4. Snack Bars

Record income and expense related to club operated snack bars or fast food outlets located within the primary Collocated/Consolidated Club facility (for example, snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service from dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory

Y5. Slot Machines

Record income and expense related to operating slot machines. Includes all direct expenses such as personnel costs, supplies, etc. Show all club expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities (for example, a cashier's position that also supports check cashing and other cashier duties).

Y6. Bingo

Record income and expense related to operating a bingo program. Record bingo sales, cost of prizes, cash or merchandise, personnel costs for all personnel assigned to the bingo operation (for example, caller and cashier), door prizes, supplies, and etc., to this CCC.

Y7. Bulk Sales

Record income and expense for all bulk sales sold by the club for offpremise consumption. Prices for bulk sales are normally set below regular bar prices. Do not report bulk sales in CCC Y3.

Y8. Reserved

Y9. Barber Shop

Record income and expense related to operating a barber shop (including concessionaire operated barber shops).

Z. COLLOCATED/CONSOLIDATED CLUB

A collocated/consolidated club consists of both officer and enlisted members. This club provides a variety of full services and programs to its membership. These services and programs include, but are not limited to, food, beverage, catering, entertainment, and financial services.

Z1. Overhead/General Services

Record income and expenses related to the administration of the general overall club operations and expenses related to the total overhead of the club. Include items related to the club overhead such as the manager, assistant manager, secretarial staff, supplies (not attributable to other cost centers), and depreciation of equipment for overhead operations (for example, the manager's computer), expense for the entire club facility such as utilities, telephone, postage, and facility purchase or improvement, and subsequent depreciation of the facility. Include items related to the administration of the general overall club operation such as cashiers in a cashier's operation, duty/night managers, caterers, and janitorial personnel. Include entertainment, marketing, membership night/drive, employee meals, and complimentary food/snacks. Other items include dues, concessions, admission, and sales revenue of items sold at the cashiers' cages, such as tobacco products and the cost of related items. Do not record the cost of personnel assigned to other cost centers to this CCC.

Z2. Dining Room

Record income and expense related to dining room and special function (catering) food operations located in the primary Collocated/

Consolidated Club facility. Dining room programs offer expanded menus and expanded services that may include sit down service, cafeteria-style breakfast/lunches, and buffets/brunches. Includes dining-related promotional costs (such as two for one steak, coupons for birthdays, and Sunday Brunch). Record all costs for personnel assigned to the dining room and catering operation (chef, waiter, waitress, kitchen personnel, etc.).

Z3. Beverage/Bar Operation

Record income and expense related to beverage/bar operations located in the primary Collocated/Consolidated Club facility. Includes special function bar sales and expenses, supplies, repairs, and depreciation related to the bar. Record all costs for personnel assigned to the beverage/bar operation (bar, manager, bartenders, bar backs, waiters, waitresses, etc.).

Z3A. Beverage/Bar Operation/Officers

Record income and expense related to Officers beverage/bar operations located in the primary Collocated/Consolidated Club facility. Includes special function bar sales and expenses, supplies, repairs, and depreciation related to the bar. Record all costs for personnel assigned to the beverage/bar operation (bar, manager, bartenders, bar backs, waiters, waitresses, etc.).

Z3B. Beverage/Bar Operation/Enlisted

Record income and expense related to Enlisted beverage/bar Operations located in the primary Collocated/Consolidated Club facility. Includes special function bar sales and expenses, supplies, repairs, and depreciation related to the bar. Record all costs for personnel assigned to the beverage/bar operation (bar, manager, bartenders, bar backs, waiters, waitresses, etc.).

Z4. Snack Bars

Record income and expense related to club operated snack bars or fast food outlets located within the primary Collocated/Consolidated Club facility (for example, snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service from dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

Z5. Slot Machines

Record income and expense related to operating slot machines. Includes all direct expenses such as personnel costs, supplies, etc. Show all club expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities (for example, a cashier's position that also supports check cashing and other cashier duties).

Z6. Bingo

Record income and expense related to operating a bingo program. Record bingo sales, cost of prizes, cash or merchandise, personnel costs for all personnel assigned to the bingo operation (for example, caller and cashier), door prizes, supplies, etc., to this CCC.

Z7. Bulk Sales

Record income and expense for all bulk sales sold by the club for offpremise consumption. Prices for bulk sales are normally set below regular bar prices. Do not report bulk sales in CCC Z3.

Z8. Club Dining Room & Signature Brand (With shared kitchen)

All income and expenses associated with the operation of the Club Dining Room & Signature Brands with a shared kitchen. All inventory is held jointly in one kitchen with no separation between the Club Dining Room and Signature Brand. Separate GLAC shreds are utilized to identify the sales between the two areas.

Z9. Barber Shop

Record income and expense related to operating a barber shop (including concessionaire operated barber shops).

ZA. Pizza Operation

Record income and expense related to running a pizza operation that is not part of the dining room or snack bar. The activity must be able to segregate income and expenses from the dining room or snack bar, including maintaining a separate inventory.

ZB. Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Collocated/Consolidated Club facility (for example, snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service than dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

ZC. Second Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Collocated/Consolidated Club facility (for example snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service from dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

ZD. Third Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Collocated/Consolidated Club facility (for example snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and counter-type service. Items for sale are similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must be able to segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

ZE. Fourth Snack Bar Operation (Outside Main Club)

Record income and expense related to a club operated snack bar or fast food outlets located outside the primary Collocated/Consolidated Club facility (for example, snack bar sales, cost of food, supplies, and personnel). Snack bar operations are usually distinguished by their limited menus and service than dining room operations. Items for sale are usually similar to those offered at fast food outlets or short order operations. Segregate the income and expenses for each separate snack bar. The activity must segregate snack bar income and expenses from the dining room, including maintaining a separate snack bar inventory.

ZF. Specialty Restaurant (Outside Main Club)

Record income and expense related to operating a specialty restaurant (i.e., Mexican, Italian, Seafood, etc.) that is located outside the primary Collocated/Consolidated Club facility. Segregate the income and expenses for each separate restaurant.

ZG. Second Specialty Restaurant (Outside Main Club)

Record income and expense related to operating a specialty restaurant (i.e., Mexican, Italian, Seafood, etc.) that is located outside the primary Collocated/Consolidated Club facility. Segregate the income and expenses for each separate restaurant.

ZH. Third Specialty Restaurant (Outside Main Club)

Record income and expense related to operating a specialty restaurant (i.e., Mexican, Italian, Seafood, etc.) that is located outside the primary Collocated/Consolidated Club facility. Segregate the income and expenses for each separate restaurant.

ZI. Reserved

ZJ. Two Signature Brands (With a Shared Kitchen)

Record income and expense related to operating a signature brand specialty operation. Segregate the income and expenses for each separate restaurant.

ZK. Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Collocated/Consolidated Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

ZL. Second Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Collocated/Consolidated Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

ZM. Third Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Collocated/Consolidated Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

ZN. Fourth Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Collocated/Consolidated Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

ZO. Reserved

ZP. Fifth Lounge Operation (Outside Main Club)

Record income and expense related to a club operated lounge located outside the primary Collocated/Consolidated Club. Segregate the income and expenses for each separate lounge. This includes maintaining a separate inventory.

ZQ. Slot Machine Operations (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Collocated/Consolidated Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

ZR. Second Slot Machine Operation (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Collocated/Consolidated Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

ZS. Third Slot Machine Operation (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Collocated/Consolidated Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

ZT. Fourth Slot Machine Operation (Outside Main Club)

Record income and expense related to operating slot machines outside the primary Collocated/Consolidated Club. Includes all direct expenses such as personnel costs, supplies, etc. Show all expenses and income directly relating to slot machine operations. If duties are shared between the slot machine operation and another operation, prorate the personnel costs between the activities based on actual time worked among the activities.

ZU. MOA dining facility (supervised by the Consolidate/Collocated Club Manager)

Record income and expenses associated with the operation of the dining facility when supervised by the Consolidated/Collocated Club manager. Includes administrative income or expense associated with this MOA operation.

III. Lodging Fund (NAFI ID 70 and 75)

Code	Cost Center	Description
38	Visiting Quarters (VQ)	
		Facilities maintained to provide temporary housing for unaccompanied transient and TDY military and Civilian Personnel, regardless of rank.
41	Other Lodging Activities	
		Any Lodging operation that does not match one of the categories assigned to cost center codes 31 through 38, and requires a separate breakout of revenue and expense. Do not use this cost center unless the value of the additional breakout to management is expected to exceed the additional accounting costs incurred.

V. Other NAFIs (NAF ID 87-96 and 98-99)

VI. Air Force Academy Athletic Association (NAFI ID: 97)

Code	Cost Center
70	Administration

71	Facilities
72	Concessions
73	Business Office
74	Ticket Office
75	Events
76	Football
77	Basketball
78	Hockey
79	Non-Revenue Sports

NOTE: Cost center codes (CCC) not used are considered reserved.

Attachment 4

GENERAL LEDGER CHART OF ACCOUNTS

ASSETS

CURRENT ASSETS

RECEIVABLES

116	Leases Receivable
118	Reserved
120	Allowance for Bad Debts – Others
121	MPO Actions Processed
122	Payment Plans
123	Reserved
124	Allowance for Uncollectible Recoursed Accounts
125	Commercial Charges
126	Special Function Commercial Charges
127-129	Reserved

NON-CURRENT ASSETS

FIXED ASSETS

173	Internal-Use Software (IT)
174	Accumulated Amortization of Internal-Use Software (IT)
175	NAF Capital Leases Asset

176	Accumulated Amortization – NAF Capital Leases
177	Information Technology (IT) Hardware
178	Accumulated Amortization of Information Technology (IT) Hardware
179	Fixed Assets in Transit
183	Fixed Assets - Furniture and Equipment – APF Title
184	Accumulated Depreciation – Fixed Assets – Furniture and Equipment –APF Title
186	Facilities and Improvements
187	Accumulated Depreciation – Facilities and Improvements

OTHER NON-CURRENT ASSETS

191	LongTerm Lease Receivable

LIABILITIES & FUND EQUITY

CURRENT LIABILITIES

OTHER CURRENT LIABILITIES

227-228	Reserved
229	C.A.R.E. Accrual
230-231	Reserved
2328	Name Brand Gift Cards

FUND EQUITY

EQUITY

276	Capital Requirements - Total – Outyears (Years 2-5)
277	Capital Requirements - Total – Current 12 Months
278	Capital Requirements - MAJCOM Funded – Current 12 Months
279	Capital Requirements - AF Funded – Current 12 Months
280	Reserved Equity-Expendable Purchases – Total – Current 12 Months
283	Prior Period Fund Equity Adjustments
284	Expendable Purchases - MAJCOM Funded – Current 12 Months
285	Expendable Purchases - AF Funded – Current 12 Months
289	Reserved

INCOME AND EXPENSE

SALES

3015	Delivery Sales – Non-Tip Environment
3016	Bar Sales – Non-Tip Environment (1st Area-Shared Kitchen)
3017	Bulk Beverage Sales – Non-Tip Environment
3018	Sundry Sales (Shared Kitchen Facility)
302	Sales Discounts
303	Sales – Non-Tip Environment (2nd Area with a Shared Kitchen)
3031	Cash Sales – Tip Environment (2nd Area with a Shared Kitchen)
3032	Charge Sales – Tip Environment – No Tips (2nd Area with a shared Kitchen)

3033	Charge Sales – Tip Environment – with Tips (2nd Area with a Shared Kitchen)
3035	Bar Sales – (2nd Area with a Shared Kitchen)
3036	Bonanza Bingo Sales
3037	Bulk Beverage Sales – Non-Tip Environment (2nd Area with a Shared Kitchen)
3038	Sundry Sales (2nd Area with a Shared Kitchen)

COST OF SALES

4014	Resale - Discounts Earned
4015	Prime Vendor Rebate

ACTIVITY REVENUE

511	Reserved
512	Activity Revenue Discounts – Preferred Members Plus
513	Payment for Services Rendered – Military Phenomenon
514	Funding for MWR During Special Security Conditions
515-517	Reserved
518	Payment for Non-Strategic Sourcing MOA
519	Payment for NAF MOAs
520	Payment for Strategic Sourcing MOA (MWR Fund only)
521	Reserved
522-579	Reserved

OPERATING EXPENSES

PERSONNEL EXPENSES

713	NAF Annual Leave Expense
714	Reserved

MATERIAL RELATED EXPENSES

727	Spoilage, Breakage, & Out-dated Items
730	AF Initiatives Expense (AF Purchased)
731	Amusement Machine Operating Expense
732-739	Reserved

ENTERTAINMENT AND PROMOTIONAL EXPENSES

750	Club Member Promotion Discount
7522	Be Our Guest – Name Brand Coupons

OTHER OPERATING EXPENSES

761-765	Reserved
766	Interest Expense – Commercial Capital Lease
767	Interest Expense – Prompt Payment
768	Franchise Fees/Royalties
769	Reserved
772	Reserved (AF-Use Only)
773	Uncollectible Returned Check Expense

774	Uncollected Special Functions
776	IBNR Claims (AF-Use Only)
777	Travel/Transportation of Persons
778	Reserved
779	Central Kitchen Operating Exp (CWF Only)
784	Recourse Accounts Write-off Expense
786	Bad Debt Expense – Other
795	Interest ExpenseNAF Capital Lease

DEPRECIATION

796	Amortization - NAF Capital Lease Expense

NON OPERATING INCOME AND EXPENSE

NON-OPERATING INCOME

811	Advertising Fees
813	Gain on Disposal of Assets
834	Prime Vendor Income
856-892	Reserved
893	Operating Lease (AF Use Only)
894-899	Reserved

NON-OPERATING EXPENSE

913	Loss on Disposal of Assets
946	Disapproved Prior Period Fund Equity Adjustments
947-960	Reserved

OTHER

974	Funding for MWR During Special Security Conditions – Manager Salary
975	Funding for MWR During Special Security Conditions – Janitorial Services
976	Funding for MWR During Special Security Conditions – Utilities
977-999	Reserved

Attachment 5

DESCRIPTIONS OF GENERAL LEDGER ACCOUNT CODES (GLAC)

In the following GLAC descriptions, the Type of Transaction will include sample contra account entries. These are examples only and do not necessarily depict every possible accounting scenario.

GLAC 105: Change and Imprest Funds Issued

INCLUDES: Cash on hand for making change, cashing checks, foreign currency conversion funds, petty cash, and foreign currency accommodation sales.

TYPE OF TRANSACTION	DR 105	CR 105	OFFSET ENTRY
1. Change and imprest fund issued	X		101
2. Change and imprest fund returned		X	101
3. Foreign currency revaluation	X	X	910
4. Profit on foreign currency accommodation sales	X		509

GLAC 111: Customer Accounts Receivable

INCLUDES: Amounts due from customers, members, or organizations for **authorized** in-house charge sales, dues, and fees. Recoursed accounts when initially received in CMIP (no longer than 30 days).

EXCLUDES: Amounts due from all other categories of receivables (GLACs 112-126).

TYPE OF TRANSACTION	DR 111	CR 111	OFFSET ENTRY
1. Charges/fees and dues	X		301, 5XX
2. Collections		X	101
3. Write off of bad debts		X	120, 786
4. Reestablish receivable for payment received after an account is written off-current year	X		120, 786
5. Transfer of recourse account to MPO account or payment plan		X	121, 122

GLAC 112: Returned Checks Receivable (discontinued effective 30 March 2004)

INCLUDES: The value of returned checks received from banks awaiting redemption (includes the amount of the bank collection fees that are identifiable to individuals). Includes MPO actions processed on unpaid returned checks.

EXCLUDES: All returned checks since implementation of RCK.

TYPE OF TRANSACTION	DR 112	CR 112	OFFSET ENTRY
1. Returned check	X		101
2. Returned Check Service Charge	X		808
3. Bank Service Charge	X		101
4. Returned check redeemed		X	101
5. Write off of bad debts		X	120, 773
6. Reestablish receivable for payment received after accounts written off-current year		X	120, 773

GLAC 113: Other NAFI Receivable

INCLUDES: Amounts due from other base NAFIs for services or supplies, including NAF Central Storeroom.

TYPE OF TRANSACTION	DR 113	CR 113	OFFSET ENTRY
1. Goods or services provided to other NAFIs	X		401, 801
2. Storeroom issues	X		161, 164 801
3. Payments received from other NAFIs via CMIP transfer			

GLAC 115: Outside Agency Receivable

INCLUDES: Amounts due from appropriated funds, AAFES, outside agencies, contract services, vendors, nongovernment sources, etc.

TYPE OF TRANSACTION	DR 115	CR 115	OFFSET ENTRY
1. Amount receivable from agency	X		301, 5XX 8XX
2. Reimbursement received		X	101
3. Vendor credit	X		7XX

GLAC 116: Lease Receivable

INCLUDES: That portion of all authorized leases for which payment will be received within 12 months following the end of the current accounting period.

EXCLUDES: Not applicable to base restaurant funds.

TYPE OF TRANSACTION	DR 116	CR 116	OFFSET ENTRY
1. Disbursement for NAF Capital Lease Asset	X		101
2. Payments received		X	101

GLAC 117: Severance Benefits Receivable

INCLUDES: Actual or estimated receivable for the current portion (within 12 months) of severance/separation pay that is due the NAFI from MAJCOM or host country.

TYPE OF TRANSACTION	DR 117	CR 117	OFFSET ENTRY
1. Establish unfunded amount	X		816
2. Payments/transfers		X	101
3. Foreign currency rate adjustments	X	X	910

GLAC 118: Reserved

GLAC 120: Allowance for Bad Debts-Others

INCLUDES: Estimated write offs of non-club card customer accounts receivable.

EXCLUDES: Estimated write-offs for accounts recoursed under the Air Force Club Membership Card Program (also called Recourse Accounts).

TYPE OF TRANSACTION	DR 120	CR 120	OFFSET ENTRY
1. Estimated write off		X	773, 786
2. Actual write off	X		111, 112 121, 122
3. Reinstatement of check or account written off			122
4. Adjustments	X	X	786, 773

GLAC 121: MPO Actions Processed

INCLUDES: The total value of outstanding A/R accounts that have MPO actions processed.

EXCLUDES: MPO actions processed on returned checks, these accounts remain in GLAC 112 prior to RCK program implementation.

TYPE OF TRANSACTION	DR 121	CR 121	OFFSET ENTRY
1. MPO action processed	X		111
2. Actual write off of uncollectible MPO action		X	120, 124 784, 786

GLAC 122: Payment Plans

INCLUDES: Local payment plans for recoursed accounts under the Air Force Club Membership Card Program and other authorized individual delinquent customer account or employee receivables. The duration of the plans are limited to 180 days. The RMFC and debtor must sign the payment agreement. The agreement must contain: the debtor's name, social security number, AFCMC account number, current address, and telephone number, repayment amount each month and payment due dates. The agreement must also state that upon default by the debtor, the account will be forwarded for central debt collection. Do not allow a new payment agreement upon default.

EXCLUDES: Payment plans for non-club purchases, such as high cost merchandise or special functions; payment plans for returned checks that are recorded to GLAC 112 when checks were returned prior to 30 March 2004 (see GLAC 112 description).

TYPE OF TRANSACTION	DR 122	CR 122	OFFSET ENTRY
1. Establish payment plan	X		111, 121
2. Payments		X	101
3. Write offs		X	120, 124 784, 786

GLAC 124: Allowance for Uncollectible Recourse Accounts

INCLUDES: Estimated write offs of accounts recoursed under the Air Force Club Membership Card Program (also called Recoursed Accounts) at the end of the accounting period.

EXCLUDES: All other uncollectible account estimates.

TYPE OF TRANSACTION	DR 124	CR 124	OFFSET ENTRY
1. Estimated write off		X	784
2. Actual write off	X		111, 121, 122
3. Reinstatement of account written off		X	121, 122
4. Adjustments	X	X	784

GLAC 125: Commercial Charges

INCLUDES: All credit card charges processed through the POS systems and swipe terminals.

EXCLUDES: Special function charges processed through Club Works (record in GLAC 126).

TYPE OF TRANSACTION	DR 125	CR 125	OFFSET ENTRY
1. Charges	X		3XX, 5XX
2. Charge clears on CMIP (JV)		X	101
3. Merchant Discount Rate (MDR)		X	719

GLAC 126: Special Function Commercial Charges

INCLUDES: All special function charges processed through Club Works.

EXCLUDES: All credit card charges processed through POS systems and swipe terminals (recorded in GLAC 125).

TYPE OF TRANSACTION	DR 126	CR 126	OFFSET ENTRY
1. Charges	X		3XX, 5XX
2. Charge clears on CMIP (JV)		X	101
3. Merchant Discount Rate (MDR)		X	719

GLAC 130: Prepaid Expenses

INCLUDES: Prepaid items when 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 small purchases of supplies, rent, insurance premiums, maintenance, high cost bingo supply purchase, etc., are examples of such expenses. Maximum proration of these expenses is 12 months current and 12 months long term (refer to GLAC 194), but cannot exceed the supply life. Also includes high value supply items purchased in bulk. Maximum proration of high value supply expenses (refer to **Chapter 7**) is 12 months current and 24 months long term, but cannot exceed the supply life. GLAC 130 contains only one year of expense at any time. NOTE: Minimum proration expense per month must be $100 for any prepaid merchandise purchase for a minimum of three months. Annual service contract amounts may be expensed over the life of the contract, regardless of amount, if the amount is material to the activity; i.e., annual maintenance contracts.

EXCLUDES: Prepaid items over 12 months recorded in GLAC 194. Also excludes items that should be recorded in GLAC 171.

TYPE OF TRANSACTION	DR 130	CR 130	OFFSET ENTRY
1. Total cost	X		101, 201
2. Proration per accounting period		X	7XX, 9XX

GLAC 171: Quantity Expendable (Bulk) Equipment Items

INCLUDES: Bulk purchases of like-equipment items. Each item in the bulk purchase must cost below $1,000 and have a life expectancy of two years or more. The collective value of the bulk purchase must be $2,000 or more. Amortize these items according to **Table 7.2.**, line 1.

EXCLUDES: Items recorded to GLAC 130, 194, 173, 175, 177, and GLAC 18X. Does not include any supply items, resale items, etc.

TYPE OF TRANSACTION	DR 171	CR 171	OFFSET ENTRY
1. Item purchased	X		101, 201
2. Removal/Disposal of items		X	172, 913 813
3. Transfers in	X		172, 287
4. Transfers out		X	172, 287

GLAC 172: Accumulated Amortization - Quantity Expendable (Bulk) Equipment Items

INCLUDES: The amortization expensed to-date for items recorded in GLAC 171.

EXCLUDES: Amortization for any other items.

TYPE OF TRANSACTION	DR 172	CR 172	OFFSET ENTRY
1. Periodic amortization		X	797
2. Removal/Disposal of items	X		171, 913
3. Transfers in		X	171, 287
4. Transfers out	X		171, 287

GLAC 173: Internal-Use Software (IT).

INCLUDES: The capitalized cost of internal-use software including (1) Purchase of off-the-shelf software, (2) contractor-developed software subject to amortization, and (3) internally developed software subject to amortization. Cost of the software exceeds $1,000 and has a life expectancy of two years or more. Includes training, shipping, and installation of the software. Example: purchase of Microsoft office package at a cost of $1,400.

EXCLUDES: Any other information technology software where the government has taken title, i.e., items included in GLAC 183.

TYPE OF TRANSACTION	DR 173	CR 173	OFFSET ENTRY
1. Item purchased	X		101, 201 913
2. Disposal of Asset		X	101, 11X 174, 813 913
3. Transfers in	X		174, 287
4. Transfers out to other NAFIS		X	174, 287
5. Property donations	X		288

GLAC 174: Accumulated Amortization of Internal-Use Software (IT)

INCLUDES: Accumulated amortization charges for internal-use software identified in GLAC 173. Internal-use software will be amortized in a systematic and rational manner over the estimated useful life of the software. Software acquired for research and development with no alternative future use will be amortized over the period of the project as opposed to the normal life-cycle amortization.

EXCLUDES: Amortization for any other items.

TYPE OF TRANSACTION	DR 174	CR 174	OFFSET ENTRY
1. Periodic amortization		X	798
2. Disposal of Asset	X		101, 11X 173, 813 913
3. Transfers out	X		173, 287

GLAC 175: NAF Capital Lease Asset

INCLUDES: Assets for which ownership will be transferred to the NAFI by the end of the lease or a lease where option to purchase is included (Air Force Capital Lease Program).

EXCLUDES: All other Capital Leases.

TYPE OF TRANSACTION	DR 175	CR 175	OFFSET ENTRY
1. Establish lease (current)	X		249
2. Establish lease (long term portion)	X		260
3. Exercise option to purchase		X	181
4. Exercise option to terminate		X	913

GLAC 176: Accumulated Amortization – NAF Capital Leases

INCLUDES: The amortization expensed to-date for items recorded in GLAC 175.

EXCLUDES: Amortization for all other items.

TYPE OF TRANSACTION	DR 176	CR 176	OFFSET ENTRY
1. Disposal of lease/items	X		175, 913, 813
2. Periodic amortization		X	796
3. Exercise option to purchase/lease paid in full	X		182

GLAC 177: Information Technology (IT) Hardware

INCLUDES: The capitalized cost of information technology hardware including all communication and computer systems including desk-tops, point-of-sale systems, routers, networks, and all other IT hardware. Cost of the hardware exceeds $1,000 and has a life expectancy of two years or more. Includes training, shipping, and installation of the hardware.

EXCLUDES: Any other information technology hardware. Also, excludes hardware costing less than $1,000 and a life expectancy of less than two years. Excludes all items where the government has taken title (APF).

TYPE OF TRANSACTION	DR 177	CR 177	OFFSET ENTRY
1. Item purchased	X		101, 201
2. Disposal of Asset		X	101, 11X 174, 813 913
3. Transfers in	X		178, 287
4. Transfers out to other NAFIs		X	178, 287
5. Property donations	X		288

GLAC 178: Accumulated Amortization of Information Technology (IT) Hardware

INCLUDES: Accumulated amortization charges for IT hardware expensed to-date for items recorded in GLAC 177.

EXCLUDES: Amortization for any information technology software.

TYPE OF TRANSACTION	DR 178	CR 178	OFFSET ENTRY
1. Periodic amortization		X	798
2. Disposal of Asset	X		101, 11X 177, 813, 913
3. Transfers out	X		177, 287

GLAC 179: Fixed Assets in Transit

INCLUDES: Fixed assets paid for on a proof of shipment, but not yet received and items received but not installed. Items must be valued at more than $1,000 with a life expectancy of two or more years and would be added to the master fixed asset listing (MFAL).

EXCLUDES: All items identified in GLAC 185, Construction in Progress.

TYPE OF TRANSACTION	DR 179	CR 179	OFFSET ENTRY
1. Items in transit	X		201
2. Completed items		X	171, 173, 178 181, 183, 186 175

GLAC 181: Fixed Assets-Furniture and Equipment (NAF)

INCLUDES: Acquisition cost of individual items, which cost $1,000 or more, have a life expectancy of two years or more, and do not lose their identity in use. This includes furniture, equipment, vehicles, NAF-owned amusement machines, aircraft, portable buildings, etc. Cost includes purchase price plus transportation and installation charges.

EXCLUDES: Property costing less than $1,000, all chaplain fund property, and all furniture, and fixtures and equipment where government (APF) has taken title.

TYPE OF TRANSACTION	DR 181	CR 181	OFFSET ENTRY
1. Item purchased	X		101, 201 913
2. Transfers in	X		185, 287
3. Property donations	X		288
4. Disposal of Asset		X	101, 11X, 182 913, 813
5. Transfers out to other NAFIs		X	182, 287

GLAC 183: Fixed Assets-Furniture and Equipment - APF Title

INCLUDES: Acquisition costs of individual items where title is transferred to APF. These items cost $1,000 or more, have a life expectancy of two years or more, and do not lose their identity in use.

EXCLUDES: All items not authorized to be transferred to APF.

TYPE OF TRANSACTION	DR 183	CR 183	OFFSET ENTRY
1. Equipment Purchased with NAF Funds	X		101, 201
2. Transfers in		X	185, 287
3. Transfers out		X	287
4. Disposal of Assets		X	184, 913 813

GLAC 184: Accumulated Depreciation-Fixed Assets – Furniture & Equipment - APF Title

INCLUDES: The depreciation expensed to date on items capitalized in GLAC 183. Depreciation should start one month after equipment installation.

EXCLUDES: Accumulated depreciation or amortization from other than GLAC 183.

TYPE OF TRANSACTION	DR 184	CR 184	OFFSET ENTRY
1. Disposal of assets	X		183, 913 813
2. Deletion of fully depreciated assets	X		183
3. Periodic depreciation		X	798

GLAC 185: Construction In Progress

INCLUDES: The cost of construction in progress, including progress payments and equipment, bulk expendable items, supply items, furniture and fixtures acquired during construction. Transfer completed projects within 30 days of beneficial occupancy to GLAC 130, 194, 171, 173, 175, 177, 181, 183, or 186 (refer to **Chapter 7**).

TYPE OF TRANSACTION	DR 185	CR 185	OFFSET ENTRY
1. Contract increments	X		201
2. Completed projects		X	181, 183 186, 130 194, 171 173, 175 177

GLAC 186: Facilities and Improvements

INCLUDES: Acquisition cost of permanent facilities acquired or improvements made on existing permanent facilities from nonappropriated funds, costing $1,000 or more, and having a life expectancy of two years or more.

EXCLUDES: All items identified in GLACS 171, 173, 175, 177, 181, 183, or 188.

TYPE OF TRANSACTION	DR 186	CR 186	OFFSET ENTRY
1. Facilities purchased or improved with NAF Funds			
2. Transfers in	X		185, 287
3. Disposal of Assets		X	187, 913 813

GLAC 187: Accumulated Depreciation-Facilities and Improvements

INCLUDES: The depreciation expensed to-date on items capitalized in GLAC 186. Depreciation should start within 30 days after beneficial occupancy.

EXCLUDES: Accumulated depreciation or amortization from any GLAC other than 186.

TYPE OF TRANSACTION	DR 187	CR 187	OFFSET ENTRY
1. Disposal of Assets	X		186, 913 813
2. Periodic depreciation		X	799

GLAC 188: Capital Leases

INCLUDES: Assets for which ownership will be transferred to the NAFI at the end of the lease or a lease where an option to purchase is included (commercial leases, when authorized by HQ AFSVA/SVF).

EXCLUDES: Items purchased under the NAF Capital Lease program.

TYPE OF TRANSACTION	DR 188	CR 188	OFFSET ENTRY
1. Establish lease (current)	X		249
2. Establish lease (long term portion)	X		260
3. Exercise option to purchase		X	181
4. Exercise option to terminate		X	913

GLAC 191: Long-Term Lease Receivable

INCLUDES: Portion of leases outstanding that will not be collected during the next 12 months.

EXCLUDES: Leases recordable in GLAC 116.

TYPE OF TRANSACTION	DR 191	CR 191	OFFSET ENTRY
1. Disbursement of lease	X		101
2. Portions of lease, which become current		X	116

GLAC 205: Federal Withholding Taxes Payable

INCLUDES: Federal withholding tax withheld from employees' wages but not paid to IRS. Disbursements are made according to IRS requirements.

TYPE OF TRANSACTION	DR 205	CR 205	OFFSET ENTRY
1. Employee deduction		X	217
2. Disbursement to IRS	X		101

GLAC 206: State and Local Taxes Payable

INCLUDES: State or local taxes withheld but not paid. If amounts withheld involve more than one entity, the amount payable to each is determined by reviewing the biweekly payroll lists.

TYPE OF TRANSACTION	DR 206	CR 206	OFFSET ENTRY
1. Employee deductions		X	217
2. Tax payments	X		101

GLAC 207: Federal Insurance Contribution Act (FICA) Taxes Payable

INCLUDES: FICA tax, withheld from employees' pay and employer's contribution not paid to IRS. Also includes withholding on tips that are subject to FICA tax.

TYPE OF TRANSACTION	DR 207	CR 207	OFFSET ENTRY
1. Employee deduction		X	217
2. Employer contributions accrued		X	703
3. Payments	X		101

GLAC 209: Severance Benefits Payable

INCLUDES: Actual or estimated liability for employee severance benefits to be paid within the next 12 months.

TYPE OF TRANSACTION	DR 209	CR 209	OFFSET ENTRY
1. Accruals		X	711
2. Payments	X		101, 108
3. Transfer (from long term)		X	259
4. Foreign currency rate adjustments	X	X	910, 117

GLAC 210: Retirement Fund Payable

INCLUDES: Retirement premium costs (employee and employer share) withheld and accrued but not paid to the designated pension fund.

TYPE OF TRANSACTION	DR 210	CR 210	OFFSET ENTRY
1. Employee deduction		X	217
2. Employer contributions accrued		X	712
3. Payments	X		101

GLAC 211: Bonds Payable

INCLUDES: Employee deductions for US saving bonds but not paid to bond issuing agent.

TYPE OF TRANSACTION	DR 211	CR 211	OFFSET ENTRY
1. Employee deductions		X	217
2. Bonds purchased	X		101

GLAC 212: Union Dues Payable

INCLUDES: Union dues withheld from employees but not paid to applicable union.

TYPE OF TRANSACTION	DR 212	CR 212	OFFSET ENTRY
1. Employee deductions		X	217
2. Payments to union	X		101

GLAC 213: Charity Deductions Payable

INCLUDES: Deductions for charity withheld from employees but not paid to the authorized charitable organizations.

TYPE OF TRANSACTION	DR 213	CR 213	OFFSET ENTRY
1. Employee deductions		X	217
2. Payment to charities	X		101

GLAC 216: Group Health and Life Insurance Payable

INCLUDES: Insurance premiums withheld from employees and the employer's share of premium not yet paid to the carrier.

TYPE OF TRANSACTION	DR 216	CR 216	OFFSET ENTRY
1. Employee deduction		X	217
2. Employer contributions accrued		X	705
3. Payments	X		101

GLAC 217: Accrued Payroll

INCLUDES: Salaries and wages earned but not paid. The accrual is made at the end of one accounting period and reversed at the beginning of the following accounting period.

TYPE OF TRANSACTION	DR 217	CR 217	OFFSET ENTRY
1. Accruals		X	701, 702, etc.
2. Accrual reversal	X		701, 702, etc.

GLAC 218: Health Maintenance Insurance (HMO) Payable

INCLUDES: Health Maintenance Organization (HMO) premiums withheld from employees and employer's share of HMO premium that have not been paid to the HMO.

EXCLUDES: Group Health and Life Insurance Premium (GLAC 216) payable to Air Force.

TYPE OF TRANSACTION	DR 218	CR 218	OFFSET ENTRY
1. Employee deduction		X	217
2. Employer contributions accrued		X	705
3. Payments	X		101

GLAC 222: Separation Allowances Payable

INCLUDES: Actual or estimated liability for employee separation allowances to be paid within the next 12 months.

TYPE OF TRANSACTION	DR 222	CR 222	OFFSET ENTRY
1. Accruals		X	707
2. Payments	X		101, 108
3. Transfer (from long term)		X	258
4. Foreign currency rate adjustments	X	X	910, 117

GLAC 224: Allotments Payable

INCLUDES: Allotments withheld from employees' pay that are to be paid to authorized financial organizations.

TYPE OF TRANSACTION	DR 224	CR 224	OFFSET ENTRY
1. Employee allotments		X	217
2. Payments to financial organizations	X		101

GLAC 227: Reserved

GLAC 229: C.A.R.E. Accrual

INCLUDES: Amounts for accrual of transactions as identified in the C.A.R.E. system between the end of cycle date and the actual end of month.

EXCLUDES: Any other payable.

TYPE OF TRANSACTION	DR 229	CR 229	OFFSET ENTRY
1. Accrual		X	Expense Accts
2. Reversal	X		Expense Accts

GLAC 2328: Name Brand Gift Cards

INCLUDES: Gift cards sold in a name brand food operation facility.

EXCLUDES: All other gift cards/certificates.

TYPE OF TRANSACTION	DR 2328	CR 2328	OFFSET ENTRY
1. Gift Cards issued		X	101
2. Gift Cards redeemed	X		301, 303

GLAC 249: Other Payables

INCLUDES: Other amounts due for various payables such as interest, awards (non-personnel), fees, veterinary surcharge, lease payments, etc., or transactions not properly recordable to another liability account.

EXCLUDES: Deposit validation variances.

TYPE OF TRANSACTION	DR 249	CR 249	OFFSET ENTRY
1. Establish liability		X	175, 188 7XX, 9XX
2. Transfer liability to income accounts	X		5XX, 8XX
3. Payment	X		101

GLAC 258: Separation Allowances Payable

INCLUDES: Actual or estimated liability for separation allowances beyond 12 months.

EXCLUDES: That portion payable within 12 months (GLAC 222).

TYPE OF TRANSACTION	DR 258	CR 258	OFFSET ENTRY
1. Benefits accrued		X	707
2. Payments	X		101
3. Establish retroactive amount		X	286
4. Transfer to current (within next 12 months)	X		222
5. Foreign currency rate adjustments	X	X	910

GLAC 259: Severance Benefits Payable

INCLUDES: Actual or estimated liability for employee benefits beyond 12 months.

EXCLUDES: That portion payable within 12 months (GLAC 209).

TYPE OF TRANSACTION	DR 259	CR 259	OFFSET ENTRY
1. Benefits accrued		X	711
2. Payments	X		101
3. Establish retroactive amount		X	286
4. Transfer to current (within next 12 months)	X		222
5. Foreign currency rate adjustments	X	X	910

GLAC 274: Outstanding Orders--MAJCOM Funded

INCLUDES: The value of MAJCOM funded outstanding orders (contracting documents such as 2209s, AF Form 9s, AFNAFPO purchases, etc.) that have been issued to obligate funds for goods or services, but the NAFI has not received the goods or services. For partial shipments, only the portion that has not been received is outstanding. For construction contracts, the outstanding portion is the total contract cost less any progress payments previously set up in accounts payable or paid to the contractor. NOTE: Consider orders to be funded by MAJCOM, if the MAJCOM has said to expect reimbursement for the expenditure from them.

TYPE OF TRANSACTION	DR 274	CR 274	OFFSET ENTRY
1. Base: Reverse prior month JV		X	273, 275 290
2. MAJCOM/AF: Reverse prior month JV	X		290
3. Base: Outstanding Order to be funded by MAJCOM	X		273, 275 290
4. MAJCOM: Outstanding orders funded by MAJCOM for bases		X	290

GLAC 276: Capital Requirements – Total – Outyears (Years 2-5)

INCLUDES: The value of planned capital expenditures that are reflected on the NRB and approved by the base or command NAFs Council for purchase or contract award for outyears 2-5. Includes equipment, quantity expendable (bulk) equipment, high value supplies, and facilities.

EXCLUDES: NRB items approved for purchase within the next 12 months and NRB items already on order. NOTE: Each month's journal entry reflects the planned capital expenditures for outyears 2-5.

TYPE OF TRANSACTION	DR 276	CR 276	OFFSET ENTRY
1. Reverse prior month JV	X		290
2. Establish approved budget amount outyears 2-5			

GLAC 277: Capital Requirements – Total – Current 12 Months

INCLUDES: The value of planned capital expenditures reflected on the NRB and approved by the base or command NAFs council for purchase or contract award within the next 12 months. Includes equipment and facilities that qualify for capitalization (GLACs 170-189). Each month's journal entry reflects the planned capital expenditures for the next 12 months.

EXCLUDES: NRB items that qualify for capitalization that are already on order.

TYPE OF TRANSACTION	DR 277	CR 277	OFFSET ENTRY
1. Reverse prior month JV	X		278, 279 290
2. Base: All approved NRB items the base expects to buy in the next 12 months regardless of funding source.		X	278, 279 290
3. MAJCOM: All approved items the MAJCOM expects to buy for MAJCOM HQ operations in the next 12 months.		X	278, 290
4. AF: All approved items that AF expects to buy for AF HQ operations in the next 12 months.			

GLAC 278: Capital Requirements--MAJCOM Funded – Current 12 Months

INCLUDES: The value of MAJCOM funded/planned capital expenditures reflected on the NAF Requirements Budget and approved by the base or command NAFs council for purchase or contract award within the next 12 months. Includes equipment and facilities that qualify for capitalization (includes GLACS 170-189). Each month's journal entry reflects the planned capital expenditures for the next 12 months. *Note:* Consider expenditures to be funded by MAJCOM, if you expect your MAJCOM to eventually reimburse you for the expenditure or if you are seeking MAJCOM funding assistance for the item.

EXCLUDES: NRB items that qualify for capitalization that are already on order.

TYPE OF TRANSACTION	DR 278	CR 278	OFFSET ENTRY
1. Base: Reverse prior month JV		X	277, 279 290
2. MAJCOM: Reverse prior month JV	X		290
3. Base: All approved NRB items that will be funded by MAJCOM			290
4. MAJCOM: Total projected cost of MAJCOM approved NRB items to be funded by MAJCOM for the bases.		X	290

GLAC 279: Capital Requirements-AF Funded – Current 12 Months

INCLUDES: The value of AF funded/planned capital expenditures reflected on the NRB and approved by the base or command NAFs council for purchase or contract award within the next 12 months. Includes equipment and facilities that qualify for capitalization (includes GLACS 170-189). Each month's journal entry reflects the planned capital expenditures for the next 12 months. *Note:* Consider expenditures to be funded by AF, if you expect AF to eventually reimburse you for the expenditure or if you are seeking AF funding assistance for the item.

EXCLUDES: NRB items that qualify for capitalization that are already on order.

TYPE OF TRANSACTION	DR 279	CR 279	OFFSET ENTRY
1. Base: Reverse prior month JV		X	277, 278 290
2. MAJCOM: Reverse prior month JV	X		290
3. Air Force: reverse prior month JV	X		290
4. Base: All approved NRB items that will be funded by Air Force	X		277, 278 290
5. MAJCOM: All approved NRB items that will be funded by AF	X		290
6. Air Force: Total projected cost of command approved NRB items that Air Force will fund for MAJCOM/bases		X	290

GLAC 280: Reserved Equity - Expendable Purchases – Total – Current 12 Months

INCLUDES: The value of the planned/funded unexpended portion of the next 12 months' expendable purchases that do not meet the capitalization criteria (recorded in GLACs 277, 278, and 279) and that have not been obligated. These items would be approved for purchase and included on the cash flow budget.

EXCLUDES: Items recorded as capital requirements (GLAC 277, 278, and 279) and items obligated for purchase.

TYPE OF TRANSACTION	DR 280	CR 280	OFFSET ENTRY
1. Reverse prior month JV	X		284, 285 290
2. Base: All approved NRB items the base expects to buy in the next 12 months regardless of funding source.		X	284, 285 290
3. MAJCOM: All approved NRB items that MAJCOM expects to buy for MAJCOM HQ operations in the next 12 months.		X	284, 290
4. AF: All approved NRB items that AF expects to buy for AF HQ operations in the next 12 months.		X	290

GLAC 284: Expendable Purchases – MAJCOM Funded - Current 12 Months

INCLUDES: The value of MAJCOM funded/planned unexpended portion of the next 12 months' expendable purchases that do not meet the capitalization criteria (recorded in GLACs 277, 278, and 279) and that have not been obligated. These items would be approved for purchase and included on the cash flow. NOTE: Consider expenditures to be funded by AF, if you expect AF to eventually reimburse you for the expenditure or if you are seeking AF funding assistance for the items. NOTE: Each month's journal entry reflects the planned purchases of expendable purchases for the next 12 months.

EXCLUDES: Items recorded as capital requirements (GLAC 277, 278, and 279) and items obligated for purchase. Outstanding requirements funded by a different organizational level (for example, the base does not record outstanding requirements that AF or base funds).

TYPE OF TRANSACTION	DR 284	CR 284	OFFSET ENTRY
1. Base: Reverse prior month JV		X	280, 285, 290
2. MAJCOM/AF: Reverse prior month JV	X		290
3. Base: All approved NRB items that will be funded by MAJCOM	X		280, 285, 290
4. MAJCOM: Total projected cost of command approved NRB items to be funded by MAJCOM for the bases		X	290

GLAC 285: Expendable Purchases – AF Funded – Current 12 Months

INCLUDES: The value of AF Funded/planned unexpended portion of the next 12 months' expendable purchases that do not meet the criteria of fixed assets (recorded in GLACS 277, 278, and 279) and that have not been obligated. These items would be approved for purchase and included on the cash flow budget. These items are from the NRB. NOTE: Consider expenditures to be funded by AF if you expect AF to eventually reimburse you for the expenditure or if you are seeking AF funding assistance for the items. NOTE: Each month's journal entry reflects the planned purchases of expendable purchases for the next 12 months.

EXCLUDES: Items recorded as capital requirements (GLAC 277, 278, and 279) and items obligated for purchase. Outstanding requirements funded by a different organizational level (for example, the base does not record outstanding requirements that base or MAJCOM funds).

TYPE OF TRANSACTION	DR 285	CR 285	OFFSET ENTRY
1. Base: Reverse prior month JV		X	280, 284, 290
2. MAJCOM/AF: Reverse prior month JV	X		290
3. Base: All approved NRB items that will be funded by AF	X		280, 284, 290
4. MAJCOM/AF: All approved NRB items that will be funded by AF		X	290

GLAC 286: Unamortized Retroactive Severance Benefits

INCLUDES: The retroactive portion of benefits caused by renegotiations of the union contract or Status of Forces Agreement for pay and benefits. GLAC 259 (Severance/Separation BenefitsLongTerm) will be credited for the same amount.

TYPE OF TRANSACTION	DR 286	CR 286	OFFSET ENTRY
1. Establish retroactive amount	X		259
2. Year-end closing		X	290

GLAC 289: Reserved

GLAC 290: Fund Equity-Prior Years

INCLUDES: The excess of assets over liabilities representing the cumulative balance of fund equity as of the end of the previous year.

TYPE OF TRANSACTION	DR 290	CR 290	OFFSET ENTRY
1. Year-end closing	X	X	281, 282 283, 286 287, 288 289
2. Expense for the year (automated posting)		X	4XX, 6XX
	X		3XX, 5XX 8XX
3. Reserved equity adjustments	X	X	273 – 280 284, 285

GLAC 3015: Delivery Sales – Non-Tip Environment

INCLUDES: Cash and charge sales of food, beverages, and other merchandise that are delivered to another facility/home.

EXCLUDES: Service fees and sales for items purchased and served within the facility or bulk alcoholic beverages delivered to another location. Excludes sales attributed to tipped employees (refer to GLACs 3011-3014 and 3031-3034).

TYPE OF TRANSACTION	DR 3015	CR 3015	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3016: Bar Sales –Non-Tip Environment (1st Area-Shared Kitchen)

INCLUDES: Cash and charge sales of alcoholic beverages in a shared kitchen. A shared kitchen is two activities that are sharing their inventory in a single kitchen, i.e., JR Rockers & NYPD.

EXCLUDES: Service fees and sales of items purchased and served within the facility or bulk alcoholic beverages delivered to another location or sales attributed to tipped employees (refer to GLACs 3011-3014 and 3031-3034).

TYPE OF TRANSACTION	DR 3016	CR 3016	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3017: Bulk Beverage Sales-Non-Tip Environment

INCLUDES: Cash and charge sales of bulk beverages.

EXCLUDES: Service fees and sales for items purchased and served within the facility and sales attributed to tipped employees (refer to GLACs 3011-3014 and 3031-3034).

TYPE OF TRANSACTION	DR 3017	CR 3017	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3018: Sundry Sales (Shared Kitchen Facility)

INCLUDES: Cash and charge sales of sundry type items.

EXCLUDES: Service fees, activity revenues, and sales for items purchased in a tipped environment (refer to GLACs 3011-3014 and 3031-3034).

TYPE OF TRANSACTION	DR 3018	CR 3018	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 302: Sales Discounts Offered in any other MAJCOM

INCLUDES: Sales discounts offered under the preferred members plus program.

EXCLUDES: Discounts offered in any other MAJCOMs.

TYPE OF TRANSACTION	DR 302	CR 302	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 303: Sales – Non-Tip Environment (2nd Area with a Shared Kitchen)

INCLUDES: Cash and charge sales of food and beverage sales in an area with a shared kitchen.

EXCLUDES: Service fees and sales attributed to tipped employees (refer to GLACs 3011-3014 and 3031-3034).

TYPE OF TRANSACTION	DR 303	CR 303	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3031: Cash Sales-Tip Environment (2nd Area with a Shared Kitchen)

INCLUDES: Cash food and beverage sales that are attributed to tipped employees in an area with a shared kitchen.

EXCLUDES: Service fees, special function sales, and sales not attributed to tipped employees.

TYPE OF TRANSACTION	DR 3031	CR 3031	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3032: Charge Sales – Tip Environment – No tips (2nd Area with a Shared Kitchen)

INCLUDES: Charge food and beverage sales that are attributed to tipped employees without receiving changed tips in an area with a shared kitchen.

EXCLUDES: Service fees, special function sales, and sales not attributed to tipped employees.

TYPE OF TRANSACTION	DR 3032	CR 3032	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3033: Charge Sales – Tip Environment – with Tips (2nd area with a Shared Kitchen)

INCLUDES: Charge food and beverage sales that are attributed to tipped employees receiving charged tips in an area with a shared kitchen.

EXCLUDES: Service fees, special function sales, and sales not attributed to tipped employees.

TYPE OF TRANSACTION	DR 3033	CR 3033	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3035: Bar Sales – (2nd Area with a Shared Kitchen)

INCLUDES: Cash and charge sales of alcoholic beverages in an area with a shared kitchen.

EXCLUDES: Service fees, special functions sales, and sales attributed to tipped employees.

TYPE OF TRANSACTION	DR 3035	CR 3035	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3036: Bonanza Bingo Sales

INCLUDES: Cash and charge sales of bonanza-type bingo cards.

EXCLUDES: Sales of all other types including regular bingo programs.

TYPE OF TRANSACTION	DR 3036	CR 3036	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3037: Bulk beverage sales – Non-Tip Environment – (2nd Area with a Shared Kitchen)

INCLUDES: Cash and charge sales of bulk beverage sales.

EXCLUDES: Service fees and sales for items purchased for consumption inside the facility and sales attributed to tipped employees (refer to GLACs 3011-3014 and 3031-3034).

TYPE OF TRANSACTION	DR 3037	CR 3037	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 3038: Sundry Sales – (2nd Area with Shared Kitchen)

INCLUDES: Cash and charge sales of sundry-type items for a second area with a shared kitchen.

EXCLUDES: Service fees, activity revenues, and sales for items purchased in a tipped environment (refer to GLACs 3011-3014 and 3031-3034).

TYPE OF TRANSACTION	DR 3038	CR 3038	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 4014: Resale - Discounts Earned

INCLUDES: Discounts for prompt payment of resale purchases (i.e., 2% discount, if the invoice is paid within 10 days). Also, includes the total discount earned on a mixed invoice (i.e., an invoice containing both resale and supply items) when the discount is offered on the same invoice. Note: If the invoice is not paid by the discount terms, record the amount of the lost discount to GLAC 794, Discounts Lost.

EXCLUDES: CVPP discounts, non-resale items except those supply items on a mixed invoice.

TYPE OF TRANSACTION	DR 4014	CR 4014	OFFSET ENTRY
1. Resale discounts earned		X	201
2. Year-end closing	X		290

GLAC 4015: Prime Vendor Rebate

INCLUDES: Prime Vendor rebates for resale inventory items, where the benefiting cost center is identifiable. Record in appropriate cost center.

EXCLUDES: Prime Vendor rebates for non-inventory purchases, or where cost center is not identifiable. Record unidentifiable rebates in GLAC 834 A1.

TYPE OF TRANSACTION	DR 4015	CR 4015	OFFSET ENTRY
1. Reimbursement received		X	101
2. Year-end closing	X		290

GLAC 506: Concession Income

INCLUDES: NAFs share of income from concessionaire operations, such as barber shops, pro shops, vending machines, etc. (where a contract exists between concessionaire and NAFI).

TYPE OF TRANSACTION	DR 506	CR 506	OFFSET ENTRY
1. Amount earned		X	101, 115
2. Refunds or adjustments	X		101, 115 249
3. Year-end closing	X		290

GLAC 511: Reserved

GLAC 512: Activity Revenue Discounts – Preferred Members Plus (AFMC only)

INCLUDES: Activity revenue discounts – Preferred Members Plus.

EXCLUDES: Discounts offered in any other MAJCOMs.

TYPE OF TRANSACTION	DR 512	CR 512	OFFSET ENTRY
1. Sales		X	101, 125
2. Sales returns	X		101, 125
3. Year-end closing	X		290

GLAC 513: Payment for Services Rendered – Military Phenomenon

INCLUDES: APF receipts in support of expenses incurred as a result of military phenomena and recorded in GLACS 970-973. Amounts received should be recorded in the cost center in which the expenses were incurred.

TYPE OF TRANSACTION	DR 513	CR 513	OFFSET ENTRY
1. Payment		X	101, 115
2. Year-end closing	X		290

GLAC 514: Funding for MWR During Special Security Conditions

INCLUDES: APF receipts in support of expenses incurred as a result of special security conditions and recorded in GLACS 970 and 974-976. Amounts received should be recorded in the cost center in which the expenses were incurred.

TYPE OF TRANSACTION	DR 514	CR 514	OFFSET ENTRY
1. Payment		X	101, 115
2. Year-end closing	X		290

GLAC 518: Payment for Non-Strategic Sourcing MOA

INCLUDES: Amounts received from other non-services organizations for NAF costs associated with operating programs as required by the intra-service (ISA) or Memorandum of Agreement (MOA), i.e., dining facilities, laundry service, etc.

EXCLUDES: Amounts received for NAF MOAs or for strategic sourcing MOAs.

TYPE OF TRANSACTION	DR 518	CR 518	OFFSET ENTRY
1. Payment		X	101, 115
2. Year-end closing	X		290

GLAC 519: Payment for NAF MOAs

INCLUDES: Amounts received from other non-services NAFIs for NAF costs associated with operating programs as required by the intra-service agreement (ISA) or Memorandum of Agreement (MOA), i.e., accounting support for chapel programs, etc.

EXCLUDES: Amounts received from APF.

TYPE OF TRANSACTION	DR 519	CR 519	OFFSET ENTRY
1. Payment		X	101, 115
2. Year-end closing	X		290

GLAC 520: Payment for Strategic Sourcing MOA (MWR Fund only)

INCLUDES: Amounts received from strategic sourcing of activities within the MWR fund. Activities must be part of the footprint as identified in the agency strategic sourcing guide.

EXCLUDES: All other amounts received for MOAs.

TYPE OF TRANSACTION	DR 520	CR 520	OFFSET ENTRY
1. Payment		X	101, 115
2. Year-end closing	X		290

GLAC 701: NAF Payroll

INCLUDES: The cost of wages, salaries, transfers from cost center to cost center, and benefits, such as taxable meals.

EXCLUDES: Personnel expenses applicable to GLACs 702 and 715. Accrued annual leave that is recorded to GLAC 713.

TYPE OF TRANSACTION	DR 701	CR 701	OFFSET ENTRY
1. Accrued payroll expenses	X		217
2. Accrual for end of accounting period	X		217
3. Reverse prior period accrual		X	217
4. Labor transfers	X	X	CCC
5. Year-end closing		X	290

GLAC 707: Foreign Nationals' Benefits (Overseas Only)

INCLUDES: The cost of benefits given to Foreign National employees, such as meals, group insurance, retirement, bonus, separation allowances, and training and travel. Include expense applicable to labor transferred from other cost centers.

EXCLUDES: Awards and wages earned while in a TDY status.

TYPE OF TRANSACTION	DR 707	CR 707	OFFSET ENTRY
1. Benefits earned	X		201, 222 225, 258
2. Labor transfer	X	X	CCC
3. Year-end closing		X	290

GLAC 709: Sick Leave

INCLUDES: Regular pay paid as sick leave in the month incurred for US and FN employees.

EXCLUDES: Any sick leave accruals.

TYPE OF TRANSACTION	DR 709	CR 709	OFFSET ENTRY
1. Sick leave expense for the PP	X		217
2. Year-end closing		X	290

GLAC 711: Severance Benefits

INCLUDES: The expensing of severance and terminal benefits for NAFI employees. Include expense applicable to labor transferred from other cost centers.

EXCLUDES: Accruals of severance expense for closing bases (refer to GLAC 964).

TYPE OF TRANSACTION	DR 711	CR 711	OFFSET ENTRY
1. Benefit accruals	X		209, 259
2. Labor transfers	X	X	CCC
3. Year-end closing		X	290

GLAC 723: Maintenance and Repair-Fund Owned

INCLUDES: The cost of maintenance and repair of Fixed AssetsNAF, expendable equipment, and slot machines. Includes cost of parts and materials and other applicable costs.

EXCLUDES: Costs of maintenance and repair on property and equipment that is not NAF-owned. Also, labor cost of mechanics that are under individual services contracts.

TYPE OF TRANSACTION	DR 723	CR 723	OFFSET ENTRY
1. Costs incurred	X		201
2. Prepaid expense	X		130
3. Year-end closing		X	290

GLAC 724: Maintenance and Repair-Non Fund Owned

INCLUDES: The cost of maintenance, repair and inspection fees for NAF purchased assets transferred to APF, authorized TA APF equipment or leased equipment. Includes cost of parts and materials and other applicable cost.

EXCLUDES: Costs of maintenance and repair on property that is NAF-owned. Also, labor cost of mechanics that are under individual service contracts.

TYPE OF TRANSACTION	DR 724	CR 724	OFFSET ENTRY
1. Costs incurred	X		201
2. Prepaid expense	X		130
3. Year-end closing		X	290

730: AF Initiative Expenses (AF Purchased)

INCLUDES: The cost of base-level operating expenses purchased by AF in support of an AF initiative (i.e., TLF, Club – Core Menu, Core Catering, and Signature Brands). These expenses are recorded at the user level in the base-level cost center that benefits from the items purchased in support of the AF initiative. AFSVA/SVF will provide the dollar amount authorized to be recorded in GLAC 730 for each AF purchase.

EXCLUDES: All purchases, regardless of funding level, when the purchase qualifies as a capital asset or a bulk purchase of expendable equipment. Note: The benefiting base would record these items in the applicable asset (GLAC 171, 181, etc.) and depreciate or amortize using GLAC 797 or 798, to the benefiting cost center code. Also, excludes any locally or MAJCOM purchased operating expenses in support of the AF initiative.

TYPE OF TRANSACTION	DR 730	CR 730	OFFSET ENTRY
1. Receipt of operating expense item (paid for by AF)	X		287
2. Year-end closing		X	290

GLAC 731: Amusement Machine Operating Expense

INCLUDES: Prorated share of expenses from CCC AA to the benefiting cost center code. The proration method is based on a combination of the number of machines and amusement machine income (GLAC 505) generated by the machines in the benefiting cost center.

TYPE OF TRANSACTION	DR 731	CR 731	OFFSET ENTRY
1. Amount of prorated amusement machine expense. Record GLAC 731 in the benefiting cost center code	X		801 AA
2. Year-end closing		X	290

GLAC 750: Club Member Promotion Discount

INCLUDES: Discounts authorized for club members, family members, and their bona fide guests for food purchases.

EXCLUDES: Purchases of alcohol.

TYPE OF TRANSACTION	DR 750	CR 750	OFFSET ENTRY
1. Costs incurred	X		301, 303X
2. Year-end closing		X	290

GLAC 7522: Be Our Guest – Name Brand Coupons

INCLUDES: Face value of coupons given by name brand food operations to customers for free food or beverages.

EXCLUDES: All other coupons.

TYPE OF TRANSACTION	DR 7522	CR 7522	OFFSET ENTRY
1. Cost incurred	X		301X, 303X
2. Year-end closing		X	290

GLAC 766: Interest Expense – Commercial Capital Lease

INCLUDES: Commercial capital lease interest payments, which will be recorded in the benefiting cost center expenses.

EXCLUDES: All NAF Capital Lease interest payments, which will be recorded in the benefiting cost center expenses.

TYPE OF TRANSACTION	DR 766	CR 766	OFFSET ENTRY
1. Cost incurred	X		249
2. Year-end closing		X	290

GLAC 768: Franchise Fee/Royalties

INCLUDES: The franchise fees and royalties paid to the owner of a company for use of their company name (Name Brand Operations) and the right to sell their products.

EXCLUDES: Monies paid to anyone other than the Signature Brand Operations company owner.

TYPE OF TRANSACTION	DR 768	CR 768	OFFSET ENTRY
1. Amount of initial franchise fee	X		201, 249
2. Amount of monthly/quarterly fees	X		201, 249
3. Year-end closing		X	290

GLAC 773: Uncollectible Returned Checks Expense

INCLUDES: Write off or allowance for uncollectible returned checks. Must be recorded in CCC A1 in MWR Funds and CCC 31 in Lodging Funds.

EXCLUDES: Write off or estimated write offs for all other accounts or recoursed accounts.

TYPE OF TRANSACTION	DR 773	CR 773	OFFSET ENTRY
1. Uncollectible amount (accrual)	X		120
2. Adjustments	X	X	120
3. Year-end closing		X	290

GLAC 774: Uncollected Special Functions

INCLUDES: Dollar amount of denied credit card transactions for special function prorata processed through the Air Force Club Membership Maintenance Software program. Club must follow-up on denied credit card transactions to get another method of payment from the POC for the denied transaction. Also, includes dollar amount of any other uncollected amounts from special functions (i.e., missing prorata sheets or unpaid parties). The expense is charged to the cost center receiving the benefit of the special function revenue (i.e., club, golf course, specialty restaurant, etc.). If this is not identifiable, then the expense is charged to the club's administrative cost center code. Write off uncollected special functions in accordance with AFI 34-202 and AFMAN 34-212.

TYPE OF TRANSACTION	DR 774	CR 774	OFFSET ENTRY
1. Denied credit card transactions	X		101
2. Receipt of payment for denied credit card transactions		X	101
3. Uncollected special function amounts approved for write off	X		111
4. Year-end closing		X	290

GLAC 777: Travel/Transportation of Persons

INCLUDES: TDY and travel costs paid with NAFs. Includes per diem, airline tickets, rental car, and PCS move costs. Record costs in the activity receiving the benefit (i.e., travel costs for bowling center employee are recorded into the bowling center cost center code).

EXCLUDES: Payroll expenses of personnel going TDY or PCS. Excludes conference/training registration fees that should be recorded in GLAC 706.

TYPE OF TRANSACTION	DR 777	CR 777	OFFSET ENTRY
1. Travel and Transportation Expense	X		201
2. Year-end closing		X	290

GLAC 779: Central Kitchen Operating Expense (CWF Only)

INCLUDES: The prorated share of central kitchen operating expenses that are transferred to Civilian Welfare Fund activities. Use the proration from your MAJCOM, if provided.

EXCLUDES: Inventory costs that will use GLAC 401 in both the central kitchen and the receiving Base Restaurant activity.

TYPE OF TRANSACTION	DR 779	CR 779	OFFSET ENTRY
1. Activity's share of central kitchen operating expense	X		801 (in central kitchen)
2. Year-end closing		X	290

GLAC 784: Recoursed Accounts Write-off Expense

INCLUDES: Write off or allowance for uncollectible recoursed accounts.

EXCLUDES: Write off or estimated write offs for all other accounts or returned checks.

TYPE OF TRANSACTION	DR 784	CR 784	OFFSET ENTRY
1. Uncollectible Amount	X		124
2. Adjustments	X	X	124
3. Year-end closing		X	290

GLAC 786: Bad Debt Expenses - Other

INCLUDES: Write off or allowance for uncollectible accounts receivable.

EXCLUDES: Write off or estimated write offs for accounts recoursed under the Air Force club membership program (also called Recourse Accounts) and uncollectible returned checks.

TYPE OF TRANSACTION	DR 786	CR 786	OFFSET ENTRY
1. Uncollectible Amount	X		120
2. Adjustments	X	X	120
3. Year-end closing		X	290

GLAC 794: Discounts Lost

INCLUDES: Amount of vendor discounts lost due to failure to meet payment terms. Record in the NAF AO CCC.

EXCLUDES: Prompt payment interest expense, GLAC 767.

TYPE OF TRANSACTION	DR 794	CR 794	OFFSET ENTRY
1. Lost discount amount	X		201
2. Year-end closing		X	290

GLAC 798: Depreciation/Amortization Fixed Assets – Furniture and Equipment

INCLUDES: Depreciation expense on NAF purchased furniture and equipment that meet the capitalization criteria (NAF or APF title). Includes depreciation of information technology hardware, software, and software in development. Also, includes amortization of commercial capital lease of furniture or equipment and repairs of equipment that qualifies to be capitalized.

EXCLUDES: Depreciation of NAF purchased facilities or renovations, NAF capital lease items, and amortization of quantity expendable (bulk) items.

TYPE OF TRANSACTION	DR 798	CR 798	OFFSET ENTRY
1. Amounts depreciated	X		174, 178 182, 184 189
2. Year-end closing		X	290

GLAC 799: Depreciation/Amortization Fixed Assets – Facilities and Improvements

INCLUDES: Depreciation expense on NAF purchased facilities and improvements that meet the capitalization criteria (NAF or APF title).

EXCLUDES: Depreciation of NAF purchased furniture and equipment, NAF & commercial lease items, and amortization of quantity expendable (bulk) items.

TYPE OF TRANSACTION	DR 799	CR 799	OFFSET ENTRY
1. Amounts depreciated	X		187
2. Year-end closing		X	290

GLAC 811: Advertising Fees

INCLUDES: Revenue received from vendors to advertise in Services publications. Advertising fees are recorded in the activity bearing the expense of producing the publication.

TYPE OF TRANSACTION	DR 811	CR 811	OFFSET ENTRY
1. Advertising fees received		X	101
2. Year-end closing	X		290

GLAC 813: Gain on Disposal of Assets

INCLUDES: Revenue received for disposal of assets including trade-in allowed.

EXCLUDES: Write off of the asset.

TYPE OF TRANSACTION	DR 813	CR 813	OFFSET ENTRY
1. Income received		X	101
2. Year-end closing	X		290

GLAC 834: Prime Vendor Income

INCLUDES: Income received from manufacturer(s) for purchases made from Prime Vendors. Use this GLAC for non-inventory items in the benefiting cost center, when identifiable, or place the entire Prime Vendor rebate in the NAFI administrative cost center when the benefiting cost center(s) cannot be identified.

EXCLUDES: Income received from CVPP recorded in GLAC 810.

TYPE OF TRANSACTION	DR 834	CR 834	OFFSET ENTRY
1. Reimbursement received		X	101
2. Year-end closing	X		290

GLAC 913 – Loss on Disposal of Assets

INCLUDES: Book value (Original cost less accumulated depreciation) of disposed assets.

EXCLUDES: Any revenue received for the assets.

GLAC 946: Disapproved Prior Period Fund Equity Adjustments

INCLUDES: Dollar amount of disapproved prior year fund equity adjustments. Before posting to this account you must have a disapproval memo from higher headquarters (MAJCOM/SVF, HQ AFSVA/SVF, HQ USAF/A7V, SAF/FMCEB). You must attach your disapproval memo and back-up support to the journal voucher for the adjustment to the general ledger. Record the transaction in the benefiting cost center code where identifiable. For example, a disapproved prior year adjustment request for a transaction affecting the bowling center snack bar would be recorded in the bowling center snack bar cost center.

TYPE OF TRANSACTION	DR 946	CR 946	OFFSET ENTRY
1. Adjustments	X	X	1XX, 2XX, 3XX, 4XX, 5XX, 7XX, 8XX, 9XX
2. Year-end closing	X	X	290

GLAC 970: Military Phenomenon - Expense Offset

INCLUDES: Offset memo entries from amounts recorded in GLACs 971-973 and 974-976. Bases must obtain MAJCOM authorization prior to the use of this GLAC. This GLAC is authorized only to offset expenses incurred as a result of exceptional, unusual, and abnormal military excursions, such as Operation Desert Storm (in GLACs 971, 972, and 973) and when FPCON level is at "Charlie (C)" or above in category C activities (974-976) and is to be used only by activities incurring the costs.

TYPE OF TRANSACTION	DR 970	CR 970	OFFSET ENTRY
1. Military Phenomenon-expense offset		X	971, 972 973
2. Funding for MWR during special security conditions		X	974, 975 976
3. Year-end closing	X		290

GLAC 974: Funding for MWR During Special Security Conditions–Manager Salary

INCLUDES: Memo entries for expenses incurred in GLACs 701-713 as a result of special security conditions. This GLAC is restricted for designated use only and is only to be used by activities incurring expenses resulting from these conditions.

TYPE OF TRANSACTION	DR 974	CR 974	OFFSET ENTRY
1. Special security condition – manager salary	X		970
2. Year-end closing		X	290

GLAC 975: Funding for MWR During Special Security Conditions–Janitorial Services

INCLUDES: Memo entries for expenses incurred in GLACs 701-713 as a result of special security conditions. This GLAC is restricted for designated use only and is only to be used by activities incurring expenses resulting from these conditions.

TYPE OF TRANSACTION	DR 975	CR 975	OFFSET ENTRY
1. Special security condition – janitorial services		X	970
2. Year-end closing		X	290

GLAC 976: Funding for MWR During Special Security Conditions–Utilities

INCLUDES: Memo entries for expenses incurred in GLAC 788 as a result of special security conditions. This GLAC is restricted for designated use only and is only to be used by activities incurring expenses resulting from these conditions.

TYPE OF TRANSACTION	DR 976	CR 976	OFFSET ENTRY
1. Special security condition - utilities	X		970
2. Year-end closing		X	290