

# Afloat Recreation Program Management

## Learner Workbook

### PREPARE FINANCIALS

#### PURPOSE:

- Provide the Learner with knowledge and skills to successfully document and submit fund financial records in accordance with CNIC policy

### PREPARE FINANCIALS

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The ship's *Annual Working Recreation Fund Budget* and the recreation program calendar go hand and hand. No matter what your command size or crew member complement, these documents are required. The Recreation Fund Custodian (RFC) and Recreation Services Officer (RSO) develop the budget for activities/events and expected income from all sources for the coming year; the income and expenses on the budget should be as close to actual as possible. To accomplish this, you will need to map out the ship's operating schedule for the coming year including deployment and shipyard periods and research the prior year's financial records to obtain historical data on the fund's fluctuations with the appropriate operating schedule periods.

Once the ship's *Annual Working Recreation Fund Budget* is reviewed by the Recreation Advisory Board (RAB) and approved and signed by the Commanding Officer (CO), the funds are considered obligated. This frees the RFC from having to obtain the CO's signature for every check or Purchase Order (PO) unless the CO requests it.

The RSO and RFC will work together to develop an *Annual Working Recreation Fund Budget* to support the approved annual recreation program calendar:

- On August 1, approximately 60 days prior to the start of the fiscal year
- When an *Annual Working Recreation Fund Budget* does not exist

The following situations require revision of the *Annual Working Recreation Fund Budget*:

- Upon turnover of the RSO or RFC
- Quarterly
- Upon request from the CO to review the budget
- When completing a request for a Commander Navy Installations Command (CNIC) grant

In any of these cases, the RSO and the RFC should join forces to best determine the recreation fund's projected income and expenses.

Developing an *Annual Working Recreation Fund Budget* assures the RSO and RFC that the funds will be available to provide recreation programs as planned on the recreation program calendar. With an approved budget in place, the RSO or RFC can readily justify restrictions on large, unexpected expenditures and maintain the funds obligated to support those programs that meet the crew's recreation preferences. When budgeted to actual income and expenses is compared monthly you can ensure you are on track or able to revise the budget or program plan accordingly.

## **PREPARE THE WORKING RECREATION FUND BUDGET**

For whatever period you will be preparing a budget, always analyze projected income prior to projected expenditures. This sequence allows the RSO and the RFC to balance the fund's assets with the recreation fund's traditional and high priority program plans while allowing for timely planning of necessary income generating programs.

To determine income, the RFC will write down projected income from:

- Quarter 1, 2, and 3 Ship's Store Profits
- Ship without Ship's Store Grant
- Sales (e.g., tickets, emblematics, etc.)
- Shipyard grants
- Revenue generating programs

The RFC will consult with the Ship's Store Officer and review the previous year's monthly *Receipt & Expenditure Log* to verify projected income. Also review ship's operating schedule and determine impact of extended periods on projected income. Keep in mind an extended period in port could decrease Ship's Store Profits and the addition of embarked units potentially increases these profits.

When financial records are accurate and have been kept in order, preparing the *Annual Working Recreation Fund Budget* income section will be a basic transfer of past income information.

Once the RFC has a reliable estimate of the projected income, identify traditional and high priority programs and equipment purchases and their corresponding expenses. Traditional or high priority programs and equipment purchases are included on the annual recreation program calendar and approved by the RAB and the command. These expenses can either support one-time sponsored programs (e.g., holiday party, dinner dance) or ongoing programs (e.g., ticket program, Single Sailor activities, and sports program).

The best sources for obtaining program expense information are *Recreation Activity Plans* and *After Action Reports* from the same or similar programs previously offered in port or on deployment. When program records have been maintained accurately, determining the upcoming program expense will require making appropriate adjustments and transferring expense information to the *Annual Working Recreation Fund Budget* expense section.

You may also want to network with the Deployed Forces Support (DFS) Office and other RFCs and RSOs to obtain expense data from ship's that have provided similar types of programs.

Don't forget to examine recreation equipment to determine if additional high expense items will need to be purchased by the Recreation Fund.

If adequate records have not been maintained on past programs, the RSO and RFC will have to review prior year's *Receipt & Expenditure Logs* to match expenses with prior year's programs. This is obviously a much more time-consuming process and is not as reliable because small expenditures for the program might have been overlooked.

When you are computing figures for your budget always round the figure up to the highest \$50. This practice provides a cushion, allowing for unexpected minor expenses inherent in conducting recreation programs.

Example:

If you plan to purchase 150 picture frames at \$2.49 each to give away at the annual holiday party, the total projected cost is \$373.50. For budgeting purposes, that expense would be entered as \$400 on the *Annual Working Recreation Fund Budget*.

Ensure the budget total is either break-even or profitable.

## BUDGET DETAIL WORKSHEET - SAMPLE

USS HENRY WISE (LHA - 39)		BUDGET DETAIL		FYXX	
QUARTER	MONTH	DETAILED DESCRIPTION	LINE #	INCOME	EXPENSE
First	October	Divisional Allotment	20		\$2,500.00
	October	Direct TV	21		\$300.00
	October	Halloween Costume Party/Contest	21		\$1,000.00
	October	MWR Van Maintenance/Repair	30		\$500.00
	October	Gear Locker Supplies	26		\$1,000.00
	October	Sports Team Expense	22		\$2,000.00
	November	Direct TV	21		\$300.00
	November	Gasoline for MWR Van	30		\$500.00
	November	Holiday Party	21		\$59,000.00
	November	Duty Section Party	21		\$5,000.00
	November	Entertainment Income	9	\$5,000.00	
	December	Direct TV	21		\$300.00
	December	Tours Expense	24		\$2,000.00
	December	Tours Income	10	\$2,500.00	

Net Worth (what the recreation fund is worth at the end of the accounting period) is Line 34 on the *Annual Working Recreation Fund Budget*. It is a direct result of the income and expenditures for the accounting period. Always show a positive balance on this line.

## WORKING RECREATION FUND BUDGET

FY XX BUDGET

SHIP'S NAME: USS HENRY WISE (LHA-39)

LINE 1					NET WORTH AS OF BUDGET DATE	162,840.56
CASH RECEIPTS		1ST QUARTER OCT-NOV-DEC	2ND QUARTER JAN-FEB-MAR	3RD QUARTER APR-MAY-JUN	4TH QUARTER JUL-AUG-SEP	FISCAL YEAR TOTAL
2	Resale Operation Income					
3	Vending/Amusement Income					
4	<b>Total Resale/Vending Income (Total lines 2 + 3)</b>					
5	Ship's Store Profits	30,000	40,000	40,000		110,000
6	Transfers from NPC Central Fund					
7	Transfers from Other Recreation Funds					
8	Sports Program Income					
9	Entertainment Income	5,000	2,500	5,000	5,000	17,500
10	Tours Income	2,500	2,500	5,300	40,000	50,300
11	Cruise Book Income					
12	Recreation Program & Activity Income					
13	Interest Income					
14	Loan Repayments from Individuals					
15	Miscellaneous Income (Other income not listed) (ATTACH ADDENDUM)					
16	<b>Total Cash Receipts (Total of lines 4 thru 15)</b>	37,500	45,000	50,300	45,000	177,800
<b>CASH EXPENDITURES</b>						
17	Resale Merchandise Purchased					
18	Vending Machine Merchandise Purchased					
19	<b>Total Resale/Vending Merchandise Expense (Total lines 17 + 18)</b>					
20	Distributions/Divisional Recreation Funds	2,500	2,500	2,500	7,500	15,000
21	Entertainment Expense	65,900	5,500	15,250	25,000	111,650
22	Sports Expense	2,000	2,000	2,000	3,000	9,000
23	Electronics Expense					
24	Tours Expense	2,000	5,000	5,000	45,000	57,000
25	Cruise Book Expense				1,000	1,000
26	Minor Property/Supplies Expense	1,000	1,000	1,000	2,000	5,000
27	Fixed Asset Property/Supplies Expense					
28	Vehicle Procurement Expense					
29	Salaries & Wages Expense					
30	Maintenance/Repair Expense	1,000	1,000	1,000	3,000	6,000
31	Loans Disbursed to Individuals					
32	Miscellaneous Expense (Other expenses not listed) (ATTACH ADDENDUM)					
33	<b>Total Cash Expenditures (Total of Lines 19 thru 32)</b>	74,400	17,000	26,750	86,500	204,650
34	<b>Net Worth (CASH) at End of Period (Line 16 minus line 33)</b>					<26,850>
LINE 1 PLUS/MINUS LINE 34 WILL PROVIDE BUDGET NET WORTH OR VALUE						135,990.56

After aligning your annual *Working Recreation Fund Budget* with the Recreation Program Calendar, present the budget to the RAB for review and endorsement. If the RAB requires additional justification, explanation, or modification, adjust as needed and resubmit for the RAB's review and approval. After RAB approval, submit *Working Recreation Fund Budget* to the CO for approval and signature. If the budget is not approved, meet with the CO to determine reason why the plan was not approved and a course of action to take to gain approval.

Upon signature by the CO, you now have an approved *Working Recreation Fund Budget* until there is a turnover of RSO or RFC, the quarter ends, upon request of the CO for revision or when requesting a CNIC Program Grant. The *Working Recreation Fund Budget* is considered a fluid document and must be evaluated frequently to accommodate fluctuation in income or expenses.

Showing a signed *Working Recreation Fund Budget* is the first question and one of four critical elements in the CNIC Inspection. The *Working Recreation Fund Budget* must have supporting documentation to support budget figures and must be approved by the CO. Taking the time to develop and maintain/monitor a *Working Recreation Fund Budget* will ensure the Command has resources to support events such as Command's holiday party, summer picnic and deployment programs and activities.

## **PREPARE FINANCIAL RECORDS AND REPORTS**

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### **WHEN TO PREPARE/SUBMIT FINANCIAL RECORDS/REPORTS**

Depending on the type of financial information being recorded, financial records/reports will be prepared daily, monthly, quarterly, or annually.

*CNICINST 1710.5* allows the individual CO a great deal of flexibility in order to meet the crew's needs. Built into the fund's reporting procedures are a series of checks and balances to ensure all involved with the fund realize their responsibility. These checks and balances, if followed correctly, protect the RFC, and the CO (the fund administrator) from any misconceptions of impropriety. All financial records must be maintained in

your files for three full fiscal years plus the current year. After three fiscal years, dispose of financial records in burn bag along with other ship's documents.

Each time the RFC writes a check or makes a bank deposit, record the transaction amount in the recreation fund's checkbook register and the *Receipt & Expenditure Log*. The *Receipt & Expenditure Log* provides a summary of line numbers for each recreation fund financial transaction during the month and matches check numbers with their corresponding Purchase Orders (POs).

### **RECORD FINANCIAL TRANSACTIONS ON RECEIPT & EXPENDITURE LOG**

All deposits/receipts and expenditures are recorded on *Receipt & Expenditure Log* as a transaction occurs. On the first day of every month, record:

- A. Command name
- B. Month and year
- C. Account number
- D. Page number (if using a paper-based system)
- E. Ending balance from last month's *Receipt & Expenditure Log*

For each transaction, record:

- F. Date of transaction
- G. Purchase Order number
- H. Check number
- I. Description of the transaction
- J. Most appropriate line number taken from the *Recreation Fund Financial Statement*
- K. Amount for each receipt
- L. Amount for each expenditure
- M. Updated bank balance



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RECEIPT & EXPENDITURE LOG									
COMMAND	USS HENRY WISE (LHA 39)			MONTH:	YEAR:	ACCOUNT NUMBER:			
DAY	P.O. NO.	CHECK NO.	DESCRIPTION	LINE NO.	RECEIPTS	EXPENDITURES	BALANCE		
			BALANCE BROUGHT FORWARD				(E)\$9,842.00		
(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)		
01	XX-023	1479	M Division Rec Event	20		175.00	9667.00		
01	XX-024	1480	B Division Rec Event	20		125.00	9542.00		
02			Holiday Party Tickets	9	113.00		9655.00		
09	XX-025	1481	Gas for Vehicle	30		127.00	9528.00		
10	XX-026	1482	Parking Lot Fee	32		4.00	9524.00		
16	XX-027	1483	I Division Rec Event	20		200.00	9324.00		
17			Bingo Receipts	9	614.00		9938.00		
18	XX-028	1484	C Division Rec Event	21		200.00	9738.00		
18	XX-029	1485	Frisbees	26		50.00	9688.00		
20	XX-030	1486	Tickets for Baseball Game	21		182.00	9506.00		
22	XX-031	1487	Official Fees (Softball)	22		170.00	9336.00		
22	XX-032	1488	Uniforms (Softball)	22		275.00	9061.00		
24	XX-033	1489	Uniforms (Flag Football)	22		248.00	8813.00		
26	XX-034	1490	Softballs	26		75.00	8738.00		
26	XX-035	1491	Tennis Balls	26		65.00	8673.00		
USE CONTINUATION SHEET									



## LINE NUMBER LISTING

The following line numbers are from the Recreation Fund Financial Statement.

LINE #	DESCRIPTION
<b>Cash Receipts</b>	
2	Resale Operation Income
3	Vending/Amusement Machine Income
5	Exchange/Ship's Store Profits
6	Transfers From CNIC Central Fund
7	Transfers From Other Recreation Funds
8	Sports Program Income
9	Entertainment Income
10	Tours Income
11	Cruise Book Income
12	Recreation Program & Activity Income
13	Interest Income
14	Loan Repayments From Individuals
15	Miscellaneous Income ( <i>other income not listed</i> ) (attach addendum)
<b>Cash Expenditures</b>	
17	Resale Merchandise Purchased
18	Vending Machine Merchandise Purchased
20	Distributions
21	Entertainment Expense
22	Sports Expense
23	Electronics Expense
24	Tours Expense
25	Cruise Book Expense
26	Minor Property/Supplies Expense
27	Fixed Asset Property Expense
28	Vehicle Procurement Expense
29	Salaries & Wages Expense
30	Maintenance/Repair Expense
31	Loans Disbursed To Individuals
32	Miscellaneous Expense ( <i>other expenses not listed</i> ) (attach addendum)

## PURCHASE ORDERS

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CNICINST 1710.5 Chapter 6, paragraph 8 states:

*With the exception of petty cash purchase, debit cards and Navy Cash Cards used on deployment, all Afloat Recreation Fund purchases will be conducted by use of a purchase order. NAVCOMPT Form 2213, Purchase Order, is the primary document used by the Department of the Navy (DON) for NAF procurement. DD Form 1155, Order for Supplies and Services, is used by Department of Defense for procurement using both NAF and APF. Sequentially numbered purchase orders will be issued for all purchases made from commercial sources except for those purchase paid from a petty cash fund. For convenience, a locally-generated purchase order log may be used to list sequentially numbered purchase orders.*

A properly completed Purchase Order (PO) contains all required information used to notify the contractor/vendor of your intention to do business and confirm the contract/purchase terms.

A PO establishes an audit trail for expenditures from the Recreation Fund and saves the Recreation Fund the expense of both state and federal taxes on the purchase (i.e., purchases made by PO are tax exempt). Furthermore, since you are given space to detail the purchase request on the PO, a completed PO becomes a legally binding contract that details the specifications for the items purchased. For example, if you order 12 dozen water bottles with the summer picnic promotional logo and note the color specifications on the PO, when those water bottles arrive in an unusual color you have the written right to refuse delivery. Ensure the generated PO is provided to the company in which items are purchased.

*Purchase Order* forms may be locally generated however all information must match the *NAVCOMPT FORM 2213*. Pre-printed purchase orders are equivalent to blank checks and must be secured accordingly. If you are utilizing the recommended Financial Tool, a purchase order will be generated for you.

## **PREPARE PURCHASE ORDER (PO)**

The *Purchase Order*, either *NAVCOMPT FORM 2213* or a locally generated form, will include the following:

- Unit Identification Code (UIC) number
- Date
- PO number (Purchase orders will be pre-numbered using the last two digits of fiscal year. For example, FY18 POs would begin with PO number 18-001.)
- Ship's name, address, and telephone number
- Vendor name, address, and telephone/fax number
- Include actual delivery location for ship (UPS/FedEx cannot deliver to FPO/APO addresses)
- Number of units ordered
- Description of items ordered
  - Stock number
  - Name
  - Size
  - Color
  - Model
- Unit of issue
  - Dozen
  - Pair
  - Each
- Unit price
- Total price
- Delivery date desired
- Discount terms

- Shipping method
  - On the PO, designate the term FOB Destination meaning ownership and liability for the goods does NOT begin until delivery to your dock/warehouse rather than FOB Origin meaning that liability and ownership begins at the manufacturer's warehouse.
- Signature of Authorized Representative/Purchasing Agent's signature

After completing the *Purchase Order*, contact the vendor to purchase item(s). Upon receipt of the purchased items, ensure the Receiving Agent, previously authorized in writing completes the following:

- Compares PO, invoice, and goods received to ensure accuracy:
  - Quantity (number and unit)
  - Merchandise description
  - Condition
- Signs shipping document (if applicable) and the PO to certify equipment was received and found in satisfactory condition
- Forwards the signed copy of the PO, invoice, and receipts to RFC for payment, and to record receipt of goods or services in *Purchase Order Log*
- Notifies RSO when goods have been received and are ready to be added to inventory records

<b>PURCHASE ORDER</b>		ACTIVITY NO	DATE	PURCHASE ORDER NO.	
FROM:			TO:		DELIVER TO:
<b>GENTLEMEN:</b> Being governed by instructions hereon, please enter our order for the following:					
QUANTITY	DESCRIPTION		UNIT	UNIT PRICE	AMOUNT
DATE REQUIRED		DISCOUNT TERMS	VIA	SIGNATURE OF AUTHORIZED REPRESENTATIVE	
<b>BILLING INSTRUCTIONS</b>					
<p>A. Separate invoices must be rendered for each order.</p> <p>B. Do not pack invoice with merchandise, mail under separate cover.</p> <p>C. Transportation charge, when applicable, must be added to invoice.</p> <p>D. Full name and address of this activity and Purchase Order No. must appear on all documents accompanying or have reference to delivery of this order.</p> <p>E. SEE REVERSE OF THIS SHEET FOR OTHER INSTRUCTIONS.</p> <p>NOTE: NONCOMPLIANCE WITH THESE INSTRUCTIONS WILL RESULT IN RETURN OF INVOICE AND DELAY PAYMENT.</p>					
<div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 80%;">           NOTE: NOTIFY US IMMEDIATELY IF UNABLE TO COMPLETE ORDER BY REQUIRED DATE.         </div>					
<b>PART 1</b>			<b>VENDOR COPY</b>		

#### GENERAL PROVISIONS OF PURCHASE

1. LATE DELIVERY. This activity reserves the right to refuse to accept delivery of any part of this order not received on or before the required date of delivery.
2. TAXES. This purchase is not subject to State or local taxes.
3. INSPECTION. Inspection will be made after delivery at the destination specified herein. Any merchandise not in conformity with the specifications will be rejected and any expense arising therefrom will be borne by the supplier.
4. BACK ORDERS. Merchandise on back order shall be shipped prepaid at the expense of the supplier, if the multiple shipment will result in a total transportation cost higher than the transportation cost of one single shipment. This paragraph shall not apply if shipments are specified on face hereof to be made via parcel post.
5. OBLIGATION. Any claims or liabilities created by this purchase order are the exclusive responsibility of the nonappropriated fund supporting the requesting activity. This purchase order shall not be construed to obligate any appropriated funds of the United States in any way.
6. DISPUTES. (a) Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Contracting Officer shall be final and conclusive unless within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Contracting Officer's decision.  
(b) This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (a) above: Provided, That nothing in this contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.
7. DISCRIMINATION CLAUSE. Each purchase over \$10,000 will comply with the requirements of Executive Order No. 10925 of March 6, 1961 as amended and the rules, regulations and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.



<b>PURCHASE ORDER</b>		ACTIVITY NO <b>32523</b>	DATE <b>5/22/20XX</b>	PURCHASE ORDER NO. <b>XX-122</b>	
FROM:		TO:		DELIVER TO:	
<b>USS HENRY WISE</b> <b>(LHA-39)</b> <b>FPO AP 69986-0926</b>		<b>Uniforms.com</b> <b>930 27<sup>th</sup> Ave. S.W.</b> <b>Cedar Rapids, IA 52406</b> <b>Phone No. 901-555-6042</b>		<b>USS HENRY WISE</b> <b>(LHA-39) Pier 2</b> <b>Naval Base San Diego</b> <b>San Diego, CA 92136</b> <b>PH No. 123-456-7890</b>	
GENTLEMEN: Being governed by instructions hereon, please enter our order for the following:					
QUANTITY	DESCRIPTION		UNIT	UNIT PRICE	AMOUNT
15	<b>Softball jerseys</b> <b>(5-size L, 5-size XL, 5-size</b> <b>XXL) blue/yellow with white</b> <b>Lettering, block number 1-15 on</b> <b>back, ship's logo left chest</b>		Ea.	\$18.33	\$274.95
	<b>FOB Destination</b>				
	<b>Grand Total</b>				\$274.95
DATE REQUIRED	DISCOUNT TERMS	VIA	SIGNATURE OF AUTHORIZED REPRESENTATIVE		
6/15/20XX	N/A	UPS	LTJG JAMES LYNCH		
<b>BILLING INSTRUCTIONS</b>					
A. Separate invoices must be rendered for each order. B. Do not pack invoice with merchandise, mail under separate cover. C. Transportation charge, when applicable, must be added to invoice. D. Full name and address of this activity and Purchase Order No. must appear on all documents accompanying or have reference to delivery of this order. E. SEE REVERSE OF THIS SHEET FOR OTHER INSTRUCTIONS. NOTE: NONCOMPLIANCE WITH THESE INSTRUCTIONS WILL RESULT IN RETURN OF INVOICE AND DELAY PAYMENT.					
NOTE: NOTIFY US IMMEDIATELY IF UNABLE TO COMPLETE ORDER BY REQUIRED DATE.					
<b>PART 1</b>		<b>VENDOR COPY</b>			

<b>PURCHASE ORDER</b>		ACTIVITY NO <b>32523</b>	DATE <b>5/24/XX</b>	PURCHASE ORDER NO. <b>XX-032</b>	
FROM:		TO:		DELIVER TO:	
USS HENRY WISE (LHA-39) 12 Beaumont Road FPO AP 69986-0926		LOGO Sportswear, Inc. Wallingford, CT 06492		USS HENRY WISE (LHA-39) Naval Base San Diego FPO AP 69986-0926	
GENTLEMEN: Being governed by instructions hereon, please enter our order for the following:					
QUANTITY	DESCRIPTION		UNIT	UNIT PRICE	AMOUNT
20	Flag Football Custom Uniforms – USS HENRY WISE		EA	9.90	198.00
1	Screen Printing Fee		EA	50.00	50.00
	NTE				
	FOB Destination				
	GRAND TOTAL:				248.00
DATE REQUIRED		DISCOUNT TERMS	VIA	SIGNATURE OF AUTHORIZED REPRESENTATIVE	
6/30/XX		N/A	FedEx	LTJG JAMES LYNCH	
<b>BILLING INSTRUCTIONS</b>					
A. Separate invoices must be rendered for each order. B. Do not pack invoice with merchandise, mail under separate cover. C. Transportation charge, when applicable, must be added to invoice. D. Full name and address of this activity and Purchase Order No. must appear on all documents accompanying or have reference to delivery of this order. E. SEE REVERSE OF THIS SHEET FOR OTHER INSTRUCTIONS.					
NOTE: NONCOMPLIANCE WITH THESE INSTRUCTIONS WILL RESULT IN RETURN OF INVOICE AND DELAY PAYMENT.					
NOTE: NOTIFY US IMMEDIATELY IF UNABLE TO COMPLETE ORDER BY REQUIRED DATE.					
<b>PART 1</b>			<b>VENDOR COPY</b>		

## PAYING BILLS

All bills must be paid upon receipt or within 30 days of receipt of invoice for supplies, services or equipment. Failure to do so will be in violation of the Prompt Payment Act (Public Law 97-177).

To pay a bill you will first review the purchase order and invoice for completeness and accuracy to ensure:

- Goods are received correctly
- Bill for goods is correct
- Separation of functions is followed
- Discount when available has been noted and taken

Prepare and sign the check to include:

- Date
- Name of payee
- Amount of check in numbers
- Amount of check written in words
- Purchase order number and purpose of check on the memo line
- Authorized signature
- EIN/fleet tax exempt number
- Mail the check to the vendor and enter the transaction on the *Receipt & Expenditure Log*. File purchase documents and receipts sequentially and retain all files for three fiscal years

## VOIDING CHECKS

When banking locally and the prepared check contains an error void the check by doing the following:

- Write *VOID* across the front of the check
- Cut and destroy the bottom 1/3 of the check including routing number and signature line
- Staple the voided check to the checkbook stub or stapled to a voided check file
- These checks can be shredded or disposed of in a burn bag after three fiscal years

If the Recreation Fund banks with CNIC and there is an error on the prepared check, void the check by doing the following:

- Write *VOID* on all check copies
- Cut and destroy the bottom 1/3 of the check including routing number and signature line
- Staple voided original check to yellow *Remittance Statement with Check* (RSWC) copy and send to CNIC
- File remaining copies
- No accounting entry is required for a voided check
- Record pertinent remittance information in the remittance portion of the check

### **CORRECT CHECK DISCREPANCIES**

Occasionally checks may be lost, stolen or never received by a vendor. In this case, prompt action is necessary.

If the Recreation Fund banks locally, notify the banking institution to stop payment. The banking institution will request the following check details:

- Date of issue
- Payee
- Check number
- Account number
- Net amount
- Reason for stopping payment on the check
- Point of contact information

If the Recreation Fund banks with CNIC do the following to report a lost or stolen check:

- Notify CNIC N948
- State the following:
  - Date of issue

- Payee
- Check number
- Fund number
- Net amount
- Reason for stopping payment on the check
- Point of contact information

In the rare occasion a check is written and not deposited for 90 days, picked up by the payee, or returned for any reason, treat the check as VOID and follow the appropriate steps.

## **PREPARING A SUBSIDIARY LEDGER**

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Subsidiary accounts for the Recreation Fund will either be an account payable (money owed by Recreation Fund) or an account receivable (money owed to Recreation Fund). A subsidiary account ledger must be established and maintained for each subsidiary account.

Establish and maintain an accounts payable subsidiary ledger for each unit level program onboard that receives a recreation fund allocation from the ship's general recreation fund (e.g., division or department or embarked element). Embarked elements contribute substantially to the Recreation Fund via the ship's store and are entitled to unit level allocations. When a unit level program provides a party or program, the cost is shown as a debit on the unit level program's subsidiary ledger, and the credit balance is adjusted accordingly.

Create and maintain an accounts receivable subsidiary ledger for each individual who is making payments to the Recreation Fund (e.g., emergency loan). These subsidiary ledgers will always carry a debit (negative) balance. The balance indicates how much is left for the individual to pay on that account.

*CNIC INST 7000.3* requires subsidiary account ledgers be maintained for all accounts payable and accounts receivable.

## **DIVISION PARTIES/UNIT ALLOCATIONS**

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The *CNIC Afloat Recreation Program Inspection* requires a current shipboard instruction or standard operating procedure for divisional parties/unit allocations. The instruction will include:

- Request chit
- Number of personnel in attendance
- Use or lose policy concerning funds
- Receipts/return of unused funds policy (recommend next business day)
- Maximum amount of allocation being \$2.50 per person, per quarter, with a maximum allocation of \$7.50 at one time.

A best practice is to include a statement describing what the funds will be used for and to discourage the purchase of alcoholic beverages with these funds. Make sure to include on your request form, who the purchase order and check will be made payable to, including contact information. A purchase order is required when allocating funds. The purchase order may be written to the Divisional Representative or a third party such as an event location or service provider, e.g., entertainment or equipment rental.

The current instruction/SOP should be disseminated to Department Heads and Division Officers for reference and to encourage use of unit allocations. You may wish to report monthly division recreation fund allocation credit balance amounts at the monthly Recreation Advisory Board meeting.

Prepare a subsidiary ledger locally, electronically or using the sample form provide on the CD. Be sure to record the following:

- A. Name of the division/unit
- B. Date of transaction
- C. Description of transaction
- D. Amount of allocation provided
- E. Credit balance

You may be required to close out divisional/unit recreation fund allocations if required by your ship's instruction at the end of the fiscal year, or when an embarked crew departs the ship. (Ref: CNICINST 1710.3, Encl. 1, Par. 205b)

[illegible]

## EMERGENCY LOANS

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In accordance with *SECNAV INST 5760.14 (Series)*, emergency loans will ONLY be given when the emergency meets the following Navy Relief criteria and has been confirmed by American Red Cross message.

- Death of immediate family member or grandparent
- Critical illness of immediate family member or grandparent

Navy Relief will be utilized as primary source for emergency loans when ship is in port or has a Navy Relief representative aboard.

In accordance with *CNICINST 1710.5 Chapter 3, paragraph 14, k*, if the Command is deployed and a Navy Relief Society Representative is not aboard, forward an emergency loan request to the Commanding Officer. If approved, complete an *Emergency Loan Contract* to include:

- A. Name, rank and service (e.g., Social Security) number
- B. Loan Amount
- C. The number and date of check written for the loan
- D. Repayment schedule
- E. Loan recipient's signature
- F. RFC's signature

Forward the completed *Emergency Loan Contract* to the CO for signature. This document contains personal identifiable information (PII) and must be managed and controlled accordingly.

Establish and maintain a *Subsidiary Ledger* for the loan recipient to track Emergency Loan Contract payments. Complete a purchase order and issue check for the loan amount.

Contact Navy Relief Society to reimburse recreation fund account for loan amount and to take over payments. Include the following in the request:



- Loan recipient's name, rate, Social Security Number, and leave address
- Name and relationship of the person(s) whose critical illness or death caused the emergency
- Loan amount
- Emergency loan contract
  - Date of first payment
  - Monthly amount
  - Number of payments remaining

The Navy Relief Society will ensure the Command is promptly reimbursed and obtain repayment from the loan recipient under normal repayment procedures. Be sure the loan recipient understands the loan is still outstanding and future payments will be made to the Navy Relief Society. Fill out certification of repayment at the bottom of the *Emergency Loan Contract* and file. Deposit Navy Relief Society reimbursement into ship's recreation fund account, record deposit on *Receipt & Expenditure Log*, and attach bank deposit receipt.

## EMERGENCY LOAN CONTRACT

USS HENRY WISE  
Recreation Fund

DATE 16 Nov XX

**PAULA**

(First)

**W.**

(Initial)

**PARSONS**

(Last)

**OS3**

Rank

**213-47-5223**

(Service No.)

, AGREES TO REPAY THE SUM OF \$ **1000.00** (B)

LOANED TO ME BY THE RECREATION FUND, USS HENRY WISE

IN THE FORM OF CHECK NO. 1435, DATED 16 NOV

ACCORDING TO THE FOLLOWING SCHEDULE: (D)

DUE DATE	AMOUNT	PAID	RECEIPT	RECEIVED DATE	BALANCE DUE
<b>16 Dec</b>	<b>250.00</b>				
<b>16 Jan</b>	<b>250.00</b>				
<b>16 Feb</b>	<b>250.00</b>				
<b>16 Mar</b>	<b>250.00</b>				

(E) OS3 Paula W. Parsons, USN  
Loan Recipient

WITNESS: LT Cheryl Peters, USN (F)  
Recreation Fund Custodian

APPROVED: \_\_\_\_\_  
Commanding Officer

LOAN REPAID IN FULL DATE \_\_\_\_\_

CERTIFIED: \_\_\_\_\_ AMOUNT \_\_\_\_\_  
Recreation Fund Custodian

Copy to:  
Recreation files  
Borrower

### PRIVACY ACT STATEMENT

The Privacy Act of 1974, 5 USC 552a, provides protection to individuals by ensuring that personal information collected by Federal agencies is limited to that which is legally authorized and necessary and is maintained in a manner which precludes unwarranted intrusions upon individual privacy.



## CONTROLLING CASH

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### CONTROL RECEIPT AND DEPOSIT OF CASH RECEIPTS

Cash may be received from emblematic sales, payment for tickets and tours, revenue generating programs (e.g., Bingo, food sales) and Ship's Store Profits. Although not personally handling cash or Navy Cash, the RFC is responsible for ensuring the recreation fund's finances are managed correctly. Likewise, when funds are sub-custodied, the RFC is responsible for their management. Strict accountability procedures need to be adhered to in order to prevent fraud, waste and abuse. Therefore, the RFC should not be handling cash or instruments used for cash, but should delegate this to the RSO or another responsible individual.

Normally, under Navy Cash all transactions are performed electronically; however Afloat Recreation Program activities require the flexibility to receive cash and checks under certain unpredictable circumstances after Navy Cash is installed or for commands without a ship store. For those instances when the Afloat Recreation Program must collect or disburse actual cash or checks, specific cash procedures apply.

Safeguarding change funds to an individual serving as a Cashier/Resale Custodian is a process called sub-custody. Upon establishing a Change Fund, pre-determined amounts of the Change Fund can be issued to Cashiers as needed. A Letter of Designation as a Change Fund Sub-Custodian is required for all Cashiers. It is the RFC's responsibility to decide whether the Change Fund is to be permanent or temporary.

- Permanent Change Fund – Issued to a Cashier who has access to a safe and uses the fund regularly.
- Temporary Change Fund – Issued to a Cashier daily with a receipt and returned to the RFC at the end of a shift.

Change Funds must be kept in an approved safe whenever they are not in use and will be made available for inspection and/or verification at any time when the custodian of that fund is present.

## **SURPRISE CASH AND RESALE INVENTORY INSPECTIONS**

To conduct a quarterly or surprise inspection of cash or resale items e.g., tickets or emblematic resale do the following:

- Verify letters of authorization to establish funds and appointment of cash custodians are on file
- Verify Change Funds are kept in a secure locked box and in a safe
- Verify resale items are kept in a secure location
- Conduct cash count during regular operating hours
- Count and record current cash on hand on Cash Count Sheet
- Count and record receipts on hand on Cash Count Sheet
- Add total of Cash on Hand and Receipts
- Determine if Cash on Hand equals Authorized Change Fund amount plus vouchers/receipts
- If Cash on Hand plus vouchers/receipts equals authorized amount
  - Date and sign certification of cash/ticket counted
  - Keep on file for at least one year
- If Cash on Hand does not equal Change Fund amount
  - Note and resolve discrepancy
  - Inform CO/Supply Officer of discrepancy
  - Review internal control procedures
  - Take corrective action
  - Note corrections for the record
  - Certify and date the cash/resale count sheet
  - Keep on file for at least one year

## **ROLES AND RESPONSIBILITIES OF A CASHIER/RESALE CUSTODIAN**

Ensure the Change Fund is secure and intact. When it is necessary to walk away from a Change Fund, the Change Fund must be kept in a locked, secure register or returned to the safe.

Always verify the amount of the Change Fund at both the beginning and end of a work shift. All money must be counted. Each item of currency, both loose and wrapped, and rolled or loose coins must be verified.

The original amount of the Change Fund issued must be maintained at all times and is to only be used for the purpose of making change.

Cashiers will ensure the security and accuracy of the Change Fund and all monies collected during a shift. They will not share Change Funds during a shift or provide a safe key or safe combination to any other individual.

In an emergency, the safe key or combination may be shared with the RFC. Safe combinations will be secured in an envelope sealed by and accessible only to the Cashier.

Report lost safe, register, register drawer, or money bag keys to the RFC immediately.

## **BEST PRACTICES AND POLICIES**

Safe combinations are to be changed annually or upon relief of any individual having access to the safe.

The Change Fund cannot be used to cash personal checks.

Change Funds are not authorized for disbursements in lieu of traditional procurement methods including the use of a properly established and authorized Petty Cash Fund.

Removing a Change Fund from its locked container is prohibited except for providing change or inspection.

Change Funds may not be removed from the premises without prior permission given from the RFC. Instances when a Change Fund might be taken off premises are special events.

When the use of cash registers is not practical, the Cashier/Resale Custodian will be furnished a cash drawer or metal box. When in use, the cash drawer or box will be in the custody of the Cashier at all times, per *CNICINST 7000.3*.

Temporary Change Funds, will be drawn from a designated location by each Cashier at the beginning of a shift, and deposited in a secure location at the end of each shift.

Cashiers are never to have access to another Cashier's Change Fund and receipts.

Ensure a sufficient amount of change in the appropriate denominations is readily available prior to the start of a shift.

Borrowing or any other personal use of an assigned Change Fund constitutes theft. It is strictly PROHIBITED and can result in severe disciplinary action. Personal funds and/or effects will never be stored with a Change Fund.

## **THE CHANGE FUND PROCEDURE**

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### **ARRIVING SHIFT**

#### **Permanent Change Fund**

Take possession of the Permanent Change Fund from a locked safe/compartment and recount to confirm it is the correct amount and the right quantities of currency and coins to conduct business.

After verifying the Change Fund, open the shift in the register or POS system. Business and collection of funds cannot be transacted until the shift is open.

## **Temporary Change Fund**

If starting with a Temporary Change Fund from the cash drawer of the off-going Cashier or taking receipt of a Temporary Change Fund from the RFC, count the fund in the off-going or RFC's presence.

- If the Change Fund is correct, sign for receipt of transfer
- If the Change is not correct, recount the fund. If accepting the fund from the RFC, confirm the difference in the RFC's presence. Make a note for the record. Sign receipt of transfer.

After verifying the Change Fund, open the shift in the register or POS system. Business and collection of funds cannot be transacted until the shift is open.

## **OFF-GOING SHIFT**

### **Permanent Change Fund**

At the end of the shift, count and separate the assigned Change Fund from all cash in the register. Count currency and coins in quantities needed for the next shift. Place the Change Fund in a safe in accordance with shipboard policy.

Prepare the *Daily Activity Record* (DAR) and end-of-shift reports as applicable.

### **Temporary Change Fund**

If procedures require the Change Fund be turned in at the end of a shift, annotate the amount of the Change Fund on the DAR and drop with the cash and receipts generated during the shift.

If transferring the Change Fund to the arriving Cashier, count and verify in the arriving Cashier's presence; both arriving and off-going Cashier sign memo noting the transfer of the Change Fund. The memo is to be retained by the arriving Cashier.

Prepare the DAR and end-of-shift reports as applicable.



## **ESTABLISH AND MAINTAIN A PETTY CASH FUND**

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The Petty Cash Fund amount must be approved in writing by the Commanding Officer and cannot exceed \$150.00.

The Petty Cash Custodian must be designated in writing by the Commanding Officer.

Petty Cash vouchers must be used anytime cash is removed from the fund.

To operate a Petty Cash Fund do the following:

- Create voucher for amount approved
- Issue cash from Petty Cash Fund indicated on voucher
- Once purchase is made, receipts must be returned and any unused funds to the Petty Cash Custodian
- Petty Cash Custodian must reconcile the account at the end of every month
- The RFC creates a purchase order and check for the total voucher amounts after monthly reconciliation to replenish the Petty Cash Fund
- The Petty Cash Custodian cashes the check and returns funds to the Petty Cash Fund

## CASH COUNT SHEET

NAME OF FUND: \_\_\_\_\_ ACTIVITY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

FUND TITLE: \_\_\_\_\_ LOCATION: \_\_\_\_\_

CURRENCY	UNITS	TOTAL
\$ 100.00	x _____	= _____
50.00	x _____	= _____
20.00	x _____	= _____
10.00	x _____	= _____
5.00	x _____	= _____
2.00	x _____	= _____
1.00	x _____	= _____
		TOTAL CURRENCY COUNTED \$ _____

<u>ROLLED COINS</u>	ROLLS	TOTAL
\$.50	x _____	\$ 10.00 = \$ _____
.25	x _____	10.00 = _____
.10	x _____	5.00 = _____
.05	x _____	2.00 = _____
.01	x _____	.50 = _____
		TOTAL ROLLED COINS COUNTED \$ _____

<u>LOOSE COINS</u>	NUMBER	TOTAL
\$.50	x _____	\$ .50 = \$ _____
.25	x _____	.25 = _____
.10	x _____	.10 = _____
.05	x _____	.05 = _____
.01	x _____	.01 = _____
		TOTAL LOOSE COINS COUNTED \$ _____
		TOTAL OF ALL CURRENCY AND COINS COUNTED \$ _____

### OTHER ITEMS COUNTED

CHECKS AND MONEY ORDERS*	\$ _____
VOUCHERS PAID*	_____
OTHER, I.E., IOU, ETC.*	_____
TOTAL	\$ _____

\* PROVIDE DETAILS ON REVERSE OF THIS FORM.

GRAND TOTAL OF ALL CASH ITEMS COUNTED	\$ _____
AMOUNT AUTHORIZED	\$ _____
DIFFERENCE (OVERAGE OR SHORTAGE)	\$ _____

I CERTIFY THAT AT \_\_\_\_\_ HOURS THIS \_\_\_\_\_, THE ABOVE CASH AND CASH ITEMS WERE COUNTED IN MY PRESENCE AND THAT THE ABOVE CASH AND CASH ITEMS WERE RETURNED TO ME INTACT. I FURTHER STATE THAT THE ABOVE CASH AND CASH ITEMS REPRESENT ALL MONIES INTRUSTED TO ME FOR WHICH I AM ACCOUNTABLE.

SIGNATURE _____	CUSTODIAN
TITLE _____	
VERIFIER'S SIGNATURE _____	

## CONDUCTING CASH SALES

A printed receipt containing the following information will be provided for all sales, e.g., tickets, tours, resale items:

- A. Receipt number
- B. Date
- C. Name of person
- D. Amount of sale
- E. Purpose of payment
- F. Authorized signature of receipt

No. <b>04279</b> (A)		(B) <b>14 September 20XX</b>
Received of <b>S. Smith</b> (C)		
<b>Fourteen and 00/100</b> (D)		Dollars
Amt. of Account		<b>USS HENRY WISE Polo Shirt</b> (E)
Amt. Paid		
Balance Due		
		<b>\$ 14.00</b> (D) <b>LT Cheryl Peters</b> (F)

When a cash register is not used, receipts must be sequentially pre-numbered and controlled with a three-part receipt book.

Copies of receipt are distributed as follows:

- Original copy goes to payee
- Second copy attaches to DAR (*NAVCOMPT Form 2211*)
- Third copy remains in receipt book as matter of record

Receipt books must be held for three fiscal years. Receipt books must be issued and signed for serial number to serial number, locked up, and reissued when required for cash sales.

Ensure *Daily Activity Record (DAR) (NAVCOMPT Form 2211)* is completed by the Cashier at the end of each day/shift for all cash received. Endorse each check with FOR DEPOSIT ONLY and include the fund name, fund number and account number. A bank issued deposit stamp is recommended. Ensure you have attached the receipt that verifies the amount collected.

Organize register tape/receipt voucher and cash and attach to *DAR* (staple, do not use paper clip). Complete the *DAR* by doing the following:

- A. Prepare top line (name of department, signature of Cashier, date)
- B. Complete lines 1-6 on *DAR*
- C. Complete cash break down (Section 20) on *DAR*
- D. Have person designated to verify cash and charges sign *DAR*
- E. Write description of how sales income was generated in *Remarks* section of *DAR*
- F. Total Grand Total Sales Income Turned In for all *DARs*
- G. Compare *DAR* total with sales income turned in and resolve discrepancies
- H. Attach register tape/receipt voucher to *DARs*
- I. Turn in cash, checks, K22/POS and completed *DAR* to RFC or designated verifier
- J. The designated verifier will:
  - Check *DAR* for accuracy and completeness
  - Complete lines 7-11 (G), and sign the completed *DAR* (D)

# DAILY ACTIVITY RECORD

NAVCOMPT FORM 2211 (REV. 3-72)

REGISTER NO.

NAME OF DEPARTMENT

**USS HENRY WISE (LHA-39)**

SIGNATURE OF CASHIER

**D. Jones**

DATE

**20 May XX**

ITEM NO.	ITEM	AMOUNT
1.	CASH TURNED IN (DETAIL BELOW - ITEM 20)	\$ <b>150.00</b>
2.	CHANGE FUND (-) (WHEN TURNED IN WITH RECEIPTS)	
3.	REFUNDS (+)* <b>(B)</b>	
4.	CASH SALES	
5.	CHARGE/COMMERCIAL CREDIT SALES	
6.	<b>TOTAL SALES:</b> SALES SLIP OR TICKET NUMBERS THRU	\$ <b>150.00</b>
7.	CHANGE FUND	
8.	CASH RECEIPTS	<b>150.00</b>
9.	TOTAL CASH VERIFIED (LINE 7 + 8 = 9) <b>(G)</b>	<b>150.00</b>
10.	CHARGE SALES	
11.	<b>TOTAL VERIFIED (LINE 9 + 10 = 11)</b>	\$ <b>150.00</b>
12.	CLOSING REGISTER READING	
13.	OPENING REGISTER READING	
14.	REGISTER AMOUNT (LINE 12 - 13 = 14)	
15.	OVER-RINGS (-) AND UNDER-RINGS (+)	
16.	REFUNDS (+) (TO BE USED WHEN REFUNDS ARE REFLECTED IN REGULAR REGISTER READINGS)	
17.	ADJUSTED REGISTER READINGS (LINE 14 ± 15 + 16 = 17)	
18.	<b>CASH OVERAGES OR SHORTAGES (CIRCLE: OVERAGE OR SHORTAGE)</b>	\$

  

19. BREAKDOWN OF REVENUE (TO BE FILLED IN BY BOOKKEEPER)				20. DETAIL OF CASH TURNED IN (TO BE FILLED IN BY CASHIER) <b>(C)</b>			
NAME OF ACCOUNT	ACCOUNT NO.	DEBIT AMOUNT	CREDIT AMOUNT				
				COINS	CENTS	\$ <b>0</b>	
					NICKELS	<b>1.00</b>	
					DIMES	<b>3.00</b>	
					QUARTERS	<b>1.00</b>	
					HALF-DOLLARS	<b>0</b>	
					TOTAL COINS		
				CURRENCY	ONE'S	<b>5.00</b>	
					FIVE'S	<b>100.00</b>	
					TEN'S	<b>20.00</b>	
					TWENTY'S	<b>20.00</b>	
					TOTAL CURRENCY		
				CHECKS/M.O.'S	U.S. CHECKS		
					OTHER CHECKS		
					MONEY ORDERS		
					TOTAL CHECKS/M.O.'S		
TOTAL \$					GRAND TOTAL CASH TURNED IN		\$ <b>(F) 150.00</b>

\* SIGNED REFUND VOUCHERS WILL BE ATTACHED  
REMARKS: (Use reverse side if necessary)

**Six emblematic sales at \$25.00.**

**(E)**

SIGNATURE OF PERSON DESIGNATED TO VERIFY CASH AND CHARGES

**T. Brown**

**(D)**

NOTE: TO MAKE CORRECTIONS:

LINE THROUGH ERROR, WRITE CORRECT AMOUNT ABOVE ERROR, INITIAL AND DATE  
CORRECTIONS ARE MADE ONLY BY PERSON MAKING ERROR. NO CORRECTIONS WILL  
BE MADE TO LINES 1 THROUGH 6.

S/N 0104 LF-706-5200

## CASH HANDLING

Once the *DAR* is completed deposit cash received. Your command must establish a policy on what to do with daily receipts of less than \$100. The policy must state whether this income is to be deposited or kept in a locked container within a safe until a minimum deposit level (\$100) is achieved or seven days.

If the daily sales amount is less than \$100 and the command banks locally, record cash received on *DAR* and place in a safe. Make sure these funds are deposited at local financial institution within seven days. If the ship is at sea, deposit cash to the ship's MWR account through disbursing and then transfer it to the bank. All electronic sales conducted through the K22 automatically transfer to the MWR bank account.

If the daily sales amount is more than \$100 and the command banks locally, prepare a deposit slip and make bank deposit; record deposit in the *Receipt & Expenditure Log* and attach the bank verified deposit slip to the *DAR*.

If the command banks with CNIC, complete a bank by mail deposit slip, complete *Daily Deposit Log*, record information for each deposit on *Receipt & Expenditure Log*, mail the deposit to the address on the pre-numbered deposit slip. At the end of the month verify all entries on the *Daily Deposit Log* appear on the Bank Statement.

Regardless of the amount, cash may never be kept on hand, or in a locked container for more than seven days. In some cases, a daily trip to the financial institution may be required.

## CASH HANDLING VIA NAVY CASH POS

When daily sales are conducted utilizing the Navy Cash Point of Sale (POS) system, record the deposit in the *Receipt & Expenditure Log*, and verify transactions against the Daily Transaction Detail Report (Shore Report). It is important to note, if the Navy Cash Point of Sale System fails, all records will be lost. A manual record keeping system is required.

When sales are greater than \$100 and the command uses Navy Cash, complete the receipts, *DAR* and dock the K22/POS. Record the income and deposits on the *Receipt & Expenditure Log* including date, description of transaction and amount of the deposit.

**NOTE:** For commands banking with CNIC (e.g., Aircraft Carriers):

- Enter the following for each deposit on *Daily Deposit Log*:
  - A. Date
  - B. Total amount of deposit
- Endorse each check with *For Deposit Only* and include the following:
  - C. Fund name
  - D. Fund number
  - E. Account number

The *Daily Deposit Log* will be mailed to CNIC when completely filled or at end of the month, whichever occurs first. Record information for each deposit on *Receipt & Expenditure Log*, make copies of all checks and mail deposit to the address pre-printed on the deposit slip. If the *Bank-By-Mail Deposit Slip* is:

- Original or Yellow: Mail with checks to Bank of America
- Blue: Attach to *Daily Deposit Log*, and mail to CNIC at the end of the month
- Green: Retain and file for three years

**NOTE:** Resupply of *Daily Deposit Log* forms should be maintained locally by photocopying the needed amount.

At end of the month:

- Total entries (lines 1-50) for each *Daily Deposit Log*
- Ensure amount is equal to attached deposit slips total
- Put *Daily Deposit Log* (with attached blue deposit slip copies) in transmittal envelope
- Write total amount of check deposit on front of transmittal envelope
- Mail transmittal envelope to CNIC within three working days after the end of the month
- Email information to CNIC



## DAILY DEPOSIT LOG

FUND NAME <b>USS AIRCRAFT CARRIER (CVN199) (C)</b>		SOURCE <b>20</b>	FUND # <b>21105 (D)</b>	DATE <b>(A)</b>	DOCUMENT #
	DATE (A)	AMOUNT (B)		DATE	AMOUNT
1.	8/31	543.00	26.		
2.	9/3	1,500.00	27.		
3.	9/17	285.00	28.		
4.			29.		
5.			30.		
6.			31.		
7.			32.		
8.			33.		
9.			34.		
10.			35.		
11.			36.		
12.			37.		
13.			38.		
14.			39.		
15.			40.		
16.			41.		
17.			42.		
18.			43.		
19.			44.		
20.			45.		
21.			46.		
22.			47.		
23.			48.		
24.			49.		
25.			50.		
TOTAL CREDIT ACCOUNT 00-272-00					(E) _____
TOTAL DEPOSIT SLIPS DR ACCT 00-101-00					(B) _____

## MONTH END

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### RECONCILE CHECKING ACCOUNT/NAVY CASH BALANCE WITH RECEIPT & EXPENDITURE LOG AND NAVY CASH DAR REPORT

At the end of each month, use a *Receipt & Expenditure Reconciliation Worksheet* to reconcile the monthly bank statement (or the Detailed General Ledger, if banking with CNIC) and *Navy Cash Reports* with the Fund's *Receipt & Expenditure Log*. If the *Receipt & Expenditure Reconciliation Worksheet* balances, have a senior member of the Fiscal Oversight Board sign the *Receipt & Expenditure Log* and the bank statement to note reconciliation is complete.

If the *Receipt & Expenditure Log* does not reconcile with the most recent bank statement and *Navy Cash Reports* then:

- Ensure amount written on checks and/or recorded in the *Receipt & Expenditure Log* matches amount posted on bank statement for each item. Correct entries as necessary. Contact the banking institution if an error is revealed on the bank statement.
- Ensure all transactions are recorded on *Receipt & Expenditure Log*
- Make sure interest earned is recorded in the monthly *Receipt & Expenditure Log*
- Calculate month ending un-reconciled balance. Note and total the amounts of outstanding/uncashed checks recorded on *Receipt & Expenditure Log*
- Calculate *Month Ending Balance* (H) by adding total of outstanding/uncashed checks to last running balance amount on *Receipt & Expenditure Log*
- Total receipts (F) and expenditures (G) on *Receipt & Expenditure Log*
- If the *Receipt & Expenditure Log* and monthly bank statement balance, sign and date *Receipt & Expenditure Log* (I) and (J) and obtain signature and date of Senior Member of the Financial Oversight Board (K) and (L)
- File the signed *Receipt & Expenditure Log* and maintain all records for three years

If the total receipts and expenditures on the *Receipt & Expenditure Log* still do not balance:

- Ensure all checks written have been recorded in *Receipt & Expenditure Log*
- Ensure all deposits have been recorded in *Receipt & Expenditure Log*
- Ensure all *Receipt & Expenditure Log* adjustments have been recorded
- *Receipt & Expenditure Log* and bank statement should now balance
- File the signed *Receipt & Expenditure Log* and maintain all records for three fiscal years

## RECEIPT & EXPENDITURE RECONCILIATION WORKSHEET

1. Record and <b>subtract from checkbook register balance</b> (and Receipt & Expenditure Log) all charges/fees shown on statement that are not recorded in your checkbook register since last reconciliation.															
2. Record and <b>add to checkbook register balance</b> (and Receipt & Expenditure Log) any interest shown on statement that is not recorded.															
3. Record closing bank statement balance at right:	\$														
<p>4. List and total outstanding checks below:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 40%;">Check Number</th> <th style="text-align: left; width: 40%;">Amount</th> </tr> </thead> <tbody> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> </tbody> </table> <p style="text-align: right; margin-top: 10px;">Enter <b>total</b> at right:</p>	Check Number	Amount	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	\$
Check Number	Amount														
_____	_____														
_____	_____														
_____	_____														
_____	_____														
_____	_____														
_____	_____														
5. Subtract total 4 from balance 3.	\$														
<p>6. Total all deposits that are not shown on statement since last reconciliation.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 40%;">Date</th> <th style="text-align: left; width: 40%;">Deposits</th> </tr> </thead> <tbody> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> </tbody> </table> <p style="text-align: right; margin-top: 10px;">Enter <b>total</b> at right:</p>	Date	Deposits	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	\$
Date	Deposits														
_____	_____														
_____	_____														
_____	_____														
_____	_____														
_____	_____														
_____	_____														
<p>7. Add totals 5 and 6.</p> <p style="margin-top: 10px;">This figure should match your adjusted checkbook register balance</p>	\$														



## PREPARE STATEMENT OF OPERATIONS AND NET WORTH

At the end of each month, after reconciling the checkbook register and the *Receipt & Expenditure Log*, prepare a *Statement of Operations and Net Worth*. The *Statement of Operations and Net Worth* consolidates like line number transactions from the *Receipt & Expenditure Log* into one monthly line number total. The *Statement of Operations and Net Worth* will make preparing the annual financial statement less laborious and reduce the chances of transfer errors.

To prepare the *Statement of Operations and Net Worth* include:

- A. Name and location of fund
- B. Last day of accounting month being examined under *Period Ending*
- C. Bank balance brought forth in beginning of month from *Receipt & Expenditure Log*
- D. Description of cash receipts and expenditures
- E. Line numbers from Column 5 of *Receipt & Expenditure Log* (also include unreconciled expenditures and deposits from previous month)
- F. Total for each line number receipts and expenditures description
- G. Amount total for monthly bank balance and cash receipts
- H. Amount total for monthly cash expenditures
- I. Bank balance at end of month equals total receipts minus total expenditures
- J. Total cash on hand (undeposited receipts)
- K. Total petty cash fund
- L. Savings account balance
- M. Total in other accounts (e.g., change fund)
- N. Net worth at end of month
- O. Printed name and signature of RFC
- P. Signature of CO

The *Bank Balance at End of Month* on the *Statement of Operations and Net Worth* should equal the *Month Ending Bank Balance* on the *Receipt & Expenditure Log*.

STATEMENT OF OPERATIONS AND NET WORTH		
NAME AND LOCATION OF FUND: <b>USS HENRY WISE (LHA-39)</b> <b>USN Federal Credit Union</b> <b>San Diego, CA 92107</b>		PERIOD ENDING <b>(B)</b> <b>30 June</b> (Month) <b>20XX</b> (Year)
DESCRIPTION	LINE NUMBER	TOTAL
Bank Balance Brought Forth at Beginning of Month	(E)	(C)\$9,842.00
Add: Cash Receipts: (D)		(F)
Entertainment Income	9	727.00
Bank Account Interest Income	13	12.24
TOTAL BANK BALANCE AND RECEIPTS	(G)	10,581.24
Less: Cash Expenditures:		(F)
Entertainment Expense	21	182.00
Sports Expense	22	693.00
Minor Property/Supplies Expense	26	290.00
Maintenance/Repair Expense	30	127.00
Miscellaneous Expense	32	4.00
Divisional Rec Fund Expenses	20	700.00
TOTAL EXPENDITURES	(H)	1,996.00
Bank Balance at End of Month (G MINUS H)	(I)	8,585.24
Cash On Hand (undeposited receipts)	(J)	0.00
Petty Cash	(K)	150.00
Savings	(L)	8,200.00
Other - Change Fund	(M)	
Net Worth at End of Month (TOTAL I THROUGH L)	(N)	\$16,935.24
Printed Name of Recreation Fund Custodian or Responsible Officer (O)	Signature	
Commanding Officer's Signature (P)		

## **PREPARE/SUBMIT RECREATION FUND FINANCIAL STATEMENT**

Afloat Commands are required to complete and submit to CNIC the *Recreation Fund Financial Statement* (CNIC Form 7010/1) annually.

This statement provides CNIC a summary of financial activity for a specified period, as well as the amount of Recreation Fund assets owned by afloat commands. The form is signed by the RFC, verified by the Senior Member of the Fiscal Oversight Board and approved, through signature, by the Commanding Officer.



RECREATION FUND FINANCIAL STATEMENT				
REPORTING ACTIVITY: (NAME, ADDRESS)		ANNUAL REPORT FOR FISCAL YEAR ENDING (MM, DD, YY)	<div style="display: flex; justify-content: space-around; border: 1px solid black; height: 20px; width: 100%;"></div>	
REPORTING ACTIVITY UIC:				
REPORTING TO: CNIC N948	<div style="display: flex; justify-content: space-around; border: 1px solid black; height: 20px; width: 100%;"></div>			
COMPUTATION OF FINANCIAL STATUS				
LINE	DESCRIPTION	AMOUNT	TOTAL	LINE
1	NET WORTH BROUGHT FORWARD BEGINNING OF PERIOD		\$ <span style="border: 1px solid black; padding: 2px 10px;"></span>	1
2	RESALE OPERATION INCOME	\$ <span style="border: 1px solid black; padding: 2px 10px;"></span>		2
3	VENDING/AMUSEMENT MACHINE INCOME	\$ <span style="border: 1px solid black; padding: 2px 10px;"></span>		3
4	<b>TOTAL RESALE/VENDING INCOME (Total of Lines 2 &amp; 3)</b>		\$ <span style="border: 1px solid black; padding: 2px 10px;">0.00</span>	4
5	EXCHANGE/SHIP STORE PROFITS	\$ <span style="border: 1px solid black; padding: 2px 10px;"></span>		5
6	TRANSFERS FROM CNIC CENTRAL FUND	\$ <span style="border: 1px solid black; padding: 2px 10px;"></span>		6
7	TRANSFERS FROM OTHER RECREATION FUNDS	\$ <span style="border: 1px solid black; padding: 2px 10px;"></span>		7
8	SPORTS PROGRAM INCOME	\$ <span style="border: 1px solid black; padding: 2px 10px;"></span>		8
9	ENTERTAINMENT INCOME	\$ <span style="border: 1px solid black; padding: 2px 10px;"></span>		9
10	TOURS INCOME	\$ <span style="border: 1px solid black; padding: 2px 10px;"></span>		10
11	CRUISE BOOK INCOME	\$ <span style="border: 1px solid black; padding: 2px 10px;"></span>		11
12	OTHER RECREATION PROGRAM INCOME	\$ <span style="border: 1px solid black; padding: 2px 10px;"></span>		12
13	INTEREST INCOME	\$ <span style="border: 1px solid black; padding: 2px 10px;"></span>		13
14	LOAN REPAYMENT FROM INDIVIDUALS	\$ <span style="border: 1px solid black; padding: 2px 10px;"></span>		14
15	MISCELLANEOUS INCOME (Other income not listed) (ATTACH ADDENDUM)	\$ <span style="border: 1px solid black; padding: 2px 10px;"></span>		15
16	<b>TOTAL INCOME (Total of Lines 4 thru 15)</b>		\$ <span style="border: 1px solid black; padding: 2px 10px;">0.00</span>	16

EXPENSES				
17	RESALE MERCHANDISE PURCHASED	\$		17
18	VENDING MACHINE MERCHANDISE PURCHASED	\$		18
19	TOTAL RESALE/VENDING EXPENSE (Total of Lines 17 & 18)		\$ 0.00	19
20	RECREATION FUND DISTRIBUTIONS	\$		20
21	ENTERTAINMENT EXPENSE	\$		21
22	SPORTS EXPENSE	\$		22
23	ELECTRONICS EXPENSE	\$		23
24	TOURS EXPENSE	\$		24
25	CRUISE BOOK EXPENSE	\$		25
26	EXPENDABLE PROPERTY/SUPPLIES EXPENSE	\$		26
27	NONEXPENDABLE PROPERTY EXPENSE	\$		27
28	VEHICLE PROCUREMENT EXPENSE	\$		28
29	BANKING FEES/SERVICE CHARGES	\$		29
30	MAINTENANCE/REPAIR EXPENSE	\$		30
31	LOANS DISBURSED TO INDIVIDUAL	\$		31
32	MISCELLANEOUS EXPENSE (ATTACH ADDENDUM)	\$		32
33	TOTAL EXPENSES (Total of Lines 19 thru 32)		\$ 0.00	33
34	NET WORTH AT END OF PERIOD (Lines 1 plus 16 minus Line 33)		\$ 0.00	34
RECONCILIATION OF NET WORTH				
35	NET WORTH BROUGHT FORWARD TO BEGINNING OF PERIOD (Line 1)		\$ 0.00	35
36	TOTAL INCOME (Line 16)		\$ 0.00	36
37	TOTAL EXPENSE (Line 33)		\$ 0.00	37
38	TOTAL NET WORTH AT END OF PERIOD (Lines 35 plus 36 minus Line 37) (Must Equal Lines 34 and 43)		\$ 0.00	38

RECAPITULATION OF NET WORTH (Include Bank Information Where Applicable)					
39	CHECKING ACCOUNT BALANCE AS OF REPORT DATE	Account Number: Bank Name:		\$	39
40	SAVINGS ACCOUNT BALANCE AS OF REPORT DATE	Account Number: Bank Name:		\$	40
41	PETTY CASH FUND			\$	41
42	UNDEPOSITED CHECKS/CASH ON HAND			\$	42
43	<b>ENDING NET WORTH (Lines 39 thru 42) (Must Equal the figures on Lines 34 &amp; 38)</b>			\$ 0.00	43

  

LINE	BANK INFORMATION	TOTAL	LINE
44	AMOUNT COLLATERALIZED THROUGH CNIC N9	\$	44
45	AMOUNT OF FEDERALLY INSURED (FDIC) BANK DEPOSITS	\$	45

  

STATISTICAL DATA				
46	ACTIVITY'S AUTHORIZED MILITARY PERSONNEL ALLOWANCE AS OF REPORT DATE		#	46
47	ACTIVITY'S ACTUAL NUMBER OF MILITARY PERSONNEL AS OF REPORT DATE		#	47
48	<b>TOTAL NONEXPENDABLE PROPERTY (Must equal total of property/equipment inventory record)</b>		\$	48
49	<b>VEHICLE INVENTORY RECORD (List all vehicles, camping trailers, boat trailers, etc., on hand)</b>			49
	MAKE	MODEL	YEAR	SERIAL NUMBER
				USN REGISTRATION

  

CERTIFICATION	
<p>I certify that this Recreation Fund Financial Statement is accurate and that there are no unreported receipts or expenditures.</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> </div> <div style="width: 35%;"> </div> </div> <p style="text-align: center;">CUSTODIAN OR MEMBER OR AUDIT BOARD SIGNATURE <span style="float: right;">DATE</span></p>	
<p>I have reviewed the Recreation Fund Financial Statement. I certify that it accurately represents the condition of the Fund and that all disbursements are in accord with the existing regulations. Conditions are satisfactory except where noted. I certify that all assets are protected as required by DODI 1015.15 (Establishment, Management, and Control of Nonappropriated Fund Instrument and Financial Management of Supporting Resources)</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> </div> <div style="width: 35%;"> </div> </div> <p style="text-align: center;">COMMANDING OFFICER SIGNATURE <span style="float: right;">DATE</span></p>	

RECREATION FUND FINANCIAL STATEMENT ADDENDUM		
REPORTING ACTIVITY:	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	DATE: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>
REPORTING ACTIVITY UIC:	<div style="display: flex; justify-content: space-between;"> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> </div>	

  

LINE 15	MISCELLANEOUS INCOME ( <i>Other income not listed</i> ) EXPLANATION	AMOUNT
		\$ <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
		\$ <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
		\$ <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
		\$ <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
		\$ <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
		\$ <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
		\$ <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
TOTAL MUST MATCH AMOUNT ON LINE 15 (PAGE 1)		\$ 0.00

  

LINE 32	MISCELLANEOUS EXPENSE ( <i>Other expense not listed</i> ) EXPLANATION	AMOUNT
		\$ <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
		\$ <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
		\$ <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
		\$ <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
		\$ <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
		\$ <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
		\$ <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
TOTAL MUST MATCH AMOUNT ON LINE 32 (PAGE 2)		\$ 0.00

PRINT

EMAIL

SAVE AS

To prepare the *Recreation Fund Financial Statement* include:

## **INCOME SECTION**

Line 1. *NET WORTH BROUGHT FORWARD BEGINNING OF PERIOD*. Enter the net worth (cash) figure brought forward from the end of the prior period financial statement. (The net worth figure would not change between the end of one fiscal year and the beginning of another). Newly commissioned ship/activities reporting for the first time will leave this line blank; commissioning grants will be reflected on line 6.

Line 2. *RESALE OPERATION INCOME*. Enter revenue derived from the sale of merchandize and/or memorabilia, exclusive of fund-owned vending and amusement machine revenue.

Line 3. *VENDING/AMUSEMENT MACHINE INCOME*. Reflect the income derived from recreation fund-controlled vending machines, amusement machines and receipts from concessionaires.

Line 4. *TOTAL RESALE/VENDING INCOME*. This line represents the total of lines 2 and 3.

Line 5. *EXCHANGE/SHIP STORE PROFITS*. Reflect the income received by the recreation fund from the distribution of exchange or ships store profits (including exchange or ships store operated vending machine profits).

Line 6. *TRANSFERS FROM CNIC CENTRAL FUND*. Enter grants and loans received directly from CNIC N948A Central Fund only.

Line 7. *TRANSFERS FROM OTHER RECREATION FUNDS*. Enter the income received from other Morale, Welfare and Recreation (MWR) funds.

Line 8. *SPORTS PROGRAM INCOME*. Enter the total income received from recreation fund-sponsored sports/athletic programs.

Line 9. *ENTERTAINMENT INCOME*. Enter the total income received from recreation fund-sponsored entertainment events, (e.g., revenue from ticket sales or fees to cultural, athletic or social events, concerts, dances, etc.).

Line 10. *TOURS INCOME*. Enter the income received from fees and charges in connection with sightseeing or other such tours.

Line 11. *CRUISE BOOK INCOME*. Enter income derived from sale of ship or activity cruise books.

Line 12. *OTHER RECREATION PROGRAM INCOME*. Enter the total income from recreation programs not otherwise specifically listed on the form.

Line 13. *INTEREST INCOME*. Enter all income received from interest proceeds on savings accounts or other approved investments.

Line 14. *LOAN REPAYMENT FROM INDIVIDUALS*. Enter revenue received during the period as repayment (partial or full) of loans made to individuals from the recreation fund.

Line 15. *MISCELLANEOUS INCOME*. Enter the income received in the recreation fund which is not included in other income accounts. A breakdown by description and dollar amount of all items reflected in this category must be included as an addendum to the CNIC Form 7010/1.

Line 16. *TOTAL INCOME*. Show the total of lines 4 through 15. The total must represent the total income received from all sources during the period.

## **EXPENSES SECTION**

Line 17. *RESALE MERCHANDISE PURCHASED*. Enter the total dollar value, at cost, of all merchandise purchased for resale, excluding recreation fund-owned vending machine items.

Line 18. *VENDING MACHINE MERCHANDISE PURCHASED*. Enter the dollar value of recreation fund-owned vending machine merchandise purchased for resale only. The amount should represent the total expense, at cost, for vending machine merchandise purchases. Enter expenses for repair, maintenance and servicing of vending machines on line 30.

Line 19. *TOTAL RESALE/VENDING EXPENSE*. This line represents the total of lines 17 and 18.

Line 20. *RECREATION FUND DISTRIBUTIONS*. Enter the amount of funds distributed from the recreation fund to any other unit (e.g., pro-rata vending machine/ship store profits distributed to Marine Corps units; allocations provided to participating units, etc.). Report funds transferred to the CNIC N948A Central Fund on line 32.

Line 21. *ENTERTAINMENT EXPENSE*. Enter the total expenses incurred in connection to recreation fund-sponsored entertainment events, (e.g., dances, parties, etc.).

Line 22. *SPORTS EXPENSE*. Enter the total expenses incurred in connection with recreation fund-sponsored sports/athletic programs (e.g., league entry fees, officials' fees, etc.).

Line 23. *ELECTRONICS EXPENSE*. Enter the total expense incurred in the purchase of electronic equipment, property and supplies incident to the recreation program (other than resale items, e.g., television, sound system, etc.). Also include expenses related to transportation/shipping/freight charges associated with such property purchases on this line.

Line 24. *TOURS EXPENSE*. Enter the total expenses paid in connection with sightseeing or other type tour programs and events.

Line 25. *CRUISE BOOK EXPENSE*. Enter the total expenses incident to the preparation and publication of ship or activity cruise books or compact disc.

Line 26. *EXPENDABLE PROPERTY/SUPPLIES EXPENSE*. All property and supplies (other than electronics and sports property/supplies) with a useful life of two years, regardless of cost, purchased during the period will be reflected on this line. Include property and supplies for both direct and general and administrative expenses, exclusive of resale items.

Line 27. *NONEXPENDABLE PROPERTY EXPENSE*. Enter the total expenses for property purchased during the period (exclusive of vehicles and electronics property) with a useful life exceeding two years and a unit cost greater than \$300. Also include expenses related to transportation/shipping freight charges associated with such property purchases on this line. Enter transportation charges incident to *no cost* equipment/property (i.e., property acquired where no acquisition cost was incurred by the Fund) on line 32, *Miscellaneous Expense*.

Line 28. *VEHICLE PROCUREMENT EXPENSE*. Enter the cost of vehicles purchased during the period. Expenses for transportation/shipping/freight charges associated with vehicle purchases are also included on this line. Subsequent to procurement and during the period in which the vehicle is owned by the recreation fund, it will be reported on the Vehicle Inventory Record line 50 of CNIC Form 7010/1.

Line 29. *BANKING FEES/SERVICE CHARGES*. Enter the total of all banking fees and service charges incurred for checking, savings or other banking services during the period.

Line 30. *MAINTENANCE/REPAIR EXPENSE*. Enter the total expenses incurred in the maintenance, repair and servicing of all recreation fund equipment, vehicles and vending machines during the period.

Line 31. *LOANS DISBURSED TO INDIVIDUALS*. Enter the total amount of loans made from the recreation fund to individuals during the period. (Loan repayments made to the CNIC Central Fund will be accounted for on line 32, *Miscellaneous Expense*).

Line 32. *MISCELLANEOUS EXPENSE*. Enter all expenses incurred during the period which are not included in other expense lines. A breakdown by description and dollar amount of all items reflected in this category must be included as an addendum to the CNIC Form 7010/1.

Line 33. *TOTAL EXPENSES*. This line reflects the summation of lines 19 through 32 and includes all cash expenditures by the recreation fund during the period.

Line 34. *NET WORTH AT END OF PERIOD*. The amount reflected on this line is derived by subtracting line 33 from the sum of lines 1 and 16. This total must represent the actual cash position of the recreation fund at the end of the period and will be shown on line 1 of the succeeding period statement. If this total does not agree with the end of period cash position of the recreation fund (line 43), either a computation error exists on the statement or it is the result of erroneous records maintained during the period.

#### **RECONCILIATION OF NET WORTH**

Line 35. *NET WORTH BROUGHT FORWARD TO BEGINNING OF PERIOD* (amount of line 1). Enter the net worth figure which appears on line 1.

Line 36. *TOTAL INCOME* (total lines 4-15). Enter the sum of lines 4 through 15.

Line 37. *TOTAL EXPENSE* (total lines 19-32). Enter the sum of lines 19 through 32.

Line 38. *TOTAL NET WORTH AT END OF PERIOD* (lines 35 and 36 minus line 37). This total represents the actual cash position of the recreation fund at the end of the period. This total verifies the amount calculated for line 34 and will also provide a check on the accuracy of the amount to be calculated for line 43, net worth (cash) carried forward.



## RECAPITULATION OF NET WORTH

Line 39. *CHECKING ACCOUNT BALANCE AS OF REPORT DATE.* Report the bank name, account number, and balance in the recreation fund checking account for the reporting period.

Line 40. *SAVINGS ACCOUNT BALANCE AS OF REPORT DATE.* Report the recreation fund savings account(s) balance and/or other interest-bearing accounts.

Line 41. *PETTY CASH FUND.* Report the amount of cash on hand in the Petty Cash Fund as of the last day of the period.

Line 42. *UNDEPOSITED CHECKS/CASH ON HAND.* This line will reflect the amount of cash on hand (held by the RFC and/or on deposit with a Disbursing Officer for safekeeping) by actual count on the last day of the reporting period.

Line 43. *ENDING NET WORTH.* The amount reflects the ending financial position of the recreation fund as of the date of the report. It is derived summing lines 39 through 42. The amount entered on line 43 must equal the amounts reported on lines 34 and 38.

## BANK INFORMATION

Line 44. *AMOUNT COLLATERALIZED THROUGH CNIC.* Deposits or investments that exceed the insurance limit at a particular institution must be collateralized or moved to an account at another federally insured institution. Accounts are collateralized when the depository institution delivers acceptable U.S. Treasury Securities to a Federal Reserve Bank. Collateral is required for U.S. Public Funds in excess of insured limits by Title 31, Part 200, of the Code of Federal Regulations (usually referred to as Treasury Circular 176).

Collateral can be obtained by sending a written request to CNIC N948B, Treasury Operations Section; 5720 Integrity Drive, Millington, TN 30855-6520. The request should contain the amount of collateral needed, the depository institution, address of the main office of the depository institution and accurate account information. CNIC N948B will contact the depository institution and request and verify the collateral.

Line 45. *AMOUNT OF FEDERALLY INSURED (FDIC) BANK DEPOSITS.* Any institution in which Navy MWR funds are deposited must have Federal insurance. Banks and savings and loans are insured through the FDIC, which is an agency of the U.S. Government. Verification of FDIC insurance should be obtained before any deposit or investment is made. FDIC insurance regulations treat Navy MWR funds as public unit account and

thus entitle MWR funds to \$250,000 insurance coverage for the aggregate of all time and savings deposit accounts at a particular institution. (For example, a Recreation Fund with \$90,000 in a checking account and \$90,000 in savings and time deposits with an FDIC insured institution would have the entire \$180,000 completely insured.)

## **STATISTICAL DATA**

Line 46. *ACTIVITY AUTHORIZED MILITARY PERSONNEL ALLOWANCE AS OF THE REPORT DATE.* Reflect the total manning level of the command/unit at the end of the period.

Line 47. *ACTIVITY ACTUAL NUMBER OF MILITARY PERSONNEL AS OF THE REPORT DATE.* Reflect the actual number of active duty military personnel on board at the end of the period as compared with the activity's authorized allowance.

Line 48. *TOTAL NONEXPENDABLE PROPERTY.* Reflect the total dollar acquisition cost of all nonexpendable property (property acquired with a unit cost of \$300 and useful life exceeding two years) procured from NAFs of the recreation fund and held at the end of the period. This amount must equal the total value of property on hand as shown on the Property/Equipment Inventory Record.

Line 49. *VEHICLE INVENTORY RECORD.* All recreation fund-owned vehicles, camping trailers, boat trailers and like equipment requiring a United States Navy (USN) registration number purchased with NAF or acquired through surplus listings, will be listed with a description by make, model type, year, serial number and USN registration number. The above data should be complete, accurate and up-to-date.

## **CERTIFICATION OF FINANCIAL STATEMENT**

Completion of the certification requirements on *CNIC Form 7010-1* must be met before the statement can be accepted or retained as an official document. Financial statements must be signed by the RFC and/or a member of the Fiscal Oversight Board and the CO. Undated or unsigned statements will be returned to the originator for appropriate corrective action.

Make two copies of the *Recreation Fund Financial Statement* and annually send the original to CNIC no later than December 1. Send one copy to your local Deployed Forces Support Office and retain the second copy for the official Recreation Fund file and maintain all records for three fiscal years.