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Services

NONAPPROPRIATED FUND FINANCIAL MANAGEMENT AND ACCOUNTING

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AFI 34-209, 26 July 1994, is supplemented as follows:

This publication does not apply to Air National Guard (ANG) and Air Force Reserve Command (AFRC) units. Maintain and dispose of records created as a result of processes prescribed in this publication in accordance with AFMAN 37-139, *Records Disposition Schedule*.

SUMMARY OF REVISIONS

Provides requirement for Air Force Reserve Officer Training Corps and Air Force Recruiting Service Isolated Unit Funds (IUF) to receive a waiver approval from HQ AETC/SVF before operating on a cash basis (paragraph 1.17), and adds RCS: HAF-MWR(Q)7407 (paragraph 12.5.3). A ★ indicates revision from the previous edition.

1.3.1. Send requests to deviate from using standard cost centers through HQ AETC/SVF to HQ AFSVA/SVF. Explain exactly why existing codes are not adequate and why a third-digit shred out cannot be used.

1.7. Send completely documented request to HQ AETC/SVF with coordination of the base nonappropriated fund financial analyst (NAFFA).

1.11. Special grants will not normally be paid to the base in advance. Funds for grants will be issued directly to the base via command transfer in the Cash Management and Investment Program (CMIP) report. Unused funds will be returned by CMIP withdrawal. If the amount of the required disbursement exceeds base-level capability to pay and wait for reimbursement, contact HQ AETC/SVF to coordinate simultaneous payment and reimbursement.

★1.17. Air Force Reserve Officer Training Corps and Air Force Recruiting Service Isolated Unit Funds (IUF) are authorized to operate on a cash basis after receiving waiver approval from HQ AETC/SVF.

1.17.1. (Added)(AETC) The IUF custodian must maintain a nonexpendable property listing of all fixed assets on AETC Form 419, **Nonexpendable Property Control Record**. Record items costing \$1,000 or more and have a life expectancy of 2 years or more on this listing. Place property items that cost less than \$1,000 and which do not lose their identity in use (for example, floor fans, card tables, folding chairs, camping equipment) on this listing if deemed appropriate for control purposes. Otherwise, establish adequate measures to safeguard and control expendable supplies, spare control parts, and other items of high value or sensitive nature not maintained on the Nonexpendable Property Record. The following are examples of adequate safeguarding measures: inventorying supplies quarterly, spot checking items, using serial number controls, and notifying activity when items are transferred or disposed of.

1.17.2. (Added)(AETC) Record IUF receipt of allocations and payments for expenses on AETC Form 417, **Income and Expense Control Log**. This document is used to record all fund transactions and provides the necessary audit trail to ensure funds are properly used. Record allocations or other income and all expenditures on the log. Because this is the sole source of audit trail for expenditures, it is imperative to enter a detailed description of the precise services, supplies, or equipment purchased, and the name and address of the vendor. The fund custodian must complete the applicable blocks (1 through 8) for all transactions, and the commander must initial and date block 9 at least every 30 days. This initialing indicates the commander's sanction of all entries on the log since the last time he or she initialed.

1.18.1. Installation Supplements. Send two copies of proposed drafts of installation supplements (and supplement changes) to this instruction to HQ AETC/SV for approval before publication. Furnish one copy of the final publication to HQ AETC/SVF.

★2.1. Prepare all NAF budgets quarterly for future rolling four quarters. Obtain installation commander approval in time to allow transfer of budgets to HQ AETC/SVFA not later than the 15th calendar day of the month prior to the rolling four quarters budgeted. For example, budgets for the period 1 July 2001-30 June 2002 should be available for transfer 15 June 2001.

2.3.1. Activity managers update income and expense (I&E) budgets quarterly, revise previous projections for the future three quarters as needed, and add projections for the future fourth quarter.

2.4. The resource management flight chief (RMFC) prepares a cash flow budget for the future rolling four quarters prior to the beginning of each quarter.

5.7. Operating managers must annotate receiving reports with the life expectancy as established in AFMAN 34-214, *Procedures for Nonappropriated Funds Financial Management and Accounting*. If not shown on the receiving report, Nonappropriated Fund Accounting Office (NAF AO) should base the depreciation rate on the midpoint life expectancy.

7.7. Use AETC Form 605, **Child Care Center Charge Authorization**, to show child care center services to be charged to other cost centers or nonappropriated fund instrumentalities (NAFI).

7.16. See AFMAN 34-214, chapter 13, paragraph 13.3.4.1.1 for instructions.

9.6. Clearly identify and track incoming invoices offering discount terms (for example, an annotation such as "DISCOUNT--EXPEDITE"). If a matching receiving report is not on file, follow up with purchasing agent and activity. Accounts payable may reproduce invoices if enough copies are not received. Do not delay payments for format or administrative errors if it is obvious the vendor expects payment to be made on the documentation submitted. However, delay payments if the errors are such that a probability of duplicate or erroneous payment could result. Cash discounts lost must be entered on AF Form 2539, **NAF Disbursement Request**, or ledger, as a debit to the proper general ledger account code (GLAC 794, Discounts Lost) in the accounting support cost center (A6) of the Morale, Welfare, and Recreation Fund (MWR). Annotate on the voucher the reason for the lost discount. Ensure bases comply with the Prompt Payment Act.

12.3. The RMFC must work closely with the servicing defense accounting office and become familiar with the Services Responsibility Center/Cost Center (RC/CC) codes. The RMFC reviews these reports to ensure:

12.3.1. Appropriated fund support is properly reported.

12.3.2. Expense data are properly charged to the applicable Services RC/CC codes.

NOTE: Annotate the RMFC copy of the report verifying the review and inform the liaison of the servicing accounting and finance office, in writing, of any findings or necessary corrective actions. Since the cycle for completion of the MICROBAS update does not always coincide with the cycle for financial statement completion, annotate the end of the quarterly financial statement with the following statement and attach the report when it is received: "The appropriated fund support shown on the Report of Appropriated Resources for Nonappropriated Funds is an integral part of this financial statement."

★12.5. AFROTC and Recruiting Service Isolated Unit Funds provide total expenses and bank balance with their quarterly strength report to HQ AETC/SVF. Prepare financial statements at least quarterly for all NAFIs within Air Education and Training Command. Send one legible copy of each NAF financial statement to HQ AETC/SVF to arrive by the 15th calendar day of the month following the period reported. Annotate financial statements to show corrections made with complete explanations and explain all accounts with reverse balances from what is normal for that account. Attach schedules to financial statements in accordance with AFMAN 34-214. Annually (4Q) include a copy of income and expense logs for MAJCOM review.

12.5.1.4.1. (Added)(AETC) Use AETC Form 13, **Lodging - Aging Schedule for Accounts Receivable**, to report the aging schedule of lodging at your base; for example, aging of accounts receivable by current guest, individual, and agency city ledger. Include other receivables and a breakout of military pay orders as part of the MAJCOM data.

12.5.1.4.2. (Added)(AETC) Use AETC Form 37, **Accounts Receivable Schedule and Membership Data -MWR Fund**, to report aging of receivable accounts to include recourse, customer receivables, other agencies, payment plans, and payment authorization actions. Include AFCC membership report as part of the MAJCOM data collection.

★12.5.3. (Added)(AETC) NAF AOs transmit the Nonappropriated Fund Financial Statement Report (RCS: HAF-MWR (Q) 7407) to HQ AETC/SVFA to arrive by the 9th calendar day after the quarter being reported.

★14.12. (Added)(AETC) Forms Prescribed. AETC Forms 13, 37, and 605. Retain and dispose of Nonappropriated Fund Financial Management and Accounting records according to AFMAN 37-139, *Records Disposition Schedule* (will convert to AFI 33-322, Volume 4), Table 34-14, using the appropriate rules.

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