



DEPARTMENT OF THE ARMY
US ARMY INSTALLATION MANAGEMENT COMMAND
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NATICK, MA 01760-5002

REPLY TO
ATTENTION OF

IMSS-MW

4 JAN 2016

MEMORANDUM FOR SEE DISTRIBUTION

1. SUBJECT: Standing Operating Procedure (SOP) – Nonappropriated Fund (NAF) Returns and Sales Corrections

2. REFERENCE:

a. AR 215-1, Family and Morale, Welfare and Recreation Activities and Nonappropriated Fund Instrumentalities, Appendix G, Cash Inventory and Retail Sales Accountability (Controls and Procedures).

b. DFAS-IN Regulation 37-1, Chapter 32, Accounting Procedures for Army Nonappropriated Fund Instrumentalities.

3. PURPOSE: This SOP prescribes the proper handling and internal controls for returns and sales corrections for all Family and Morale, Welfare and Recreation (MWR) activities.

4. SCOPE: This SOP is effective upon issue. This SOP applies to all employees of MWR activities, which are under the operational control of the MWR fund, and whom operate and/or approve register transactions, or collect Nonappropriated Funds (NAFs).

5. DEFINITIONS:

a. Returns are described as a refund, exchange, or credit for a customer who is not satisfied with the goods or services purchased.

(1) Refund – A repayment of money to the customer.

(2) Credit – A repayment given as a certificate of value acknowledging the customer has already paid for a good or service and the value is owed at a later date.

(3) Exchange – A repayment of the same type or value good or service to the customer. If the value is greater than the original item, the customer will pay the difference. If the value is less than the original item, the customer will be credited or refunded their money for the difference.

b. Sales corrections are described as corrected or voided sales prior to payment. This is due to the customer no longer wanting to make the purchase or an error made by the cashier.

(1) Corrected sale – A change made to a transaction to fix an inaccuracy prior to payment from the customer.

(2) Voided sale – The cancellation of a transaction prior to payment from the customer.

6. THRESHOLDS:

a. A cashier can approve and process a return of up to \$20.00 if the purchase was within the same business day. Cash purchases will be refunded via the cash register drawer. Credit card purchases will be refunded back onto the credit card. Check purchases, if already deposited, will be refunded via petty cash by a manager, otherwise the check will be returned to the customer.

b. If the return is over \$20.00 and/or occurred on a different business day, a manager must approve and process the return. Cash purchases will be refunded via petty cash. Credit card purchases will be refunded back onto the credit card. Check purchases, if already deposited, will be refunded via petty cash, otherwise the check will be returned to the customer.

c. If the return is \$50.00 or greater *and* was purchased via cash or check, which was already deposited, the manager must request a check be mailed to the customer's home address for the refund from accounts payable division, Central Accounting Office, NAF Financial Services (NFS).

d. There is no threshold for sales corrections; however, if the cashier is not comfortable or is unsure of the how to fix the error, the cashier will not correct or void the sale. Instead, the cashier will ring in the sale correctly and make a note on the DA Form 4082 for the manager to properly investigate.

e. A manager is to process a return or sales correction if the proof of sale is dated on a day other than the current business day, but must be dated within the past 30 calendar days. If the customer has prepaid, then the return or correction must occur within 30 days of delivery of the good or service.

7. PROCEDURES:

a. For returns beyond cashier's authority, the cashier is to apologize for the inconvenience and explain to the customer that the return will have to be reviewed by management. If management is not available the cashier is to leave a written description of the return for the manager with customer contact information. The manager will contact the customer as soon as possible.

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b. Each return will be accompanied by proof of sale, such as a cash register receipt, sales slip, or DA 1992. No cashier is to perform a return of any kind without proof of sale in accordance with (IAW) Appendix G.

c. A local refund document, as a record of the refund, credit, or exchange will accompany the transaction and will-

(1) Include the name of the person requesting the refund or credit.

(2) Include the name of the person approving the refund or credit.

(3) Include the reason for the return.

(4) Include the price paid by the customer and the actual sale price of the merchandise, if different. Any difference is fully explained.

(5) Have the proof of sale attached to each refund document.

d. If the price paid differs from the actual sale price, the customer will be entitled to a refund or credit for the price paid.

e. Overrings (ringing up more than the transaction amount) or underrings (ringing up less than the transaction amount) are verified and voided on the cash register slips by the cashier with cashier initials. For example, if a \$5.00 sale is improperly entered on the register, -\$5.00 will be entered to void the sale. Over-/underrings are corrected as necessary by the cashier by voiding out the entire incorrect transaction and re-ringing the sale in correctly.

f. Voids and corrections are annotated and justified on DA Form 4082 in the remarks section with the register slips attached.

g. Adjustments by overcharging or undercharging a subsequent sale is prohibited.

h. Although returns and corrections should be taken care of as efficiently as possible, if at any time a cashier does not feel comfortable processing a return or sales correction, either due to competency or apprehension with dissatisfied customer, then the cashier will notify management for approval and processing. If the customer suggests any act of theft or violence, the cashier is to notify the Directorate of Emergency Services (DES) at 508-233-5911 for support.

8. VERIFICATION:

a. All returns, voids, and corrected sales are to be reviewed and verified by management.

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(1) Returns must reflect the same dollar amount on the proof of sale and refund document. If there is a difference, it must be explained by the cashier. The manager will initial both documents.

(2) Sales Corrections must be justified on the DA 4082 with a brief reason for the correction. The corresponding register slips are to be initialed by the cashier and attached to the DA 4082. The manager will initial the register slips after review.

(3) If the correct procedures are not followed by the cashier, management will take appropriate training and/or disciplinary action.

9. REPORTING: The following General Ledger Account Codes (GLACs) will be used by activity managers for proper account of item returns on Daily Activity Reports (DARS):

a. GLAC 304 – Sales returns and allowances of goods previously sold and later returned.

(1) If processed via credit card return, credit GLAC 110 by the amount of the return.

(2) If for a non-resale good, use appropriate GLAC.

(3) For questions on accounting, please see the point of contact (POC) for this SOP or contact NFS.

b. GLAC 653 – Customer rejected meals and beverages which were rejected before payment and before the sales transaction was completed.

8. CONTACT: The POC is Ms. Laura Lieberman at DSN 256-4791, commercial at (508) 233-4791 or email at laura.a.lieberman.naf@mail.mil.

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