



DEFENSE FINANCE AND ACCOUNTING SERVICE
8899 EAST 56TH STREET
INDIANAPOLIS, INDIANA 46249

AUG 29 2005

DFAS-IN/ADIN

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: FY 2006 Accounting Changes and Updates

Reference: (a) DoD 7000.14-R, Financial Management Regulation, Volume 13, Appendix A dated August 1994.

(b) Memorandum, subject: FY 2004 Accounting Changes and Updates dated October 28, 2003.

This is Nonappropriated Fund (NAF) Accounting Policy and Systems Memorandum Number 05-1.

The purpose of this memorandum is to provide new and revised General Ledger Account Codes (GLACs) to be effective October 1, 2005 as shown on the attachment.

UFM will be implemented in CONUS in FY 06 with pilot sites in OCONUS and will require accounting transactions to be recorded as either IMA or local agreements.

This policy memorandum was coordinated with the U.S. Army Community and Family Support Center. DFAS point of contact is Mrs. Rose Truitt, Commercial (317) 510-3119 or DSN 699-3119, e-mail rose.truitt@dfas.mil. Our FAX number is DSN 699-1197 or commercial (317) 510-1197.

Joe Suarez
Chief, Nonappropriated Funds Division
Directorate for Field Accounting

Attachment
As stated

DISTRIBUTION:

COMMANDER

U.S. ARMY COMMUNITY AND FAMILY SUPPORT CENTER, ATTN: CFSC-FM
U.S. ARMY, EUROPE AND SEVENTH ARMY, ATTN: AEAGA-RM-N
U.S. Army Military Academy, West Point, ATTN: MWR

DIRECTOR

DEPARTMENT OF THE ARMY INSTALLATION MANAGEMENT AGENCY, ATTN: IMAH-MWD
NORTHEAST REGION INSTALLATION MANAGEMENT AGENCY, ATTN: IM-NE-MWD

DFAS-ADIN/ININ
SUBJECT: FY 2006 Accounting Changes and Updates

SOUTHEAST REGION INSTALLATION MANAGEMENT AGENCY, ATTN: IM-SE-MWD
NORTHWEST REGION INSTALLATION MANAGEMENT AGENCY, ATTN: IM-NW-MWD
SOUTHWEST REGION INSTALLATION MANAGEMENT AGENCY, ATTN: IM-SW-MWD
EUROPEAN REGION INSTALLATION MANAGEMENT AGENCY, ATTN: MWR IM-EU-MWD
PACIFIC REGION INSTALLATION MANAGEMENT AGENCY, ATTN: MWR IM-PA-MWD
KOREA REGION INSTALLATION MANAGEMENT AGENCY, ATTN: MWR IM-KO-MWD
KOREA CENTRAL ACCOUNTING OFFICE, ATTN: EAFC-CAO
JAPAN CENTRAL ACCOUNTING OFFICE, ATTN: IMPA-JA-MWN-CA
DEFENSE LOGISTICS AGENCY, ATTN: DLA-D
PENTAGON ATHLETIC CENTER, ATTN: JDHQ-P

CF:
NONAPPROPRIATED FUND FINANCIAL SERVICES

GLACs in Use FY 05 and Prior FYs	Revised GLACs Effective FY 06
<p>249-APF Reimbursed Payroll Payable Use For: MWR NAFIs Normal Balance: Credit Purpose: Record the amount owed to APF sources for reimbursable APF payroll. Typical Transaction: Credit with the amount to be reimbursed to APF. Debit with amount paid to APF. Normal Contra GLACs: 101, 649</p>	<p>249 – APF US Reimbursed Payroll Payable Used For: MWR NAFIs Normal Balance: Credit Purpose: Record the projected reimbursable salaries and wages, under UFM, that will be earned but not paid during the accounting period. Record the amount owed to APF sources for reimbursable APF US payroll. Typical Transaction: Credit with the amount to be reimbursed to APF. Debit with amount paid to APF. Normal Contra GLACs: 101, 649</p>
<p>264-Unearned Income-IMA MOA-UFM (FY04). Used for: All NAFIs Normal balance: Credit Purpose: Record the amount of the liability for deferred RSRC/USA Income. Typical transactions: (1) Credit with the amount of deferred income. (2) Debit with amount earned. Normal contra GLACs: 101, 508, and 526</p>	<p>264 – Unearned Income – IMA – UFM Used For: MWR NAFIs Normal Balance: Credit Purpose: Record UFM income received from IMA prior to expense recognition. Typical Transaction: Credit with the unearned amount received and held for future accounting periods. Debit with amount earned and transferred to income GLAC 508/526. Normal Contra GLACs: 101, 508, and 526</p>
<p>508-USA/UFM Income – Payroll Use for: MWR NAFIs Normal Balance: Credit Purpose: Record the funds received from APF for USA/UFM Payroll Typical Transactions: Credit with the amount of income received Normal Contra GLACs: 101 and 264</p>	<p>508 – UFM Income – IMA – Payroll Used For: MWR NAFIs Normal Balance: Credit Purpose: Record the funds recognized from IMA APF sources for UFM NAF Payroll only. All other IMA UFM income will be recorded in GLAC 526. Income is to be recognized as expenses are incurred. Typical Transaction: Credit with the amount of income recognized. Normal Contra GLACs: 101 and 264</p>
<p>526 – USA/UFM Income – Non Payroll Use For: MWR NAFIs Normal Balance: Credit Purpose: Record the funds received from APF for USA/UFM Non-Payroll items. This includes funding for items such as: payroll service charge, 401K admin surcharge, travel and transportation of personnel and things, rent, communications, utilities, printing, reproduction, other contractual services, supplies, materials, and acquisition of capital assets. Typical Transactions: Credit with the amount of income received. Normal Contra GLACs: 101 and 264</p>	<p>526 – UFM Income – IMA – Non-Payroll Used For: MWR NAFIs Normal Balance: Credit Purpose: Record the funds received from IMA APF sources for UFM Non-Payroll items. This includes funding for items such as: payroll service charge, 401k admin surcharge, travel and transportation of personnel and things, rent, communications, utilities, printing, reproduction, other contractual services, supplies, materials, acquisition of capital assets (if funded through UFM IMA MOA), etc. Also includes funding for APF US and foreign National reimbursed personnel. Typical Transaction: Credit with the amount of income received. Normal Contra GLACs: 101 and 264</p>

GLACs in Use FY 05 and Prior FYs	Revised GLACs Effective FY 06
<p>649 – APF Reimbursed Payroll Use For: MWR NAFIs Normal Balance: Debit Purpose: Record NAF cost associated with repayment of APF payroll. Typical Transaction: Debit with the amount to be reimbursed to APF. Normal Contra GLACs: 249</p>	<p>649 – APF US reimbursed payroll Used For: MWR NAFIs Normal Balance: Debit Purpose: Record NAF cost associated with repayment of APF US payroll to APF sources. Typical Transaction: Debit with the amount to be reimbursed to APF. Normal Contra GLACs: 249</p>
<p>*890-Loss Due to Closure (BRAC) Used For: All NAFIs. Normal balance: Debit Purpose: Record the losses to the NAFI that result from closing the installation. Typical transactions: Debit with the amount of losses that result from disposing the NAFI's assets. Record at the location code that applies to the business activity being closed. Normal contra: GLACs: Use as applicable</p>	<p>890 – Loss Due to BRAC/Re-stationing Used For: All NAFIs Normal Balance: Debit Purpose: Record the expenses that are directly and legitimately attributable to the BRAC/Restationing action except for U.S. employee severance pay. U.S. employee severance pay will be recorded in GLAC 628, U.S. Employee Severance Pay Expense. Typical transactions: Debit with the amount of losses that result from disposing the NAFI's assets. Record at the location code that applies to the business activity being closed. Normal Contra GLACs: Use as applicable</p>
<p>181 - APF Authorized Fixed Assets Use For: MWR NAFIs Normal Balance: Debit Purpose: Record the NAF cost of all fixed assets purchases and capitalized items to include buildings and improvements, land improvements, furniture, fixtures and equipment, vehicles and capitalized maintenance and repair that are authorized to be paid with APF. If USA MWR funding is received at a later date, the asset would be removed from the balance sheet and would be reported as an expense in the applicable APF support department. Typical Transactions: (1) Debit with the NAF purchase cost. (2) Credit with initial cost when item is disposed of or an expense is recorded when APF funds are received. Normal Contra GLACs: 201 and 240</p>	<p>181 - APF Authorized Fixed Assets Used For: MWR NAFIs Normal Balance: Debit Purpose: Record the cost of all fixed asset purchases and capitalized items (to include buildings and improvements, land improvements, furniture, fixtures and equipment, vehicles and capitalized maintenance and repair) purchased with NAF which are eligible for APF funding. Typical Transactions: (1) Debit with the purchase cost. (2) Credit with the cost when an item is disposed of. Normal Contra GLAC: 201</p>

GLACs in Use FY 05 and Prior FYs	Revised GLACs Effective FY 06
<p>860 - APF Authorized Fixed Assets Depreciation Expense Use For: MWR NAFIs Normal Balance: Debit Purpose: Record the amount of depreciation for all fixed asset purchases and capitalized items to include buildings and improvements, land improvements, furniture, fixtures and equipment, vehicles and capitalized maintenance and repair that are authorized to be paid with APF. Typical Transactions: Debit with the amount depreciation expense for the accounting period. Normal Contra GLACs: 182</p>	<p>860 - APF Authorized Fixed Assets Depreciation Expense Used For: MWR NAFIs Normal Balance: Debit Purpose: Record the depreciation cost of all fixed asset purchases and capitalized items (to include buildings and improvements, land improvements, furniture, fixtures and equipment, vehicles and capitalized maintenance and repair) purchased with NAF which are eligible for APF funding. Typical Transactions: Debit with the amount of depreciation expense for the accounting period. Normal Contra GLAC: 182</p>



New GLACs Effective FY 06	
	<p>252 – APF Foreign National Reimbursed Payroll Payable Used For: MWR NAFIs Normal Balance: Credit Purpose: Record the projected reimbursable salaries and wages, under UFM, that will be earned but not paid during the accounting period. Record the amount owed to APF sources for reimbursable APF Foreign National payroll. Typical Transaction: Credit with the amount to be reimbursed to APF. Debit with amount paid to APF. Normal Contra GLACs: 101, 648</p>
	<p>265 – Unearned Income – Local MOA – UFM Used For: MWR NAFIs Normal Balance: Credit Purpose: Record UFM income received from local sources prior to expense recognition Typical Transaction: Credit with the unearned amount received and held for future accounting periods. Debit with amount earned and transferred to income GLAC 561/562. Normal Contra GLACs: 101, 561, and 562</p>
	<p>561 – UFM/USA Income – Local MOA – Payroll Used For: MWR NAFIs Normal Balance: Credit Purpose: Record the funds received from local APF sources for UFM/USA NAF Payroll only. All other local MOA income will be recorded in GLAC 562. Income Recognition:</p> <ol style="list-style-type: none"> 1. Under UFM - income (if available in GLAC 265) is to be recognized as expenses are incurred. 2. Under USA - income is to be recognized when proper funding documents have been received and expenses can be reflected as funded. <p>Typical Transaction: Credit with the amount of income received. Normal Contra GLACs: For 1 above - 101 and 265 , For 2 above – 101 and 137</p>

New GLACs Effective FY 06	
	<p>562 – UFM/USA Income – Local MOA – Non-Payroll Used For: MWR NAFIs Normal Balance: Credit Purpose: Record the funds received from APF sources for USA/UFM Non-Payroll items. This includes funding for items such as: payroll service charge, 401k admin surcharge, travel and transportation of personnel and things, rent, communications, utilities, printing, reproduction, other contractual services, supplies, materials, acquisition of capital assets (if funded through UFM/USA Local MOA), etc. Also includes funding for APF reimbursed personnel.</p> <p>Income Recognition:</p> <ol style="list-style-type: none"> 1. Under UFM - income (if available in GLAC 265) is to be recognized as expenses are incurred. 2. Under USA-income is to be recognized when proper funding documents have been received and expenses can be reflected as funded. <p>Typical Transaction: Credit with the amount of income received. Normal Contra GLACs: For 1 above - 101 and 265, For 2 above – 101 and 137</p>
	<p>648 – APF Foreign National Reimbursed Payroll Used For: MWR NAFIs Normal Balance: Debit Purpose: Record NAF cost associated with repayment of APF Foreign National payroll to APF sources. Typical Transaction: Debit with the amount to be reimbursed to APF. Normal Contra GLACs: 252</p>