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**Financial Management**

**NONAPPROPRIATED FUNDS FINANCIAL  
MANAGEMENT OVERSIGHT  
RESPONSIBILITIES**

**COMPLIANCE WITH THIS PUBLICATION IS MANDATORY**

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This instruction implements AFPD, 65-1, Management of Financial Services, by assigning responsibilities and explaining procedures for financial management and operations for all nonappropriated funds (NAF) including civilian base restaurant, welfare, and special NAF Instrumentalities (NAFIs) under the jurisdiction of the Chief of Staff of the Air Force (to include the Air Force Academy Athletic Association). This instruction also applies to all Air Force Reserve, Air National Guard, and Air Force Reserve Officer Training Corps personnel on Federal active duty. This instruction does not apply to funds managed by the Board of Directors of the Army and Air Force Exchange Service, chaplain funds, and patrons' and prisoners' trust funds. It does not apply to private organizations' funds or funds established for employees of government contractors. Waivers to this regulation have no effect without approval and control numbers assigned by the Business Management Division, Office of the Assistant Secretary for Financial Management and Comptroller (SAF/FMCEB), 1130 Air Force Pentagon, Washington DC 20330-1130. Send comments and suggested improvements on AF Form 847, **Recommendation for Change of Publication**, through channels, to the same office.

**SUMMARY OF REVISIONS**

This is the second issuance of AFI 65-107, revising AFI 65-107, 18 Mar 1994. This instruction adds the additional responsibilities of reviewing NAF International Merchants Purchase Authorization Card (IMPAC) Procedures, and NAF balance sheet accounts; clarifies terminology associated with reviews of internal controls; clarifies Services and Financial Management (FM) responsibilities regarding financial studies, economic analyses and internal needs validation studies; adds the basic NAFFA requirement for 510 qualification; adds procedures for conducting follow-up procedures; updates responsibility for certifying Services Annual Statement of Assurance; updates NAFFA responsibility for reviewing appropriated (APF) support to Services; reduces frequency of required NAFFA reviews of tenants, isolated unit funds and small operations; clarifies the time frame for an annual review and the NAFFA responsibilities regarding annual inventories of Special Morale and Welfare stock items.

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**1. Responsibilities.** At the direction of the Secretary of the Air Force, the FM community Air Force-wide oversees financial management of Air Force Services nonappropriated funds (NAF). Financial Management personnel are organizationally placed to provide independent oversight of NAF activities. They will not perform line or staff duties within NAF organizations that would impair this independence. Financial Management personnel responsible for NAF oversight can only recommend corrective actions. They will not change or order changes in a NAF activity's operations.

**1.1. HQ USAF-Level Responsibilities :** Assistant Secretary of the Air Force for Financial Management and Comptroller (SAF/FM) oversees NAF financial analysis, monitors compliance with financial policy, and financial management throughout the Air Force. The Business Management Division (SAF/FMCEB) in the office of the Deputy Assistant Secretary for Cost and Economics will:

- 1.1.1. Review and coordinate on all Air Force directives containing accounting, financial management, banking, and related reporting policies for NAFs.
- 1.1.2. Provide training and technical guidance to Major Command (MAJCOM) and installation NAFFAs. This includes briefings to conferences, workshops, and schools; and the development of training aids.
- 1.1.3. Develop computer-based programs to assist field NAFFAs in accomplishment of their responsibilities.
- 1.1.4. Review and coordinate on central fund NAF budgets.
- 1.1.5. Prepare corporate trends and other analyses of AF Services financial results for presentation to the AF MWR Advisory Board (AFMWRAB) and/or its Finance and Audit Committee.
- 1.1.6. Serve as the SAF/FM audit focal point for AF Services Public Accountant Contract Audits (PACA).
- 1.1.7. Serve as liaison with the Defense Finance and Accounting Service (DFAS) on NAF financial and accounting issues.
- 1.1.8. Review and approve / disapprove AF Services NAF prior year fund equity adjustment requests; extraordinary account adjustments; and use of closure base general ledger account codes (GLACs).

1.1.9. Monitor accounting and reporting systems development efforts to ensure compliance with existing policy.

1.1.10. Administer Management Control Review (MCR) program. Develop MCR package to include review guidelines, questionnaire (questions provided by Air Force Services Agency/Services Financial Analysis Branch - AFSVA/SVFA) with attachments for evaluations and scantrons. Coordinate draft MCR package with AFSVA and final through SAF/FM and Air Force/Services (AF/ILV) for signatures. Distribute MCR to MAJCOMs.

1.1.11. Serves on the AFSVA/SV NAF Facilities Panel.

1.1.12. Reviews and coordinates on Lodging Rate packages.

**1.2. Major Command (MAJCOM) Responsibilities :** The FM oversees NAF financial analysis, monitors compliance with financial policy, financial management of MAJCOM Services programs and chairs the MAJCOM NAF Finance Committee. Under the direction of the MAJCOM FM, the MAJCOM NAFFA performs the following oversight tasks and functions:

1.2.1. Conducts Management Control Reviews (MCR) directed by higher headquarters, on Command Nonappropriated Fund Instrumentalities (NAFIs). Identifies Command NAFI internal control weaknesses and recommends corrective actions. Follows up on all material weaknesses uncovered as a result of these reviews. Provides the Command NAF Council Finance Committee the review results.

1.2.2. Reviews the results of MCRs completed by base-level NAFFAs and submitted through HQ AFSVA/SVF for data compilation. Identifies Command-wide internal control weaknesses, recommends corrective actions as appropriate, and crossfeed results to command bases.

1.2.2.1. Follows up on all command-level systemic internal control weaknesses identified through analysis of collective MCR results.

1.2.2.2. The input should address the status of Command NAFI internal controls. The MAJCOM coordinates on the final submission.

1.2.3. Reviews APF and NAF budgets for Command - level Services programs.

1.2.3.1. Reviews proposed command-level NAFI budgets and budget revisions; provides Services management and the Command NAF Council an evaluation of the adequacy of each.

1.2.4. Analyzes Command NAFI financial statements and financial reports.

1.2.4.1. Performs financial trend and performance analysis using financial statements, any applicable related reports, Air Force standards, MAJCOM goals and NAFI budgets. Assesses Command NAFI financial viability.

1.2.4.2. Evaluates the financial ramifications of, and makes recommendations on, proposed MAJCOM NAF policies. Ensures related FM oversight procedures are in place concurrent with implementation of new financial policies.

1.2.4.3. Uses the MicroBAS program to calculate APF percentages.

1.2.5. Coordinates on base-level Economic Analysis (EA) and Internal Needs Validation Studies (INVS) submissions.

1.2.6. Reviews and tracks AF Audit Agency (AFAA), Public Accountant Contract Audit (PACA) Program, Department of Defense (DoD) and General Accounting Office (GAO) audits that involve Command - level Services NAFIs. Reviews base-level PACA and AFAA open item tracking reports to identify MAJCOM internal control trends/deficiencies, and ensures MAJCOM consistency.

1.2.6.1. Evaluates management comments to audits. Determines whether management comments satisfactorily address and resolve audit findings and recommendations.

1.2.6.2. Coordinates on all MAJCOM and base-level NAFI nonconcurrences to audit findings and recommendations.

1.2.6.3. Tracks all audit nonconcurrences to resolution.

1.2.6.4. Tracks MAJCOM NAFI management's audit corrective actions until completed to ensure audit compliance.

1.2.6.5. Prepares the PACA Semiannual Status Report. Submits the report to SAF/FMCEB no later than 15 November and 15 May each year.

1.2.7. Performs staff assistance visits on base-level NAFFAs within the Command, as required.

1.2.8. Reviews cash controls, conducts annual surprise cash counts, and administers impartial inventories of Command NAFIs.

1.2.8.1. Conducts annual surprise cash counts at all supported Command NAF activities.

1.2.8.2. Schedules and briefs the impartial inventory team on its responsibilities.

1.2.8.3. Debriefs the team and provides feedback to MAJCOM Services on the results.

1.2.8.4. Reviews and coordinates on Lodging Rate packages.

**1.3. Base-Level Responsibilities.** The base-level financial manager (FM) oversees NAF financial analysis, monitors compliance with financial policy, financial management of base Services programs and chairs the NAF Council Finance Committee. For the purpose of this instruction, the installation commander is the wing commander or equivalent. Under the direction of the FM, the NAFFA should be a qualified 510, based on the criteria established by the Office of Personnel Management, with at least 24 hours of accounting courses. The NAFFA performs the following oversight tasks and functions:

1.3.1. Monthly analysis of NAFI financial statements to include preliminary financial statement review

1.3.2. Annual review of cash controls / audit of cashier & cost center reports

1.3.3. Conduct management control reviews and internal control reviews (as scheduled)

1.3.4. Quarterly validation of NAFI budgets (APF and NAF)

1.3.5. Annual review of accounts receivable/uncollectable accounts

1.3.6. Quarterly review of APF support to Services

1.3.7. Administer annual impartial inventories

1.3.8. Review and follow-up of all audits/resolution of nonconcurrences

- 1.3.9. Annual review of NAF IMPAC procedures
- 1.3.10. Annual verification of balance sheet and subsidiary accounts
- 1.3.11. Review of financial studies and analyses (EAs/INVSs)
- 1.3.12. Annually audit NAF Accounting Office NAF employee time and attendance records
- 1.3.13. Annual review of vending and amusement machine controls
- 1.3.14. Annual certification of Services Annual Statement of Assurance
- 1.3.15. Miscellaneous - Coordinate on waivers, review SM&W requests for validity, review and coordinate on prior year fund adjustments, review Action Plans, review and coordinate on lodging rate packages and operating instructions (OIs), etc.

**2. Procedures for accomplishing NAF Oversight Responsibilities.** This section expands on NAF Oversight responsibilities (section 1.3) listed above. Responsibilities that must be accomplished annually can be done anytime within the fiscal year. Procedures for accomplishing each of the required tasks are listed below and are also supplemented with Financial Management training aids (FMTAs) and flow-charts. Services training aids can also be used for supplementary information.

**2.1. Analysis of NAFI Financial Statements .** Prior to the preparation of the financial analysis, the NAFFA is responsible for reviewing the preliminary financial statement, (Resource Management Flight Chief (RMFC) provides the NAFFA with a complete preliminary financial statement for review). Review the preliminary financial statement by spot checking for obvious discrepancies, tracing selected areas back to source documents and provide results to the RMFC within one working day. The NAFFA prepares a financial analysis using the Air Force Services Agency automated NAF Budget and Financial Analysis program each month. The analysis is based upon financial statements and reviews of operating conditions compared to approved budgets, Air Force standards, MAJCOM goals, and local financial goals. Analyzes significant budget-to-actual variances. Coordinates with applicable activity managers and flight chiefs to determine causes and recommended corrective actions. To be effective, the NAFI's financial plans require control. An important control lies in periodic comparisons of the NAFI's budgets with actual results.

2.1.1. The NAF Budget and Financial Analysis Program is used to produce all three NAF budgets: income and expense, cash flow and NAF requirements budget (NRB). The program is also used to produce different reports which can be used to analyze trends, variances, and problem areas for all levels of management. Reports such as the Budget vs Actual NIAD Report, Budget Variance Percentage Slide, Trend Analysis for cost of labor and cost of sales by cost center and Cost Center Analysis Reports are useful supplemental tools to aid in the financial analysis review.

2.1.2. The Commander's Summary is a mandatory report which must be generated from the NAF Budget and Financial Analysis Program monthly. It is a compilation of financial data that identifies actual to budget variances, Acid Test Ratio, and Air Force suggested goals / MAJCOM established goals for all established activities. The summary should include a narrative identifying activities with significant variances and losses. The narrative should include specific areas of operation that contribute to the variances/loss, to include root causes and recommended corrective actions. The acid test ratio should be reviewed in accordance with Air Force indicators. Review other ratios such as cost of sales, cost of labor, and inventory turnover rate as necessary.

2.1.3. The NAFFA is responsible for using the MicroBAS program to calculate APF percentages for category A, and B activities. Identify and report any discrepancies to the RMFC for corrective action. Ensure all MWR activities are classified into one of the three categories in accordance with AFI 65-106, Appropriated Fund Support of Morale, Welfare, and Recreation and Nonappropriated Fund Instrumentalities.

2.1.4. When significant cost of goods sold variances are reported, the NAFFA, activity manager and flight chief discuss reasons for inventory variances. The explanation should include causes and corrective actions. The NAFFA includes explanations in the analysis. Follow the procedures in AFI 34-202, Protection of Assets (under revision as AFI 34-410, Protection of Assets), to resolve any inventory variance resulting from simple or gross negligence or willful misconduct. Consider storeroom variances (differences between actual and recorded inventory), other than those resulting from administrative or bookkeeping errors, to be suspected losses and resolve them according to AFI 34-202.

2.1.5. After completing the analysis (working with Services activity managers, flight chiefs and the NAF AO as necessary), the NAFFA coordinates the analysis with the RMFC and sends it to the installation Services Commander or Director for review and comment. The Services Commander or Director returns the analysis with comments to the NAFFA for completion. The final analysis should be signed by the NAFFA, RMFC, FM and the Services commander or Director.

2.1.6. The NAFFA forwards the commander's summary to the Wing Commander, or designee, the MAJCOM FM and Services Commander or Director no later than the last working day of the month that follows the end of the reporting period. A copy of the coordinated analysis should be kept on file.

2.1.7. Evaluates the financial ramifications of, and makes recommendations on, proposed NAFI financial policies. Ensures related FM oversight procedures are in place concurrent with implementation of new NAFI financial policies.

2.1.8. Annual Coordination of Nonappropriated Fund (NAF) Financial Statement Certification: The NAFFA should coordinate annually on the Resource Management Flight Chief's (RMFC) quarterly certification of financial statements for all Nonappropriated Fund Instrumentalities (NAFIs). The certification should be true and correct to the best of their ability, in accordance with AFI 34-209, *Nonappropriated Fund Financial Management and Accounting*.

2.1.8.1. The NAFFA should coordinate with the RMFC only for the quarter in which the annual balance sheet and subsidiary accounts review is completed. Include any and all balance sheet accounts reviewed in that particular quarter and note any unresolved discrepancies. Ensure that action is taken to investigate variances, in accordance with AFI 34-202, *Protecting Nonappropriated Fund Assets*. Provide a copy of the statement to the Services Commander/ Division Chief, NAFs Council, and the Finance and Audit Committee, if established. (see atch.3 for template)

## **2.2. Cash Control Review .**

2.2.1. Cashier Report Reviews: The NAFFA performs an audit of two consecutive days' cashiers' reports (CRs) annually for each NAF activity including CRs provided by the Services Information Management System (SIMS) or the Lodging Property Management System (Lodging Touch System - LTS) for Lodging operations. The audit will include cash accountability, register readings, control of prenumbered forms, review of established written procedures, and proper distribution to

General Ledger Account Codes (GLACs). Review two consecutive days' AF Form 1875, NAF Individual Cashier's Reports (CR) and AF Form 1876, Consolidated Cost Center Reports or equivalent. Trace information on Individual Cashier Reports to information on Consolidated Cost Center Reports or equivalent. Ensure the consolidation is proper, complete and accurate. Balance the day's reports for each activity to the deposit reported on the AF Form 1878, Central Cashier Deposit Receipt. Detailed procedures for conducting the audit can be found in SAF/FMCEB's Financial Management Training Aids, AFI 34-202, Protecting Nonappropriated Fund Assets and AFI 34-209, NAF Financial Management and Accounting. Follow-up on all open items to validate action has been taken. Serious discrepancies will be forwarded through the FM to the Services Commander or Director. Additional CR reviews should be accomplished, as necessary, in activities where serious discrepancies are identified.

2.2.2. Surprise Cash Counts: Conducts annual surprise cash counts at all supported NAF activities. The count should be unannounced and include all change funds, imprest funds, and receipts on hand within the activity. Ensure the cash counts conducted in activities controlled by a general change fund cashier includes all banks that have not been issued to other cashiers. The NAFFA or designated individual performing the cash count determines whether to count banks already issued. When these banks are not counted, the individual conducting the cash count verifies that the general change fund contains a receipt for each bank issued from that fund. A surprise cash count includes the assurance that written procedures are established for handling and safeguarding funds; only authorized personnel have access to cash; change fund levels are in accordance with approvals; current signed receipts are on hand for cash accountability transferred to other individuals; personal funds are not stored or commingled with NAF cash; and cash is not stored in a safe designated for classified material; etc. Provide results of these reviews in writing to Services management to include the activity manager, flight chief and the RMFC. Serious discrepancies will be forwarded through the FM to the Services Commander or Director. The NAFFA may conduct special reviews of cash controls and additional surprise cash counts, as necessary, in activities where serious discrepancies are identified. The NAFFA reviews/monitors the activity managers' quarterly surprise cash counts to ensure the cash counts are accomplished as specified in AFI 34-202, Protecting Nonappropriated Fund Assets.

2.2.2.1. In accordance with AFMAN 34-212, Control Procedures for Protecting NAF Assets, when it is not practical or economical to travel to satellite or off-base activities to conduct surprise cash counts, the NAFFA requests the FM or site commander appoint an independent individual on site to conduct the surprise cash count at each location. See AFMAN 34-212 for accounting procedures pertaining to satellite or off-base activities.

**2.3. Conduct Management Control Reviews (MCRs) and Internal Control Reviews:** Conduct higher headquarters developed MCRs and locally developed reviews of Services internal controls.

2.3.1. MCRs provide detailed examination and the test of Air Force internal control systems and implementation at installation NAF activities. Perform field work and prepare supporting workpapers. Discuss findings with activity manager and indicate an estimated completion date (ECD) in report. Provide an outbrief with Services personnel, coordinate with Support Group Commander, report results to base level SV, FM, MAJCOM, and AFSVA/SVFA. Follow-up on all open items.

2.3.2. Internal control review can also be locally developed by the NAFFA or Services personnel. Reviews developed by Services personnel may be performed by Services personnel, or the NAFFA as time permits. Each review should have a clear objective.

2.3.2.1. When performed by the NAFFA, the NAFFA should prepare supporting documents as necessary. Discuss results with activity manager. Report results to the RMFC, the Services Commander or Director, and the FM. For significant findings, it may be necessary to also report results to the Support Group Commander, the Security Police, OSI and others, as appropriate. Follow-up on all open items.

2.3.3. Provide results and recommendations to the Finance Committee and NAF Council.

#### **2.4. Review NAF and APF Budgets:**

2.4.1. Reviews NAF and APF budgets of all supported activities. Provides analysis and feedback to Services management on proposed budgets. Coordinates on all budgets before presentation to the NAF Council.

2.4.1.1. There are three NAF budgets that must be reviewed: the income and expense budget, the NAF requirements budget (NRB) and the cash flow budget. All three budgets are generated through the NAF Budget and Financial Analysis Program. Activity managers and flight chiefs, with guidance from the RMFC, establish financial goals and budgets to meet the standards and objectives established by the Services Commander or Director, MAJCOM, and HQ USAF/ILV, if realistically achievable. The RMFC forwards all activity and consolidated NAFI budgets to the NAFFA for review and coordination at least ten workdays prior to presentation to the NAF Council. The NAFFA reviews budgets quarterly to ensure they are realistic and attainable. The NAFFA meets with the activity manager, flight chiefs, RMFC and / or Services commander or Director, as necessary to discuss concerns and recommended changes. Unresolved issues should be identified to the NAF Council.

2.4.2. NAF Income and Expense (I&E) Budget: The RMFC uses the budget module of the automated NAF Budget and Financial Analysis program to consolidate each activity's income and expense budget into a NAFI budget for each established NAFI. The NAFFA reviews all budgets and revisions based on historical data, program changes and MAJCOM and Air Force standards and goals. The NAF AO retains the budget supporting documentation and provides copies to the NAFFA when requested. This documentation should contain, as a minimum, justification for significant changes in income or expense categories over the prior fiscal year, payroll computations, and explanations for any differences from Air Force standards or goals.

2.4.3. NAF Requirements Budget (NRB) is a five year projection of large expenditures for equipment, furnishings, facilities projects, bulk purchases of expendable equipment and high value supply items. The NRB is updated quarterly. The NAFFA reviews and coordinates on the NRB and verifies that the NAF cash flow budget includes all applicable totals from the NRB and all requirements authorized APF support are not included in the NRB unless a waiver has been approved.

2.4.4. APF Budget Review: Conduct a comparison analysis using historical and APF Financial Plan (FinPlan) data (The RMFC provides the NAFFA with a complete APF FinPlan). Review the APF budget to verify that requirements for the same item are not included on both NAF and APF budgets. Requirements authorized APF support for operational and capital needs are included in APF FinPlan budgets.

2.4.5. NAF Cash Flow Budget: The cash flow budget reflects anticipated changes in the level of cash and shows expected inflows and outflows of cash for a period of time. If the projected cash balance is below the acceptable Air Force standard, the Services Commander reviews projected operations and makes necessary adjustments.

## 2.5. Review of Accounts Receivable (A/R) /Uncollectable Accounts:

2.5.1. NAFFAs' review of MWR Fund Customer Accounts Receivable: With the implementation of the Air Force Membership Club Card, customer accounts receivables for Club membership dues and other charge sales are directly charged to a bankcard issued by a credit card company. Therefore, in-house customer A/R should be minimum. Review of daily Air Force Membership Club Card charges is accomplished during annual CR review.

2.5.1.1. Any member not eligible for a credit card is issued a proprietary card. The credit card company will not take responsibility for collection of delinquent proprietary accounts until the account is 65 days delinquent. At that time the account is recoured to the base where the cardholder is a dues paying member. Recoured account collection processes should be reviewed in accordance with Air Force Services guidance.

2.5.1.2. In-house customer A/R are only authorized for other membership activities, i.e., aero clubs, riding clubs, etc., when a member does not belong to an Air Force club or does not wish to charge membership fees on a personal credit card. In-house charges for sales/services for these activities are not authorized. A special function contract held at the end of month and remaining unpaid at month end may be temporarily recorded into accounts receivable. It must be removed in the next month when the pro-rata sheet is received. If not collected during this time, the amount is written off in accordance with Air Force Services guidelines. Review locally established OIs on uncollected special functions. If customer accounts exist other than for the exceptions noted above, management must explain their existence and take appropriate action to remove them from accounts receivable.

2.5.1.3. All other categories of receivables, i.e., Other NAFI, MAJCOM/AF, Outside Agency, (GLACs 113 - 119) etc. should be reviewed and verified during an annual review of balance sheet accounts.

2.5.2. NAFFA Review of Written Off Accounts / Allowance for Uncollectable Bad Debts (GLACs 112, 120 and 121) - At least annually, the NAFFA conducts a review of the validity of all NAFI account writeoffs for the year in which the review is conducted. Follow the guidance provided in AFI 34-202, *Protecting Nonappropriated Fund Assets*, and validate the allowance for uncollectable bad debts. Include estimated writeoffs of recoured accounts and returned checks based on historical data, in accordance with AFI 34-209, *Nonappropriated Fund Financial Management and Accounting*. This review includes, but is not limited to, adequacy of collection actions, compliance with policies, and adherence to local OIs.

2.5.2.1. NAFFA Review of OIs: The NAFFA must review all accounts receivable and collection procedures OIs prepared by the RMFC or designee for each operation to ensure adequacy and compliance with sound business practices.

2.5.3. NAFFA Review of Lodging Fund Accounts Receivable: The NAFFA reviews the schedule of aged accounts receivable for the Lodging Fund at least annually. The accounts for Lodging are categorized by individual and agency (unit/organization). Individual accounts are subject to an advance payment policy. Agency accounts should be paid via agency government credit card or IMPAC card. In accordance with AFMAN 34-214, *Procedures for NAF Financial Management and Accounting*, the lodging manager is responsible for collection actions of accounts that are 30 and 60 days delinquent. After 90 days delinquent, the RMFC assumes responsibility for all collection actions. When the over-90 days category shows a high percentage of delinquent accounts, the

NAFFA initiates a special review to determine causes and to recommend corrective actions. The NAFFA provides the results of these reviews to the RMFC for information and implementation of corrective actions, where necessary.

## **2.6. Review of APF Support to MWR using Microbased Budget Automated System**

**(MicroBAS):** Reviews the MicroBAS execution report quarterly for reasonableness, and consistency, and identifies problem areas to Services management for resolution. Refer to appropriate Air Force Services Agency and FM training aids on APF support to Services activities. The MicroBAS program is managed locally by the FM's Financial Analysis branch who serves as OPR for the program and POC for MicroBAS training. Execution reports should be printed and reviewed for reasonableness using historical data and guidance from AFI 65-106, *Appropriated Fund Support of Morale, Welfare, and Recreation and Nonappropriated Fund Instrumentalities*.

2.6.1. The NAFFA is also responsible for monthly calculating APF support percentages for category A and B activities. The percentages are used to complete the commanders' summary of the monthly financial analysis (section 2.1.3).

2.6.2. Supporting Documents: The NAFFA verifies that the following reviews were performed by the RMFC:

2.6.2.1. A semi-annual review of the R-60 (civilian pay roster that lists employees by Social Security Number and is grouped by cost center including total payroll costs) produced by the DFAS operating location (OPLOC);

2.6.2.2. A periodic review of the Unit Manning Personnel Roster - UMPR (military personnel roster) to ensure Services employees are assigned to the correct cost center.

2.6.2.3. An annual review of the Utility Sales Agreement established with Civil Engineers to ensure appropriate charges are made by reviewing the method of computing charges which takes into consideration any renovations and new facilities with more efficient energy use (only in CONUS). Review MOU between Civil Engineering and Services to ensure it is in place and current.

**2.7. Impartial Inventories:** An impartial inventory is required annually. The NAFFA prepares a schedule for annual impartial inventories of fixed assets, storerooms, and salable merchandise, including point-of-sale (POS) inventories. All resale inventory observations must include inventory level analysis. The inventory team observes the activity manager or designee perform the actual physical inventory.

2.7.1. The NAFFA prepares the schedule at the beginning of each fiscal year. Stagger the schedule by NAFI and activity for storerooms and salable merchandise. For example, schedule only one club at a time for these types of impartial inventories, since the other clubs would most likely have to provide impartial inventory team members. Schedule inventories at seasonal activities in a month when the activity is open.

2.7.2. The NAFFA coordinates the annual impartial inventory schedule with the Services Commander or Director. This allows the Services Commander or Director to notify activities of the dates when either their inventory will be observed or they will be tasked to provide impartial inventory team members. Provide coordinated copies of the schedule to the activities, flight chiefs and the RMFC. Ensure that activities are sent reminder notices prior to impartial inventories. Include the dates and times to brief team members on their responsibilities.

2.7.3. Personnel assigned impartial inventory duty should be experienced with inventory procedures and must be independent of the activity being inventoried. The Services Commander or Director, at his discretion, may request a military detail from within his/her organization to perform an impartial inventory.

2.7.4. The impartial inventory team leader ensures the activity staff takes a complete and accurate inventory and notes the general security of the facility and physical inventory. Where possible, the team leader should be senior in grade or rank to the manager of the activity being observed. See applicable FM training aid (FMTA #8) for additional guidance and an outline detailing the team's responsibilities. When using military personnel, the Services Commander or Director appoints the detail by either letter or special order.

2.7.5. Inventory Analysis for Resale Operations:

2.7.5.1. Annually performs an inventory analysis of all resale operations to be included with written results from the activity's impartial inventory. Analysis should verify compliance with established in-use maximum inventory ceiling levels and inventory turnover. Coordinate with the activity manager to provide detail explanations for significant variances.

2.7.5.2. Inventory Turnover. The inventory turnover rate shows the number of times inventory turned over during a given period. As a general rule, keep the amount invested in inventories to a minimum. To compute the inventory turnover rate, divide the cost of goods (COG) sold by the average inventory (the beginning inventory plus the ending inventory, divided by 2) for the period.

2.7.6. At the conclusion of the observed inventory, the inventory team or team leader briefs the NAFFA on results of the inventory and discrepancies observed. After receiving the property memorandum from the inventory team, the NAFFA discusses the certification with the RMFC and the activity manager. The RMFC reviews and investigates all variances according to AFI 34-202. Written results are forwarded to the Services Commander or Director and the FM. The NAFFA follows up on discrepancies listed by the team chief. The RMFC completes property account write-offs within 30 days of physical inventory or within 30 days of investigation completion, where applicable.

2.7.7. Special Morale and Welfare (SM&W) Stock Items. SM&W items include refreshments, mementos and other SM&W items, in accordance with AFI 34-201, *Use of Nonappropriated Funds (NAFS)*. The NAFFA ensures the RMFC conducts an annual inventory. The NAFFA is not responsible for administering an SM&W inventory. The RMFC provides a copy of the annual SM&W inventory to the NAFFA for verification.

2.7.7.1. Point-of-Sale (POS) Inventory. The NAFFA ensures that the RMFC conducts a quarterly surprise check on the inventory maintained on a POS system. The check should include 5 percent of the items on inventory, not to exceed 50 items.

2.7.7.2. Below-Cost Pricing. With the advice of the RMFC and NAFFA, the SVS Commander/Director may authorize below-cost sales for slow-moving or excess inventories when the activity manager recommends them.

**2.8. Review and Follow-up of All Audits/Resolution of Nonconcurrences:** Review and follow-up on all findings that result from previous reviews and audits. Follow-up should include reviews of all NAFFA related findings and all outside audits conducted by agencies, such as, Air Force Audit

Agency (AFAA), Public Accountant Contract Audits (PACAs), Department of Defense (DoD), Inspector General (IG) and General Accounting Office (GAO) audits. Procedures for follow-up should include two reviews at the installation level before forwarding to higher headquarters. The NAFFA conducts a quarterly review with the RMFC of all open items with estimated completion dates (ECD) within that quarter. If findings are not closed, establish a new ECD and provide written results to the FM and the Services Commander/Director. During the next quarterly review, if action has not been taken to close finding from the previous review, inform the FM and provide written results to the Support Group and Wing commander. After the third review if the same findings remain open, forwards a copy of the report to your MAJCOM NAFFA for action. The MAJCOM NAFFA should initiate a review at the command level to resolve the issue. If after one attempt at the command level, no action has been taken to resolve the issue, forward the matter to SAF/FMCEB for resolution.

- 2.8.1. Attends all Services related audit inbriefs and outbriefs to Wing, Support Group, and Services Commanders.
- 2.8.2. Evaluates the adequacy of management responses to audit findings and recommendations.
- 2.8.3. Tracks corrective action until closed to ensure compliance.
- 2.8.4. Coordinates on all audit nonconcurrences and tracks them to resolution.
- 2.8.5. Provides quarterly base PACA audit status reports to MAJCOM FM.

**2.9. Review of NAF IMPAC Procedures:** Thoroughly examines internal controls procedures in local operating instructions and guidelines established by the Program Coordinator (usually RMFC). Review account set up documentation, cardholders records, and all applicable IMPAC contractor provided reports, electronic system reports and supporting documents.

- 2.9.1. Review of NAF IMPAC Documentation: Verifies that the RMFC issued and signed a written delegation of authority to purchase with nonappropriated funds using the IMPAC for each approving official and cardholder. If the RMFC is not warranted, delegations must be co-signed by a warranted contracting officer. Ensure delegations outline approving official and cardholder official responsibilities. Verify cardholder delegations include the maximum dollar amount for a single purchase. Ensure every cardholder received documented training.
- 2.9.2. Review of IMPAC Processes and Reports: The review should encompass at least 25% of all cardholders with the most purchases, but no less than two per base. Review the most recent IMPAC TBR00400 Account Cycle Report to determine the cardholders with the most purchases. Review the selected cardholders monthly purchase log to verify all purchases for the month are recorded on the log and any variances are noted on the statement. The cardholder must attempt to resolve all variances with the vendor within 30 days of the statement date. If there are unresolved variances, the cardholder must complete a Cardholder Statement of Questioned Item (CSQI), attach it to the statement, and forward it to the approving official for forwarding to the contractor. The contractor must receive the CSQI within 60 days of the statement date in which the disputed item first appears. Ensure purchases are not split to stay within the single purchase limit. Reviews copies of receipts and verify that sales tax is not included. Verify the cardholder forwards all original receipts to the NAF AO at the time of purchase. Verifies that the approving official reviews each respective cardholders' statement monthly and forwards certified statements to the NAF AO for payment within 10 working days after the end of the billing cycle.

2.9.3. Review Billing Office - NAF AO Documentation and Processes: Verifies documents are input into the accounting system based upon the date of receipt. Verifies payments are made according to the amended Prompt Payment Act, within 23 days of receipt of the statement-billing file from the bank. The bank must receive payments before the billing cycle cut off on the 25<sup>th</sup> of the next month. Verify the statement-billing file from the bank reconciles to the total of all cardholder statement of account and discrepancies are resolved before the completion of the next month's billing cycle. Verifies CSQIs are mailed to the bankcard center within 60 days of the invoice date.

2.9.4. Reports to Review for Compliance: The following is a list of reports to verify compliance with applicable guidance.

2.9.4.1. To check credit limits review account listing TBR00210.

2.9.4.2. To check for accounts past due for more than one statement review the Account Aging Analysis Report, TBR00340.

2.9.4.3. To check for sales tax, types of merchants and dollar amounts of purchase, review the Account Cycle Report, TBR00400.

**2.10. Review of Balance Sheet and Subsidiary Accounts:** Review balance sheet accounts and their respective subsidiaries to validate reconciliation to the general ledger. Review supporting documentation for accuracy, validity, and currentness. Subsidiary accounts provide a breakdown of the reflected totals on the balance sheet. Verify annually that the NAF accounting office reconciles all subsidiary accounts to their general ledger control accounts. This review does not include reconciling the accounts. Begin the review process after the financial statements have been completed for the period and the NAF AO has completed the reconciliation of accounts. Recommend this task be spread throughout the period to allow an in-depth analysis of subsidiary accounts and discrepancies. Provide the RMFC the summary of results; if unresolvable discrepancies exist, provide a copy of the statement to the Services Commander, NAF Council, and the Finance Committee, if established. Ensure action is taken to investigate variances according to AFI 34-202, *Protecting Nonappropriated Fund Assets*.

**2.11. Review of Financial Studies and Analyses (EAs/INVSs).** As a collateral responsibility, assists Services personnel in accomplishing special financial studies and analyses, including EAs and INVSs.

2.11.1. Services is OPR for management-related areas of these studies, i.e.:

2.11.1.1. conducting surveys

2.11.1.2. developing requirements

2.11.1.3. determining costs

2.11.1.4. preparing budgets and proforma financial statements

2.11.1.5. calculating rate of return and payback period for INVSs.

2.11.2. Internal Needs Validation Studies (INVS) are conducted by the base. The study consist of five (5) parts. Part I is completed by the Base Civil Engineers. It defines the scope of the project and provides a facility analysis to include cost. Part II is completed by the activity manager. It entails an operational analysis of the facility and impact on the operation if the project is complete. Part III is completed through the coordinated efforts of the activity manager, the Flight Chief, the

RMFC and validated by the NAFFA. It entails historical financial data and projected impacts on operations. FM signs part III of the INVS. Part IV is completed by the Services Marketing section. It entails the results of customer surveys, demographics, and other considerations. Part V is completed by the Services commander or Director. It is a summary of the entire project with a value assessed to it based on calculations.

2.11.3. The NAFFA should review all parts of the INVSs for reasonableness and internal consistency.

**2.12. Audit of the NAF AO NAF Time and Attendance Employee Records.** Audits NAF accounting office (NAF AO) NAF employee payroll records annually. Reviews two to three pay periods. Ensures that only authorized employees are paid, payroll data is reported correctly, and proper approvals and authorizations are submitted. Request a personnel query from the Human Resources Office (HRO) for all NAF employees within the NAF AO. Validate NAF Employee Register information, i.e. SSN, Cost Center, hourly pay rates, Fed and State Exemptions against the personnel query. Verify that employee personnel query information exist for every person on the NAF payroll list to ensure there are no “ghost” employees. Verifies employees have supporting American Federation of Government Employees (AFGE) form 1187 in their record authorizing union dues allotment and supporting forms for NAF charity deductions. Verifies 401(K) percentages on the saving plan form to the 401(K) listing, Verify Group Insurance and Retirement Deduction listings are coded correctly. Verifies leave is properly approved and signed for and that supporting documentation exist. When serious discrepancies exist, provides written findings through the FM to the Services Commander or Director and Resource Management Flight Chief (RMFC). Follow-up on recommended actions.

**2.13. Review Vending and Amusement Machine Controls:** Reviews vending and amusement machine controls, including slot machines, and identifies internal control weaknesses. Provides profitability analysis and makes recommendations, as necessary. Annually observe slot machine harvest and spare part inventory.

**2.14. Annual Certification of Services Annual Statement of Assurance:** The NAFFA is responsible for conducting an annual certification of Services Statement of Assurance. The certification process verifies that the required internal management control system is in effect and functioning properly in accordance with AFI 34-202, *Protecting Nonappropriated Fund Assets* and AFI 65-201, *Management Control*. The annual statement of assurance certification is accomplished by relying on NAFFA related findings and all outside audits (addressed in para. 2.8.) According to AFI 65-201, the following sources can be used as sources to assess controls: AFAA, DoDIG and GAO audits, inspection, or investigations, financial system reviews, program evaluations, self inspection programs (refer to AFI 34-202), quality assessments, and management knowledge gained from daily operations. The RMFC should provide the NAFFA with a copy of Services Annual Statement of Assurance. The NAFFA uses the criteria stated above to prepare certification of Services Annual Statement of Assurance.

**2.15. Miscellaneous - Review of Action Plans, OIs, Special Morale & Welfare (SM & W) Requests, Prior Year Fund Equity Adjustments and Waivers and other analysis as requested by Services Commanders/Directors and approved by FM:**

2.15.1. Action/Get Well Plan - Reviews and coordinates on initial assessments and action plans prepared by Services management for NAFIs and Services activities that don't meet minimum

financial requirements. Initial assessments and action plans should be realistic and address root causes and corrective actions.

2.15.2. OIs - Reviews financial operating instructions and procedures during other reviews, i.e. surprise cash counts, and when revisions are made for adequacy and compliance with applicable guidance.

2.15.3. SM&W Requests - The base FM or designee is responsible for coordinating on all SM&W expenditures. FM certifies that APFs Official Representation Funds are or are not authorized in accordance with AFI 65-603, *Official Representation Fund - Guidance and Procedures and 65-601, Budget Guidance and Procedures*. If APFs are authorized, then FM certifies if funds are or are not available. In accordance with AFI 34-201, *Use of Nonappropriated Funds (NAFS)*, if APFs are authorized but not available, NAFs are not to be used for the SM&W expenditure, except as specifically authorized in AFI 34-201, *Use of Nonappropriated Funds (NAFS)*, Chapter 12.

2.15.3.1. Commander's Delegation of Authority Letter - For recurring SM&W NAF expenditures, FM coordinates on the Commander's Delegation of Authority letter to certify that expenditures are not authorized APF. Ensure the Delegation letter is reviewed by the NAF Council annually in accordance with Air Force Services Agency guidance.

2.15.3.2. SM&W Quarterly Expenditure Report - Generated quarterly by the NAF AO to support financial statements in accordance with AFIs 34-201, *Use of Nonappropriated Funds (NAFS)* and 34-209, *Nonappropriated Fund Financial Management and Accounting*. The NAFFA coordinates on the expenditure report and reviews reconciliation to the consolidated "Q" cost center of the financial statement, in accordance with AFI 34-209.

2.15.3.3. Prior Year Fund Equity Adjustments - Review and coordinate on prior year fund adjustments. Verify that adjustments are in accordance with AFMAN 34-214.

2.15.3.4. Waivers - Review waiver request for validity according to applicable guidance. If valid, evaluate internal control impact and adverse impact. If necessary make recommendations to the OPR. Coordinate and return to Services. Nonconcurrences should also be coordinated on and returned to Services.

2.15.3.5. Miscellaneous - Serves as recorder of the NAF Finance Committee, when established. Provides input to Services financial briefings, when requested.

## **2.16. Tenants, Isolated Unit Funds, and Small Operations:**

2.16.1. See AFI 34-209, *Nonappropriated Fund Financial Management and Accounting*, for definition of "small operations", and AFI 34-201, *Use of Nonappropriated Funds (NAFS)*, chapter 11, for definition of "tenant and isolated units". The NAFFA conducts internal control reviews of tenant and MWR small operation activities at least once every two years to ensure internal controls are effective and efficient. Reviews may be accomplished more frequently if time and TDY funds permit, or if serious internal control deficiencies develop or are suspected.

2.16.2. The RMFC prepares an operating instruction (OI) to ensure adequate internal controls exist. The NAFFA reviews new OIs and OI revisions for adequacy.

2.16.3. Establish, Merge, Dissolve NAFIs. The NAFFA coordinates on packages and actions required for establishing, merging, or dissolving NAFIs. See AFI 34-201, *Use of Nonappropriated*

*Funds (NAFS)* for basic policy. Services personnel request approval to use the base closure general ledger account codes from SAF/FMCEB, through MAJCOM SVFs and HQ AFSVA/SVF and HQ USAF/ILV.

### 3. Financial Evaluations and Reporting

**3.1. Evaluations:** Requires the NAFFA to evaluate the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable Air Force guidance for all assigned tasks. The main objective is to provide reasonable assurance that controls are in place to protect NAF resources.

**3.2. Levels of Reporting:** Levels of reporting are based on two criteria: type of assigned tasks and severity of findings.

3.2.1. Type of Assigned Tasks: All results of reviews are provided to Services management. Copies of the following reports should also be sent to other officials who have authority and or responsibility for oversight. Financial Analysis written results must be sent to the activity manager/flight chief, RMFC, and Services Commander/Director prior to forwarding to Financial Manager, the Support Group commander, the installation commander and the MAJCOM/FM and SV. All MCR reports must be sent to and coordinated through the Services Commander/Director, the FM, and the Support Group commander. MCR results should be reported to the NAF Council, the Finance and Audit Committee (if established at base level), MAJCOM/FM and SV and AFSVA will submit to AF/ILV and SAF/FMCEB. Accounts Receivable review requires written results to the NAF Council. PACA audit status must be forwarded to MAJCOM/FM and SV.

3.2.2. Severity of Findings: Any finding with indications of fraud, theft or irregular activity should be reported to the proper authorities.

ROBERT F. HALE  
Assistant Secretary of the Air Force  
for Financial Management

**Attachment 1****MAJOR COMMAND AND BASE NONAPPROPRIATED FUNDS (NAF) COUNCIL FINANCE COMMITTEE CHARTER**

**A1.1.** The MAJCOM NAF Council will appoint a Finance Committee. Base NAF Councils may, at their discretion, appoint a Finance Committee. The NAF Council directs the functions of the Finance Committee, including how frequently the Committee meets. Where the base NAF Council chooses not to appoint a Finance Committee, the Council itself will fulfill the responsibilities this AFI specifies for a Finance Committee.

**A1.2. Suggested Membership:**

A1.2.1. At the MAJCOM level:

A1.2.1.1. MAJCOM FM (or Deputy FM), who serves as chairperson.

A1.2.1.2. Director, Services.

A1.2.1.3. Director, Civil Engineering.

A1.2.1.4. Staff Judge Advocate.

A1.2.2. At the base or installation level:

A1.2.2.1. Base FM, who serves as chairperson.

A1.2.2.2. Commander, Services Squadron.

A1.2.2.3. Base Civil Engineer.

A1.2.2.4. Staff Judge Advocate.

**A1.3. Organization:**

A1.3.1. At the MAJCOM level, the Commander will designate, any other members of the Committee in writing. At the base level, the Wing Commander or equivalent will designate, any other members in writing.

A1.3.2. The Committee meets prior to each NAF Council meeting, at the call of the Committee Chairperson, and whenever directed by the NAF Council.

A1.3.3. A quorum is a simple majority of the voting members or their designated representatives. Committee actions require a simple majority of the voting members present.

A1.3.4. The Committee will keep a record of all its actions and proceedings and will report its actions to the NAF Council. The NAF Financial Analyst (NAFFA) will act as recorder, provide administrative support, and maintain records for the Committee.

A1.3.5. The Committee may take any action within its authority, without meeting, if each member receives a written description of the matter requiring action. All voting members or their designees must have an opportunity to vote. Such Committee actions require a simple majority of the voting members.

**A1.4. Responsibilities.** The Committee will:

A1.4.1. Recommend to the NAF Council financial policies, standards, goals, and get-well plans affecting items like cash flow, NAF and appropriated fund budgets, construction, and return on facility investments.

A1.4.2. Review financial results of operations.

A1.4.3. Review significant items covered in published audit, Office of Special Investigations, and Inspector General reports, Management Control Reviews, and internal control reviews, especially those involving fraud, waste, and abuse.

A1.4.4. Review other information at the discretion of the Chairperson or as directed by the NAF Council or the Wing Commander (or equivalent).

## Attachment 2

## REFERENCE GUIDE FOR SERVICES PUBLICATIONS

<b>CURRENT NUMBER</b>	<b>REVISED NUMBER</b>	
(Note: All Services publications are in the process of being renumbered, their new numbers are noted below unless already complete or not being revised)		
AFPD 34-1	AFPD 34-1	AIR FORCE SERVICES COMBAT SUPPORT PROGRAMS
AFPD 34-2	AFPD 34-4	MANAGING NONAPPROPRIATED FUNDS
AFPD 34-3	Unchanged	NONAPPROPRIATED FUNDS PERSONNEL MANAGEMENT AND ADMINISTRATION
AFPD 34-4		FOOD SERVICE
AFPD 34-5		MORTUARY AFFAIRS
AFPD 34-6		AIR FORCE LODGING
AFPD 34-7		CHILD DEVELOPMENT PROGRAMS
AFPD 34-8		YOUTH PROGRAMS
AFPD 34-9		LAUNDRY, DRY CLEANING, AND LINEN EXCHANGE
AFI 34-103	AFI 34-263	AIR FORCE CONSUMER AFFAIRS PROGRAM
AFI 34-104	AFI 34-264	SERVICES MARKETING AND PUBLICITY PROGRAM
AFI 34-105	AFI 34-205	PROGRAMMING FOR NONAPPROPRIATED FUND FACILITY REQUIREMENTS
AFI 34-106	AFI 34-265	AIR FORCE RELATIONSHIP WITH SERVICES-RELATED NATIONAL AGENCIES AND PROFESSIONAL ORGANIZATIONS
AFI 34-107	AFI 34-266	THE AIR FORCE FITNESS AND SPORTS PROGRAM
AFI 34-109	AFI 34-267	AIR FORCE COMMUNITY ACTIVITIES CENTERS
AFI 34-110	AFI 34-268	AIR FORCE OUTDOOR RECREATION PROGRAMS
AFI 34-111	AFI 34-269	AIR FORCE SKILLS DEVELOPMENT PROGRAM
AFI 34-115	AFI 34-272	AIR FORCE CLUB PROGRAM
AFI 34-116	AFI 34-273	AIR FORCE GOLF COURSE PROGRAM
AFI 34-118	AFI 34-274	BOWLING PROGRAM
AFI 34-121	AFI 34-221	OTHER RECREATION MEMBERSHIP CLUBS PROGRAMS
AFJI 34-122	Will be replaced	CIVILIAN NONAPPROPRIATED FUNDS AND MORALE, WELFARE, AND RECREATION (Revised guidance will be in AFIs 34-201 and 34-209)
AFI 34-124	AFI 34-224	AIR FORCE MORALE, WELFARE, AND RECREATION ADVISORY BOARD (AFMWRAB)
AFI 34-125		SERVICES LETTERS
AFI 34-127	AFI 34-227	EXCELLENCE-IN-COMPETITION (EIC)
AFMAN 34-128	AFI 34-228	AIR FORCE CLUB PROGRAM PROCEDURES
AFMAN 34-129	AFI 34-229	AIR FORCE SLOT MACHINE CONTROLS AND PROCEDURES
AFMAN 34-130	AFI 34-230	AIR FORCE GOLF COURSE PROGRAM MANAGEMENT
AFMAN 34-134	AFI 34-234	AIR FORCE SKILLS DEVELOPMENT PROGRAM OPERATIONS
AFMAN 34-137	AFI 34-237	AIR FORCE FITNESS AND SPORTS OPERATIONS

<b>CURRENT NUMBER</b>	<b>REVISED NUMBER</b>	
AFJI 34-139	Unchanged	EQUIPMENT AND FACILITIES (COVER PAGE ONLY)
AFI 34-201	AFI 34-403	USE OF NONAPPROPRIATED FUNDS (NAFS)
AFI 34-202	AFI 34-410	PROTECTING NONAPPROPRIATED FUND ASSETS
AFI 34-204	AFI 34-404	AIR FORCE SERVICES LOGISTICS SUPPORT PROGRAM
AFI 34-206	AFI 34-411	VENDING FACILITY PROGRAM FOR THE BLIND ON AIR FORCE PROPERTY
AFI 34-208	AFI 34-408	PROPERTY AND CASUALTY PROGRAM
AFI 34-209	AFI 34-409	NONAPPROPRIATED FUND FINANCIAL MANAGEMENT AND ACCOUNTING
AFJI 34-210	Unchanged	ARMY AND AIR FORCE EXCHANGE SERVICE OPERATING POLICIES (COVER PAGE ONLY)
AFJI 34-211	Unchanged	ARMY AND AIR FORCE EXCHANGE SERVICE GENERAL POLICIES (COVER PAGE ONLY)
AFMAN 34-212	AFI 34-412	CONTROL PROCEDURES FOR PROTECTING NAF ASSETS
AFMAN 34-213	AFI 34-413	NONAPPROPRIATED FUND PROPERTY AND CASUALTY CLAIMS ADMINISTRATION
AFMAN 34-214	AFI 34-414	PROCEDURES FOR NONAPPROPRIATED FUNDS FINANCIAL MANAGEMENT AND ACCOUNTING
AFMAN 34-215	AFI 34-415	PROCEDURES FOR THE CASH MANAGEMENT AND INVESTMENT PROGRAM
AFMAN 34-216	AFI 34-416	AIR FORCE COMMERCIAL SPONSORSHIP PROCEDURES
AFI 34-217	Revised	AIR FORCE AERO CLUB PROGRAM (Formerly AFI 34-117)
AFJMAN 34-218	Unchanged	PERSONNEL POLICIES (COVER PAGE ONLY)
AFI 34-219	Revised	ALCOHOLIC BEVERAGE PROGRAM (Formerly AFI 34-119)
AFI 34-223	Revised	PRIVATE ORGANIZATION (PO) PROGRAM (Formerly AFI 34-123)
AFI 34-227		EXCELLENCE-IN-COMPETITION (EIC)
AFMAN 34-232	Revised	AERO CLUB OPERATIONS (Formerly AFI 34-132)
AFI 34-233	Revised	AIR FORCE OUTDOOR RECREATION PROGRAM PROCEDURES (Formerly AFI 34-133)
AFMAN 34-236	Revised	AIR FORCE ENTERTAINMENT PROGRAM OPERATIONS (Formerly AFI 34-136)
AFMAN 34-238	Revised	AIR FORCE BOWLING PROGRAM MANAGEMENT (Formerly AFI 34-138)
AFI 34-241	Revised	MEAL CARD PROGRAM (Formerly AFI 34-402)
AFMAN 34-243	Revised	MORTUARY AFFAIRS PROGRAM PROCEDURES (Formerly AFMAN 34-508)
AFI 34-244	Revised	DISPOSITION OF PERSONAL PROPERTY (Formerly AFI 34-502)
AFI 34-246	Revised	AIR FORCE LODGING PROGRAM (Formerly AFI 34-601)
IC 97-1		IC 97-1 to AFI 34-246
AFMAN 34-247	Revised	AIR FORCE LODGING PROGRAM MANAGEMENT (Formerly AFMAN 34-603)
AFI 34-252	Revised	LAUNDRY, DRY CLEANING, AND LINEN EXCHANGE (Formerly AFI 34-901)

<b>CURRENT NUMBER</b>	<b>REVISED NUMBER</b>	
AFMAN 34-253	Revised	LAUNDRY, DRY CLEANING, AND LINEN EXCHANGE (Formerly AFMAN 34-902)
AFI 34-254	Revised	SERVICES EDUCATION AND TRAINING (Formerly AFI 36-2240)
AFPAM 34-259	Revised	ESCORTING DECEASED AIR FORCE MILITARY PERSONNEL
AFPAM 34-260	Revised	MORTUARY SERVICES BENEFITS FOR RETIRED AIR FORCE MEMBERS
AFPAM 34-261	Revised	MORTUARY SERVICES BENEFITS FOR MEMBERS WHO DIE WHILE ON ACTIVE DUTY
AFI 34-262	Revised	SERVICES PROGRAMS AND USE ELIGIBILITY (Formerly AFI 34-201)
97-1		IC 97-1 to AFI 34-262
AFI 34-270	Revised	AIR FORCE LIBRARY AND INFORMATION SYSTEM (AFLIS) (Formerly AFI 34-113)
AFI 34-271	Revised	AIR FORCE SHOOTING PROGRAM (Formerly AFI 34-114)
AFI 34-301	Unchanged	NONAPPROPRIATED FUND PERSONNEL MANAGEMENT AND ADMINISTRATION
AFI 34-302	Unchanged	NONAPPROPRIATED FUND (NAF) EMPLOYEE RETIREMENT PLAN
AFI 34-305	Unchanged	NONAPPROPRIATED FUND GROUP HEALTH PLANS
AFI 34-306	Unchanged	NONAPPROPRIATED FUND GROUP LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT PLAN
AFI 34-307	Unchanged	NONAPPROPRIATED FUND FLEXIBLE BENEFITS PLAN
AFI 34-308	Unchanged	WORKER'S COMPENSATION PROGRAM
AFI 34-309	Unchanged	NONAPPROPRIATED FUND UNEMPLOYMENT COMPENSATION PROGRAM
AFMAN 34-310	Unchanged	NONAPPROPRIATED FUND PERSONNEL PROGRAM MANAGEMENT AND ADMINISTRATION PROCEDURES
AFMAN 34-311	Unchanged	WORKERS' COMPENSATION PROCEDURES
AFMAN 34-312	Unchanged	HUMAN RESOURCES ASSESSMENT OF PERSONNEL MANAGEMENT AND ADMINISTRATION
AFMAN 34-314	Unchanged	UNEMPLOYMENT COMPENSATION ADMINISTRATION PROCEDURES
AFI 34-315	Unchanged	AIR FORCE NONAPPROPRIATED FUND (NAF) EMPLOYEES' 401(K) SAVINGS PLAN
AFI 34-401	AFI 34-239	FOOD SERVICE MANAGEMENT PROGRAM
AFMAN 34-405	AFI 34-240	FOOD SERVICE PROGRAM MANAGEMENT
AFI 34-407	Revised	AIR FORCE COMMERCIAL SPONSORSHIP PROGRAM (Formerly AFI 34-207)
AFI 34-501	AFI 34-242	MORTUARY AFFAIRS PROGRAM
AFI 34-503	AFI 34-245	USAF BASE HONOR GUARD PROGRAM
AFPAM 34-602	AFI 34-255	GOVERNMENT QUARTERS AND DINING FACILITIES
IC 97-1		IC 97-1 to AFPAM 34-602

<b>CURRENT NUMBER</b>	<b>REVISED NUMBER</b>	
AFJMAN 34-606v1		ARMED FORCES RECIPE SERVICE (COVER PAGE ONLY)
AFJMAN 34-606v2		ARMED FORCES RECIPE SERVICE (COVER PAGE ONLY)
AFI 34-701	AFI 34-248	CHILD DEVELOPMENT PROGRAMS
AFI 34-801	AFI 34-249	YOUTH PROGRAMS
AFMAN 34-804	AFI 34-250	AIR FORCE YOUTH SPORTS PROGRAM
AFI 34-805	AFI 34-251	AIR FORCE BEFORE AND AFTER SCHOOL PROGRAM

**Attachment 3**

**FORMAT FOR NONAPPROPRIATED FUNDS FINANCIAL ANALYST (NAFFA) ANNUAL  
COORDINATION OF NONAPPROPRIATED FUND (NAF) FINANCIAL STATEMENT CERTI-  
FICATION**

NAFI: \_\_\_\_\_ DATE: \_\_\_\_\_

I have reviewed the reconciliation of the balances in the subsidiaries to the General Ledger control accounts, as applicable to the NAFI stated above.

The following subsidiary accounts were reviewed in this quarter:

I (have) (have not) verified that the NAF Accounting Office keeps subsidiary records on balance sheet accounts and those accounts are properly reconciled to the General Ledger control account balances.

Subsidiary accounts not reconciled with the General Ledger control accounts (have) (have not) been annotated on the financial statement.

Action (has) (has not) been taken to investigate unresolved variances, in accordance with AFI 34-202, *Protecting Nonappropriated Fund Assets*.

This certification is true to the best of my ability, with a copy forwarded to the Services Commander / Division Chief.

NAFFA \_\_\_\_\_

(signature and Installation)