

File W/401-E

U.S. DEPARTMENT OF TRANSPORTATION
MARITIME ADMINISTRATION

FILE

ACCOUNTING MANUAL FOR
NONAPPROPRIATED FUNDS
ACCOUNTING STANDARDS AND PROCEDURES

12/20/84

Issued Under Authority
Maritime Administrative Order No. 400-8

Amoroso



US Department
of Transportation
Maritime
Administration

Memorandum

Subject: INFORMATION: Updating Accounting Manual for ^{Date} January 15, 1985
Non Appropriated Funds Accounting Standards
and Procedures to reflect name change of Office.

From: Lawrence H. Fong *L.H. Fong*
Director
Office of Financial Approvals

Reply to
Att: of

To: James Amoroso
Head, Budget and Accounts
U.S. Merchant Marine Academy

Due to a reorganization of the Office of Financial Management, the Accounting Manual for Nonappropriated Funds Accounting Standards and Procedures should be updated to reflect a change from the Office of Financial Management to the Office of Financial Approvals.

Attachment

4

*1/23/85
cc: Asst. Ad. DBA ✓*



US Department
of Transportation

Maritime
Administration

Memorandum

Subject Accounting Manual For Non Appropriated
Funds Accounting Standards and Procedures

Date December 20, 1984

From Lawrence H. Fong
Director
Office of Financial Approvals

Reply to
Attch of

To James Amoroso
Head, Budget and Accounts
U.S. Merchant Marine Academy

Attached is the final version of the subject accounting manual prepared by this office. The manual was prepared in accordance with Maritime Administrative Order No. 400-8 to provide the USMMA with the appropriate accounting standards and procedures. If you have any questions please contact me.

Attachment

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THIS MANUAL CONSISTS OF TWO PARTS AS FOLLOWS:

PART I - ACCOUNTING STANDARDS

PART II - ACCOUNTING PROCEDURES

INTRODUCTION

Under Maritime Administrative Order No. 440-5, the Director, Office of Financial Approvals is responsible for developing and maintaining the Financial Management Procedures Manual for the uniform administration of the internal and external accounting, auditing, financial analysis and related functions for the U.S. Merchant Marine Academy (USMMA). This manual is intended to provide the USMMA with the appropriate accounting standards and procedures and financial controls applicable to the nonappropriated funds (NAFs).

It should be noted that the manual is not intended to replace existing policies. Care has been taken to insure that the guidelines contained in this manual are not in conflict with any existing USMMA policies; however, in the event of any conflict, this manual shall govern.

1/15/85

ACCOUNTING MANUAL FOR NONAPPROPRIATED FUNDS

UNITED STATES MERCHANT MARINE ACADEMY
KINGS POINT, NEW YORK

PART I - ACCOUNTING STANDARDS

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PART I. ACCOUNTING STANDARDS

A. An accounting system is an integral part of a management control system and contributes significantly to the goals and objectives of management. The following standards are based on the Accounting Principles and Standards for Federal Agencies, prepared by the Comptroller General of the United States.

1. Policies

Management policies adopted for carrying out non-appropriated fund (NAF) functions should be clearly stated, systematically communicated throughout the organization, conformed to applicable regulations and policies, and designed to promote the carrying out of authorized activities effectively, efficiently, and economically.

2. Organization

A carefully planned organizational structure should be established under which responsibility for the performance of all duties necessary to carry out the functions for which the NAF exists is clearly defined and specifically assigned, and appropriate authority for such performance is delegated.

3. Segregation of Duties and Functions

Responsibility for assigned duties and functions should be appropriately segregated, as among authorization, performance, keeping of records, custody of resources, and review, so as to provide proper internal checks on performance and to minimize opportunities for carrying out unauthorized, fraudulent, or otherwise irregular acts.

4. Planning

A system of forward planning, embracing all significant parts of the NAF, is needed for determining and justifying needs for financial, property, and personnel resources and for carrying out operations effectively, efficiently, and economically.

5. Procedures

Procedures adopted to carry out NAF operations should be as simple, efficient, and practicable as circumstances permit, considering the nature of the operations and the applicable legal and regulatory requirements. Such

factors as feasibility, cost, risk of loss or error, and availability and suitability of personnel must be considered.

6. Authorization and Record Procedures

An adequate system of authorization and record procedures must be devised to (1) promote compliance with prescribed requirements and restrictions of applicable laws, regulations, and internal management policies, (2) prevent illegal or unauthorized transactions or acts, and (3) provide proper accounting records for the assets, liabilities and appropriations, obligations, receipts and revenues, expenditures, costs, and disbursements of the NAF.

7. Information System

An adequate and efficiently operated information system should exist to promptly provide essential and reliable operating and financial data to decision makers or those reviewing performance.

8. Supervision and Review

The performance of all duties and functions should be under proper supervision. All performance should be subject to adequate review so as to provide information as to whether performance is effective, efficient, and economical, management policies are adhered to, applicable laws and prescribed regulations are complied with, and unauthorized, fraudulent, or otherwise irregular transactions or activities are prevented or discovered.

9. Qualifications of Personnel

The qualifications of officials and other personnel as to education, training, experience, competence, and integrity must be appropriate for the responsibilities, duties, and functions assigned to them.

10. Personal Accountability

Each official and employee must be fully aware of his/her assigned responsibilities and understand the nature and consequences of his/her performance. Each person must be held fully accountable for the faithful, honest, and efficient discharge of his/her duties and functions, including where applicable, the custody and administration of funds and property and compliance with requirements of law, regulations, and other prescribed policies applicable to their conduct or performance.

11. Expenditure Control

Adequate control over expenditures requires that effective procedures be devised to provide assurance that needed goods and services are acquired at the lowest possible cost, that goods and services paid for are actually received, that quality, quantity, and prices are in accordance with the applicable contracts or other authorizations, that such authorizations are consistent with applicable statutes, regulations, and policies and that effective use is made of all acquired resources.

12. Safeguarding of Resources

All funds, property, and other resources for which the agency is responsible should be appropriately safeguarded to prevent misuse, misappropriation, or unwarranted waste, deterioration, or destruction.

ACCOUNTING MANUAL FOR NONAPPROPRIATED FUNDS

UNITED STATES MERCHANT MARINE ACADEMY
KINGS POINT, NEW YORK

PART II - ACCOUNTING PROCEDURES

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PART II. - ACCOUNTING PROCEDURES

A. General

1. The accounting system:
 - a. Is a commercial type modified to meet local needs.
 - b. Provides for accounting on an accrual basis.
 - c. Provides for closing books for all NAF activities at end of the fiscal year. i.e. September 30.
 - d. Does not apply to accounts of the Ship's Service Activity and the Midshipmen Deposit Accounts.
2. The Fiscal Control Office (FCO) serves participating NAFs by:
 - a. Maintaining and summarizing all accounting and payroll records by a double entry bookkeeping system except the Chapel Fund.
 - b. Obtaining an IRS Employer Identification Number for each NAF.
 - c. Making payroll withholdings for individual NAFs and submitting withholding to the proper government authorities.
 - d. Reviewing and verifying individual financial transactions.
 - e. Checking, balancing, and reconciling accounts.
 - f. Preparing financial reports and financial data.
 - g. Issuing all payment checks.
 - h. Receiving and depositing cash receipts for all NAFs except those NAFs that normally handle cash (such as the clubs).
3. Head of Department of Budget and Accounts, USMMA, is responsible for:
 - a. Review and evaluation of internal accounting controls.
 - b. Adequacy and reliability of financial data.
 - c. Advice to Assistant Superintendent for Administration on significance of financial data.

- d. Establishment of surveillance program to assure accountability and to protect assets.
 - e. Provision of office space, furniture, fixtures, supplies, etc., for the FCO.
 - f. Arrangement with advisor/manager (See I.13d) of each NAF for the advance of funds to provide working capital for the FCO.
 - g. Billing for operating costs of the FCO at end of each month on a pro rata basis to each NAF benefiting from the service.
 - h. Accounting procedures required to establish a new NAF.
 - i. Determination of which NAFs are permitted to make cash deposits.
4. Audits will be arranged for by the Office of Financial Approvals and conducted by the Inspector General on a periodic basis.
 5. Responsibilities of all persons involved with NAF activities will be clearly determined by the Assistant Superintendent for Administration, USMMA. Persons designated for the custody and control for NAF assets will be accountable for any loss resulting from negligence or malfeasance.
 6. All assets, where feasible, will be adequately secured against theft or loss.

USMMA Fiscal Control Fund

The NAF accountants are financially supported by a fund titled the "USMMA Fiscal Control Fund." This fund is annually established by estimating expenses and prorating same to participating NAFs based on anticipated workload. The advances are recorded in the general ledger as "Deposits Payable" and are for services rendered or to be rendered. This advance is considered a liability to the fund and an asset by the participating NAF. Monthly payments by the participating NAFs replenish the general ledger account which is being reduced monthly by the fund's expense. Service charges are billed to participating NAFs on a monthly basis after determination of an equitable percentage of the expenses to be prorated on a time-consumed basis. After determination that the charge is commensurate with the effort expended, the billing may be based on a relatively permanent fixed-dollar monthly charge.

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C. Participating NAFs - All NAFs Except the Ship Service Activity and the Midshipmen Deposit Accounts

These funds include:

1. Officers' Club
2. Petty Officers' Club
3. Athletic Association
4. Morale Fund
5. Junior Officers' Mess
6. Publications (Midships) Fund
7. Cultural Events Fund
8. Chapel Fund*
9. USMMA Fiscal Control Fund
10. Melville Hall
11. USMMA Sail and Power Association
12. Kings Point Music Program NAFI
13. Any Other NAF Activities

*Currently under consideration to be governed by Navy's NAF requirements.

D. Cash and Bank Accounts

1. Checking Account

A checking account shall be established for each NAF, as well as interest bearing accounts as required. These bank accounts shall be maintained by the FCO.

The FCO will deposit all receipts for NAFs that normally do not handle cash, i.e., those determined by the Head of the Department of Budget and Accounts. All checks or cash representing cash receipt for these NAFs shall be delivered directly to the FCO for deposit.

2. Receipts and Deposits

Receipts for NAFs that normally handle cash, such as the clubs, shall be received and deposited by a designated official for the individual NAFs into an interest bearing savings account or checking account. The deposit slip together with the supporting listing of receipts shall be turned over to the FCO for recording. Each NAF should immediately upon receipt, endorse checks "For deposit only to the account of (title of NAF)." Cash registers with locked tape compartments shall be used. The advisor/manager shall have access to the tape compartment and shall verify the amount collected by the sales check. All cash and checks should be secured in a locked receptacle

until deposit is made. Deposits shall be made daily or when receipts total more than \$250, and in no event less than once weekly. An original and one copy of the deposit slip shall be prepared; the bank authenticates one of the slips and returns same for the FCO file. Deposit slip together with a supporting listing of the receipts shall be turned over to the FCO for recording.

The FCO make deposits for all other funds.

The depositor shall prepare a daily cash report (See Exhibit 1) to support each deposit which will be used by the FCO to record cash receipts.

3. Disbursements

All disbursement checks are to be prenumbered and shall be prepared and signed by the Fiscal Control Officer and cosigned by the appropriate NAF advisor/manager or the Head or Assistant Head of the Department of Budget and Accounts so there is no conflict of interest or diminution of internal controls. The Fiscal Control Officer shall not prepare a disbursement check until he/she has received a receiving report (or other evidence of receipt) and a vendor's invoice which has been approved for payment by the appropriate advisor/manager. Checks are not to be made payable to "Cash" or "Bearer" and are not to be signed in advance.

As excess cash accumulates in the checking accounts, the advisor/manager and the FCO shall jointly determine the amount of excess cash to be transferred to an interest-bearing account, considering past experience, cash projections, etc.

4. Reconciliation

The FCO shall reconcile the NAF bank accounts on a periodic basis.

E. Personal Property

For personal property (i.e., cameras, furniture, etc.) the FCO shall maintain a perpetual inventory record. A physical inventory shall be taken, listing all property items owned by each NAF by serial number, model number, etc. Where the purchase price cannot be determined, a fair market value shall be assigned. This listing shall comprise the beginning property balance. Items such as cameras which have been purchased with trade-ins shall be recorded at cost (total

cash expended) plus any trade-in value allowed. Annual physical inventories shall be taken of all personal property by an independent team designated by Assistant Superintendent for Administration. A physical count inventory shall also be conducted each time the NAF has a change in either the advisor/manager or the midshipman in charge of the NAF. These inventories shall be taken by the new advisor/manager or midshipman in charge, and approved by the Head, Department of Budget and Accounts.

F. Saleable Property

Perpetual inventory records must be kept by the Athletic Association and by those NAFs maintaining stock for sale (liquor, candy, etc.). Physical inventories of sellable merchandise will be taken at the end of each quarter under the direct supervision of the advisor/manager. This merchandise must also be inventoried semiannually by an independent team designated by Assistant Superintendent for Administration. The sign-out system used by the Athletic Association for charging items to the midshipmen shall be retained.

G. Payroll Records

Payroll records, including all withholdings, shall be maintained by the FCO for all paid employees of the FCO and the other NAFs. The FCO should obtain the IRS Employer Identification Numbers and file the necessary tax returns. The FCO shall maintain all Federal (Forms W-4) and state withholding tax allowance certificates.

H. Accounts Receivable

Accounts receivable shall be reported to the FCO as they are established. Examples of receivables that may arise are advertising receivables for the various publications, guarantees from away games, any credit extended beverages, etc. All billings shall be prepared and mailed by the FCO. The billing should request that the payment be mailed directly to the FCO.

I. Administrative Procedures

1. The FCO shall be staffed by non-Civil Service personnel and the cost of its operation shall be borne by the NAF activities.
2. Each NAF shall have a responsible person assigned to monitor the NAF's activities to insure that good business practices are being observed. This person can

be an employee of the USMMA or the NAF, Chaplain, Athletic Director, etc., but his/her appointment to act in this capacity must be effected by the Superintendent, USMMA, or the Superintendent's designee. For purposes of these procedures, persons approved for these positions will be designated as advisor/managers. It will be the responsibility of the FCO to maintain a record of all NAFs advisor/managers, and midshipmen in charge of funds, with signature cards of advisor/managers and others responsible for approving payments.

3. If the volume of small purchases is sufficient, one NAF may be authorized by the Head, Department of Budget and Accounts to establish a general imprest fund. When specifically authorized, other NAFs may use this general imprest fund to meet their needs for the services provided by the fund.
4. Each NAF is authorized a cash change fund for making change as requested.
5. All employees handling cash or removable assets will be bonded with a position schedule surety bond procured at the NAF's expense. The amount of the bonds shall be determined by the Head, Department of Budget and Accounts.
6. Where tickets are used for admission to events, they shall be prenumbered. The advisor/manager shall be accountable for all ticket numbers.
7. The chart of General Ledger Accounts is shown on Attachment I and described in Attachment II. New accounts will be added as necessary.
8. The FCO may approve any functionally adequate form to replace any of the forms prescribed by the manual.
9. A prenumbered purchase order/receiving report (See exhibit 2) will be utilized by all funds where practical and efficient.
10. Asset record cards (convert to MA forms such as MA-278) will be maintained for each NAF asset to reflect receipt, transfer, cost, and balance on hand.
11. All purchase orders (exhibit 2) shall be forwarded by the NAFs to the FCO. As invoices are received by the FCO, they should be forwarded for approval to the NAF that made the purchase. The NAFs advisor/manager (or other

authorized person) shall approve the invoice for payment, attach receiving report, and return the approved invoice to the FCO for payment. A copy of the invoice and receiving report must be filed with the completed voucher.

If the FCO determines that the goods purchased should be recorded as personal property, an appropriate notation shall be made on the invoice. The FCO shall book the item as personal property, and the notation on the voucher copy (which will be returned to the NAF) shall inform the NAF's advisor/manager that the item has been recorded as personal property.

12. All sales will be controlled by a cash register receipt (where feasible). If not feasible the NAF shall use prenumbered tickets, receipts, or other adequate procedures approved in advance by the Head, Department of Budget and Accounts.
13. Each NAF shall have an advisor/manager, appointed by the Superintendent or the Superintendent's designee, who shall:
 - a. Maintain a system of operating controls to:
 1. Protect assets of the fund.
 2. Provide an effective organization.
 3. Ensure an efficient operation.
 - b. Maintain records and reports to meet the needs of management other than the accounting records maintained by the FCO.
 - c. Provide elements of internal control to:
 1. Separate custodial responsibility from accounting responsibility.
 2. Provide effective organization, operation, and protection against fraud, waste, and abuse.
 3. Allocate responsibility so that no single individual has exclusive control over all phases of a transaction.
 4. Provide continuous managerial review of all echelons of responsibility.

5. Clearly define job descriptions for all employees. As the advisor, he/she will be the responsible government official while as the manager, he/she will be the elected or appointed individual responsible for managing the NAF.
14. The FCO will conduct unannounced cash counts of the imprest and change funds no less frequently than quarterly and will date and sign a certification of the count and the results thereof in accordance with Chapter 7 of DOT Order 2770.7.
 15. To transfer accountability when an advisor/manager is relieved and a successor designated, the FCO shall:
 - a. Prepare financial data and furnish copies to the Superintendent, the appropriate NAFs, and the Office of Financial Approvals in Washington, D.C. of the following:
 1. Statement of financial condition including each balance on the date of transfer.
 2. Statement of income and expense up to the date of transfer.
 3. Reconciliation of bank statement.
 - b. Prepare certificate

The following certificate shall be signed by the FCO and the departing advisor/manager:
"I certify that to the best of my knowledge and belief this statement is a complete and true record of (name of NAF) revealing all outstanding liabilities and outstanding purchase order commitments and that all receivables and other property owned by the (name of NAF) are accounted for in this statement."
 - c. Receipt for NAF

The successor advisor/manager shall sign a receipt for the NAF property. In the event of discrepancies, report results to Department of Budget and Accounts and the Office of Financial Approvals.

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16. Financial Reporting

The frequency of preparation financial reports shall be determined by the Superintendent for individual NAFs. In no instance shall the frequency be less than annually.

A copy of these reports shall be forwarded to the Office of Financial Approvals in Washington.

J. Assignment of Responsibilities

Shall be issued in writing by the appropriate officials.

K. Processing Purchase Orders/Receiving Reports

Purchase Orders shall be dated, sequentially numbered, descriptive of request validated as to availability of funds and signed by a responsible official.

Receiving reports should be signed and dated by individuals accepting receipt and shall be matched to the purchase order for fulfilling request.

Copies of purchase orders and receiving reports shall be provided for financial and accountability processing.

L. Operating Interest Fund

1. Interest funds should be secured and controlled by only the designated cashier.
2. The cash and documents on hand shall be accounted for daily.
3. Reimbursements shall be based on paid receipts for all authorized purchases.
4. Periodically the FCD shall conduct unannounced audits of the Fund.

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GENERAL LEDGER ACCOUNT CODES

Account
Number

ASSETS

101 Cash in Bank - Checking
102 Change Fund
103 Imprest Fund
104 Interest Bearing Demand Deposits
105 Accounts Receivable
106 Prepaid Expenses
107 Merchandise Inventory
120 Investment Accounts
150 Furniture, Fixtures and Nonexpendable Equipment

LIABILITIES

201 Accounts Payable
202 Federal Withholding Tax Payable
203 State Withholding Tax Payable
204 New York City Withholding Tax Payable
205 New York State Disability Insurance Payable
206 Social Security Tax Payable
2 7 Advance Deposits Payable
208 Advance Deposits - Special Functions

NET WORTH

301 Fund Equity
302 Net Income

REVENUE

401 Dues and Assessments
402 Bar Sales
403 Package Store Sales
404 Special Functions
405 Ticket Sales
406 Program Advertising
407 Donations and Dividends
408 Interest Income
409 Food Sales
410 Other Sales
411 Miscellaneous Income

GENERAL LEDGER ACCOUNT CODES

Account
Number

OPERATING EXPENSE

501	Payroll
502	Fiscal Control Office Accounting Services
503	Supplies and Expendable Equipment
504	Maintenance and Repair
505	Insurance
506	Utilities
507	Telephone
508	Social Security Tax Expenses (Employer's Share of FICA)
509	Laundry and Linens
510	Miscellaneous Expense

DESCRIPTION OF GENERAL LEDGER ACCOUNTS

Account
Number

101 Cash in Bank - Checking

Represents the balance of general funds deposited in a banking institution. Debit this account with amounts of cash deposits and credit with disbursements by check. Reconcile monthly with bank statements which the Fiscal Control Office receives directly from the bank.

102 Change Fund

Represents amount of cash on hand for use by cashiers for making change. Expenditures from this fund are prohibited and the amount of the change fund remains constant.

103 Imprest Fund

Used to record the amount of cash authorized for small cash disbursements. The vouchers representing payments, any interim receipts, and the balance on hand must equal the amount of the fund. Do not commingle these monies with other cash funds. At the time of reimbursement, the Fiscal Control Office will prepare and issue a check against each NAF for the appropriate amount as supported by the Imprest Fund vouchers and receipts.

104 Interest Bearing Demand Deposits

Represents the balance of cash deposited on a short-term or temporary basis with maturity dates of twelve months or less and which earns interest. Debit this account and credit #408, Interest Income, for amount of interest received. Record transaction on a Daily Cash Report.

105 Accounts Receivable

Represents the amount to be received from members, customers or donors. Keep subsidiary records for each member, customers, firm, club, donor, etc. Each charge or other receivable is individually recorded to each account.

106 Prepaid Expenses

Used to record expenses paid but chargeable to a future month(s). The expense paid (insurance, supplies, etc.) is amortized for the life of the prepaid item.

DESCRIPTION OF GENERAL LEDGER ACCOUNTS

Account
Number.

107 Merchandise Inventory

Represents value of inventory on hand in the storeroom and/or sales outlet.

120 Investment Accounts

Represents investments in approved sources considered long-term where the intent for conversion to cash exceeds twelve months from date of issue or agreement. Debit this account and credit #408, Interest Income, for amount of interest earned but not yet received. Credit this account with proceeds from sale of investments and with the interest income received.

150 Furniture, Fixtures, and Nonexpendable Equipment

Represents the original or adjusted acquisition value of NAF owned property purchased by, or donated to, the NAF. These are individual items which cost \$1,000 or more, have a life expectancy of at least one year and do not lose identity in use. This account should agree with the property control records.

201 Accounts Payable

Represents the sum total of the amounts due creditors and is the control account over the subsidiary accounts payable system.

202 Federal Withholding Tax Payable

Reflects the amount withheld from employees' pay for Federal income taxes, but not yet paid to Internal Revenue Service. Deposits of both withheld taxes (202) and social security deductions (206) (employer and employee contributions) will be made in a depository as per IRS Regulations Sec. 31,6302 and Circular E.

203 State Withholding Tax Payable

Shows the same information as #202 above except it applies to individual States.

DESCRIPTION OF GENERAL LEDGER ACCOUNTS

Account
Number

204 New York City Withholding Tax Payable

This account shows the same information as State Withholding Tax Payable except it is for employees who reside in New York City.

205 New York State Disability Insurance Payable

This account reflects the amount withheld from employees' pay for disability insurance. An amount equal to one-half of one percent on the first \$60 of pay may be withheld from each employee.

206 Social Security Tax Payable

Represents the amount of FICA deductions withheld (Employee's share) and accrued (Employer's share) but not yet paid to IRS. Refer to #202 for disbursement. Quarterly, adjust variances between the end of quarter balances and IRS form 941.

207 Advance Deposits Payable

Represents money received from customers or members that will be either refunded or transferred to income at some future date.

208 Advance Deposits - Special Functions

Used to record amounts collected from members or customers in advance of function. Upon the event held, transfer these funds to #404, Special Functions, income account.

301 Fund Equity

Represents the excess of assets over liabilities and represents the cumulative balance of fund equity (net worth) as of the last day of the prior year. Limit the entries in this account to the annual closing of income and expense summary (#302, Net Income) and to prior year adjustments unknown.

302 Net Income

Represents the cumulative amount of net income (net profit) for the current year to date.

DESCRIPTION OF GENERAL LEDGER ACCOUNTS

- 401 Dues and Assessments
Record dues from membership and/or any assessments made.
- 402 Bar Sales
Represents sales made at the bar.
- 403 Package Store Sales
Represents sales made by package store.
- 404 Special Functions
Represents sales made for special functions.
- 405 Ticket Sales
Represents income from sale of tickets.
- 406 Program Advertising
Represents revenue from sale of advertising space.
- 407 Donations and Dividends
Represents donations received by a particular NAF and dividends earned.
- 408 Interest Income
Use to record the income earned on bank deposits and interest bearing instruments. When interest earnings are significant in amount, record them monthly, otherwise record them upon receipt.
- 409 Food Sales
Use to record income from sale of prepared food, luncheons, etc.
- 410 Other Sales
Used to record income from other miscellaneous sales sources not covered above.

DESCRIPTION OF GENERAL LEDGER ACCOUNTS

411 Miscellaneous Income

Used to record income not otherwise covered in #401 through #410.

501 Payroll

Use to record the cost of wages, salaries, and employer's share of unemployment contributions.

502 Fiscal Control Office Accounting Services

Use to record the participating NAFs' pro rata share for operations of the Fiscal Control Office.

503 Supplies and Expendable Equipment

Used to record the cost of all supplies consumed and expendable equipment costing less than \$1,000. Includes value of supplies purchased for immediate consumption as well as charges from account #106, Prepaid Expense.

504 Maintenance and Repair

Use to record the cost of maintenance and repair of NAF-owned property. Cost of repairing NAF-owned property recorded in #150, Furniture, Fixtures and Nonexpendable Equipment) can be capitalized (added to #150) in lieu of expensing to #504 if it meets the following criteria:

- (1) Cost is \$1,000 or more.
- (2) Repair prolongs the life of the property item.
- (3) Cost of repair is at least 20 percent of original or adjusted acquisition value.

505 Insurance

Used to record monthly cost of all insurance premiums.

506 Utilities

Used to record cost of utilities furnished.

DESCRIPTION OF GENERAL LEDGER ACCOUNTS

507 Telephone

Used to record cost of monthly telephone fees, tolls, etc.

508 Social Security Tax Expenses (Employer's Share of FICA)

Use to record the cost of the employer's share of FICA (debit this account and credit #206).

509 Laundry and Linens

Used to record cost of cleaning or renting all laundry and linens. Includes tablecloths, napkins, towels, uniforms, carpets, etc. Excludes purchase of linens, etc., which is recorded in #150 or #503, as applicable.

510 Miscellaneous Expense

Use to record all other expenses for which an account has not been specified.

UNITED STATES MERCHANT MARINE ACADEMY
KINGS POINT, NEW YORK

NONAPPROPRIATED FUND PURCHASE ORDER/RECEIVING REPORT

DATE: _____

NUMBER: _____

DELIVERY TO: _____

TO:

(Name and Address)

Gentlemen:

Please enter our order for the following:

By: _____

(Signature)

(Title)

(Nonappropriated Fund)

Send Invoice To:

(Fiscal Control Officer)

Received By (signature)

Date

Approved By (signature)

Advisor/Manager Date