



DEPARTMENT OF THE NAVY
COMMANDER NAVY INSTALLATIONS COMMAND
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CNICINST 7010.1A
N9
30 Nov 2018

CNIC INSTRUCTION 7010.1A

From: Commander, Navy Installations Command

Subj: NAVY MILITARY RECREATION FUND FINANCIAL REPORTING PROCEDURES

Ref: (a) DoD Instruction 1015.10 of 6 July 2009
(b) CNICINST 1710.3
(c) CNICINST 1710.5

Encl: (1) Guidelines for the Completion of the Recreation Fund Financial Statement

1. Purpose. To establish financial reporting standards and requirements for unit recreation funds as defined by references (a) through (c).
2. Cancellation. CNICINST 7010.1.
3. Scope and Applicability. This instruction applies to all Navy Military Recreation Funds not reported through the Nonappropriated Fund (NAF) Commander, Navy Installations Command (CNIC) Accounting Information System (AIMS). Navy Military Recreation Fund custodians are required to prepare and submit an annual Recreation Fund Financial Statement (utilizing CNIC Form 7010/1 Recreation Fund Financial Statement) for all NAFs under their control not reported through AIMS. These funds are typically either afloat or small recreation funds ashore for units not located aboard a military installation. Funds meeting the reporting requirements of this instruction are referred to as decentralized funds.
4. Policy. This instruction establishes uniform procedures necessary for the completion and submission of CNIC Form 7010/1. Completing this form enables each activity to reflect its financial transactions during a specified period and accurately represent its financial condition on an annual basis.
5. Responsibilities
 - a. CNIC Fleet and Family Readiness (N9) will review and consolidate financial results on all decentralized funds no later than 31 December of each year.
 - b. Commanding Officers (CO) and Officers-in-Charge (OIC) of decentralized funds will:

(1) Prepare and submit an annual fiscal year-end financial statement no later than 1 December following the end of the fiscal year to CNIC (N948).

(2) Initiate corrective action where reporting or accounting discrepancies exist or in cases where unauthorized use of NAF occurred. A copy of reports related to these deficiencies will be forwarded to CNIC (N9).

(3) Prepare and retain an interim financial statement marked "Change of Custodian Statement" upon relief of a fund custodian. Interim statements are to be prepared for local use and command retention only.

(4) Prepare and submit a final financial statement upon disestablishment of the recreation fund to CNIC (N948) via the chain of command. The financial statement will report results from the beginning of the fiscal year through the date of disestablishment and will be clearly marked "FINAL STATEMENT CNIC (N948)."

6. Records Management

a. Records created as a result of this instruction, regardless of format or media, must be maintained and dispositioned for the Standard Subject Identification Codes (SSIC) 1000 through 13000 series per the records disposition schedules located on the Department of the Navy/Assistant for Administration (DON/AA), Directives and Records Management Division (DRMD) portal page at <https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/Records-and-Information-Management/Approved%20Record%20Schedules/Forms/AllItems.aspx>.

b. For questions concerning the management of records related to this instruction or the records disposition schedules, please contact your local records manager or the DON/AA DRMD program office.

7. Review and Effective Date. Per OPNAVINST 5215.17A, CNIC (N94) will review this instruction annually around the anniversary of its issuance date to ensure applicability, currency and consistency with Federal, Department of Defense, Secretary of the Navy and Navy policy and statutory authority using OPNAV 5215/40 Review of Instruction. This instruction will be in effect for 10 years, unless revised or cancelled in the interim, and will be reissued by the 10-year anniversary date if it is still required, unless it meets one of the exceptions in OPNAVINST 5215.17A, paragraph 9. Otherwise, if the instruction is no longer required, it will be processed for cancellation as soon as the need for cancellation is known following the guidance in OPNAV Manual 5215.1 of May 2016.

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8. Forms or Information Management Control. CNIC Form 7010/1 Recreation Fund Financial Statement can be found on CNIC Gateway 2.0 (G2) at: <https://g2.cnic.navy.mil/CC/Documents/Forms/AllItems.aspx>.



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Releasability and distribution:

This instruction is cleared for public release and is available electronically only, via CNIC G2, <https://g2.cnic.navy.mil/CC/Documents/Forms/Directives%20Only.aspx>

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GUIDELINES FOR THE COMPLETION OF THE RECREATION FUND FINANCIAL STATEMENT

1. General Instructions

a. The CNIC Form 7010/1 Recreation Fund Financial Statement must reflect all income and expenses incurred by the recreation fund during the reporting period. All entries will be recorded in U.S. dollars. Do not include income or expenses which are due but not received/paid at the end of the period. The financial statement will include all income and expenses of the recreation fund for the entire fiscal year (1 October through 30 September). Recreation funds established during the fiscal year will report data from the date of establishment through 30 September. All completed financial statements should be submitted to Commander, Navy Installations Command (CNIC), Fiscal Analysis Section (N948A), 5720 Integrity Drive, Bldg. 457, Millington, TN 38055-6520, by 1 December of each year. Copies should be retained for audit purposes.

b. Line titles/descriptions must be adhered to whenever possible. Those items of income and expense which are not listed on the financial statement will be shown under the captions Miscellaneous Income (line 15) and Miscellaneous Expenses (line 32), with a breakdown included as an addendum to the financial statement.

2. Preparation of CNIC Form 7010/1 will be completed as follows:

a. Identification

(1) Reporting Activity

(a) Identify ships by name and hull number.

(b) Identify ashore units by command designation and geographic location/ mailing address (e.g., Navy Operational Support Center, 274 Fifth St. N.W., Atlanta, GA 30318).

(2) Reporting Activity Unit Identification Code (UIC). Enter the UIC of the reporting command (use the UIC number for the command designated to operate the recreation fund. For example, a United States Diplomatic Attaché Office (USDAO) would use the USDAO UIC, not the Naval Attaché UIC).

(3) Annual Report for Fiscal Year Ending. Enter 30 September 20XX or date of disestablishment of the recreation fund, as appropriate (for interim statements, reflect the appropriate statement preparation date).

b. Computation of Financial Status

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(1) Line 1: Net Worth Brought Forward Beginning of Period. Enter the net worth (cash) figure brought forward from the end of the prior period financial statement. (The net worth figure would not change between the end of one fiscal year and the beginning of another). Newly commissioned ship or activities reporting for the first time will leave this line blank; commissioning grants will be reflected on line 6.

(2) Line 2: Resale Operation Income. Enter revenue derived from the sale of merchandise or memorabilia, exclusive of fund-owned vending and amusement machine revenue.

(3) Line 3: Vending/Amusement Machine Income. Enter income derived from recreation fund-controlled vending machines, amusement machines and receipts from concessionaires.

(4) Line 4: Total Resale/Vending Income. This line represents the total of lines 2 and 3.

(5) Line 5: Exchange/Ship Store Profits. Enter the income received by the recreation fund from the distribution of exchange or ship store profits (including exchange or ship store operated vending machine profits).

(6) Line 6: Transfers from the CNIC Central Fund. Enter grants and loans received directly from CNIC (N948A) Central Fund only.

(7) Line 7: Transfers from Other Recreation Funds. Enter the income received from other Morale, Welfare and Recreation (MWR) funds.

(8) Line 8: Sports Program Income. Enter the total income received from recreation fund-sponsored sports/athletic programs.

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

(10) Line 10: Tours Income. Enter the income received from fees and charges in connection with sightseeing or other such tours.

(11) Line 11: Cruise Book Income. Enter income derived from sale of ship or activity cruise books.

(12) Line 12: Other Recreation Program Income. Enter the total income from recreation programs not otherwise specifically listed on the form.

(13) Line 13: Interest Income. Enter all income received from interest proceeds on savings accounts or other approved investments.

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(14) Line 14: Loan Repayment from Individuals. Enter revenue received as (partial or full) repayment of loans authorized under SECNAVINST 5760.14D and reference (c) made from the recreation fund to individuals during the period.

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

(16) Line 16: Total Income. Show the total of lines 4 through 15. The total must represent the total income received from all sources during the period.

c. Expenses

(1) Line 17: Resale Merchandise Purchased. Enter the total dollar value, at cost, of all merchandise purchased for resale, excluding recreation fund-owned vending machine items.

(2) Line 18: Vending Machine Merchandise Purchased. Enter the dollar value of recreation fund-owned vending machine merchandise purchased for resale only. The amount should represent the total expense, at cost, for vending machine merchandise purchases. Expenses for repair, maintenance and servicing of vending machines will be included on line 30.

(3) Line 19: Total Resale/Vending Expense. This line represents the total of lines 17 and 18.

(4) Line 20: Recreation Fund Distributions. Enter the amount of funds distributed from the recreation fund to any other unit (e.g., pro-rata vending machine/ship store profits distributed to Marine Corps units, allocations provided to participating units, etc.). Funds transferred to the CNIC (N948A) Central Fund will be reported on line 32.

(5) Line 21: Entertainment Expense. Enter the total expenses incurred in connection with recreation fund-sponsored entertainment events, (e.g., dances, parties, etc.).

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

(7) Line 23: Electronics Expense. Enter the total expense incurred in the purchase of electronic equipment, property and supplies incident to the recreation program (other than resale items, e.g., television, sound system, etc.). Expenses related to transportation/shipping/freight charges associated with such property purchases should also be included on this line.

(8) Line 24: Tours Expense. Enter the total expenses paid in connection with sightseeing or other type tour programs and events.

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(9) Line 25: Cruise Book Expense. Enter the total expenses incident to the preparation and publication of ship or activity cruise books or compact disc.

(10) Line 26: Expendable Property/Supplies Expense. All property and supplies (other than electronics and sports property/supplies) with a unit cost of less than \$1,000 purchased during the period will be reflected on this line. Include property and supplies for both direct and general and administrative expenses, exclusive of resale items.

(11) Line 27: Nonexpendable Property Expense. Enter the total expenses for property purchased during the period (exclusive of vehicles and electronics property) with an acquisition value of \$1,000 or more. Expenses related to transportation/shipping freight charges associated with such property purchases should be included on this line. Transportation charges incident to "no cost" equipment/property (i.e., property acquired where no acquisition cost was incurred by the Civilian MWR Fund) should be reflected on Line 32: Miscellaneous Expense.

(12) Line 28: Vehicle Procurement Expense. Enter the cost of vehicles purchased during the period. Expenses for transportation/shipping/freight charges associated with vehicle purchases are also included on this line. Subsequent to procurement and during the period in which the vehicle is owned by the recreation fund, it will be reported on Line 49: Vehicle Inventory Record.

(13) Line 29: Banking Fees/Service Charges. Enter the total of all banking fees and service charges incurred for checking, savings or other banking services during the period.

(14) Line 30: Maintenance/Repair Expense. Enter the total expenses incurred in the maintenance, repair and servicing of all recreation fund equipment, vehicles and vending machines during the period.

(15) Line 31: Loans Disbursed to Individuals. Enter the total amount of loans authorized under SECNAVINST 5760.14D and reference (c) made from the recreation fund to individuals during the period. (Loan repayments made to the CNIC Central Fund will be accounted for on Line 32: Miscellaneous Expense).

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

(17) Line 33: Total Expenses. This line reflects the summation of lines 19 through 32 and includes all cash expenditures by the recreation fund during the period.

(18) Line 34: Net Worth at End of Period. The amount to be reflected on this line is derived by subtracting line 33 from the sum of lines 1 and 16. This total must represent the actual cash position of the recreation fund at the end of the period and will be shown on line 1 of the succeeding period statement. If this total does not agree with the end of period cash position

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of the recreation fund (line 43), either a computation error exists on the statement or it is the result of erroneous records maintained during the period.

d. Reconciliation of Net Worth

(1) Line 35: Net Worth Brought Forward to Beginning of Period. Enter the net worth figure which appears on line 1.

(2) Line 36: Total Income. Enter the sum of lines 4 through 15.

(3) Line 37: Total Expense. Enter the sum of lines 19 through 32.

(4) Line 38: Total Net Worth at End of Period (lines 35 and 36 minus line 37). This total represents the actual cash position of the recreation fund at the end of the period. It verifies the amount calculated for line 34 and will also provide a check on the accuracy of the amount to be calculated for line 43: ending net worth carried forward.

e. Recapitulation of Net Worth

(1) Line 39: Checking Account Balance as of Report Date. Report the bank name, account number and balance in the recreation fund checking account for the reporting period.

(2) Line 40: Savings Account Balance as of Report Date. Report the amount of NAFs of the recreation fund on deposit in a bank savings account(s), other interest-bearing accounts or both.

(3) Line 41: Petty Cash Fund. Report the amount of cash on hand in the petty cash fund as of the last day of the period. This fund will be maintained per reference (a), paragraph 806.

(4) Line 42: Undeposited Checks/Cash on Hand. This line will reflect the amount of cash on hand (held by the recreation fund custodian and/or on deposit with a disbursing officer for safekeeping) by actual count on the last day of the reporting period.

(5) Line 43: Ending Net Worth. The amount reflects the ending financial position of the recreation fund as of the date of the report. It is derived summing lines 39 through 42. The amount entered on line 43 must equal the amounts reported on lines 34 and 38.

f. Bank Information

(1) Line 44: Amount Collateralized through CNIC (N9). Deposits or investments that exceed the insurance limit at a particular institution must be collateralized or moved to an account at another Federally insured institution. Accounts are collateralized when the depository institution delivers acceptable U.S. Treasury Securities to a Federal Reserve Bank. Collateral is

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required for U.S. Public Funds in excess of insured limits by Title 31, Part 200, of the Code of Federal Regulations (usually referred to as Treasury Circular 176). Collateral can be obtained by sending a written request to Commander, Navy Installations Command (N948B), Treasury Operations Section; 5720 Integrity Dr., Millington, TN 30855-6520. The request should contain the amount of collateral needed, the depository institution, address of the main office of the depository institution and accurate account information. CNIC (N948B) will contact the depository institution and request and verify the collateral.

(2) Line 45: Amount of Federally Insured (FDIC) Bank Deposits. Any institution in which Navy MWR funds are deposited must have Federal insurance. Banks and savings and loans are insured through the FDIC, which is an agency of the U.S. Government. Verification of FDIC insurance should be obtained before any deposit or investment is made. FDIC insurance regulations treat Navy MWR funds as public unit accounts and thus entitle MWR funds to \$250,000 insurance coverage for the aggregate of all time and savings deposit accounts at a particular institution (e.g., a Recreation Fund with \$90,000 in a checking account and \$90,000 in savings and time deposits with an FDIC insured institution would have the entire \$180,000 completely insured).

g. Statistical Data

(1) Line 46: Activity's Authorized Military Personnel Allowance as of the Report Date. Reflect the total manning level of the command/unit at the end of the period.

(2) Line 47: Activity's Actual Number of Military Personnel as of the Report Date. Reflect the actual number of active duty military personnel on board at the end of the period as compared with the activity's authorized allowance.

(3) Line 48: Total Nonexpendable Property. Reflect the total dollar acquisition cost of all nonexpendable property (property acquired with a unit cost of \$1,000 or more) procured from NAFs of the recreation fund and held at the end of the period. This amount must equal the total value of property on hand as shown on the Property/Equipment Inventory Record.

(4) Line 49: Vehicle Inventory Record. All recreation fund-owned vehicles, camping trailers, boat trailers and like equipment requiring a U.S. Navy (USN) registration number purchased with NAF or acquired through surplus listings will be listed with a description by make, model type, year, serial number and USN registration number. The above data should be complete, accurate and up-to-date.

3. Certification of Financial Statements. Completion of the certification requirements on CNIC Form 7010/1 must be met before the statement can be accepted or retained as an official document. Financial statements must be signed by the recreation fund custodian, a member of the recreation fund committee, or both; and the CO. Undated or unsigned statements will be returned to the originator for appropriate corrective action.

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4. CNIC Form 7010/1 can be found on the CNIC G2 at: <https://g2.cnic.navy.mil/CC/Documents/Forms/AllItems.aspx>.

5. Point of Contact. In the event assistance is required, questions may be addressed to CNIC (N948), Fiscal Analysis Section, Financial Management Branch, Fleet and Family Readiness Support Center at (901) 874-6603 or DSN 882.