



UNITED STATES MARINE CORPS
MARINE CORPS COMMUNITY SERVICES
MARINE AIR GROUND TASK FORCE TRAINING COMMAND
MARINE CORPS AIR GROUND COMBAT CENTER
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MCCSINST 7011.0
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MARINE CORPS COMMUNITY SERVICES INSTRUCTION 7011.0

From: Director

To: Distribution List

Subj: PROCEDURES FOR HANDLING SPONSORSHIP - CASH AND IN-KIND

Ref: (a) MCO P1700.27B

Encl: (1) Example Accounting Entries for Cash Sponsorship
(2) In-Kind Sponsorship Receipt
(3) Example Accounting Entries for In-Kind Specific Event
(4) Example Purchase Order Request for In-Kind Sponsorship
(5) Example In-Kind Sponsorship Inventory

1. Situation. Marine Corps Community Services (MCCS) receives sponsorship in both cash and in-kind. In the past only cash sponsorship was accounted for in the financial system. Generally Accepted Accounting Principals states these items should be reflected in the financial statements.

2. Mission. To develop procedures to handle in-kind sponsorship conforming to guidance received from Headquarters Marine Corps using general ledger accounts developed for this purpose.

3. Execution.

a. Director's Intent and Concept of Operations

(1) Director's Intent. This instruction is designed to provide accountability and processing of sponsorship support.

(2) Concept of Operations

(a) Cash Sponsorship. Cash sponsorship can be received for a particular program, event, or general use. All cash or checks received will be processed through Marketing, Sponsorship Section, will match the sponsorship to a specific contract. Enclosure (1) is an example of the accounting entries for cash sponsorship.

1 Cash received for a particular event will be sent to accounting by the Marketing Sponsorship Section annotating the event and cost center it should be applied to. Accounting will deposit cash and debit 1111 Cash Account and credit 8324 Solicited Corporate Sponsorship or 8325 Unsolicited Corporate Sponsorship to the appropriate cost center. As expenses are incurred, accounting will set up a credit in the 2101 Accounts Payable and debit the appropriate 6XXX series expense account. At no time will expenses be debited against 8324 or 8325.

2 Cash received for general use will be sent to accounting annotating cost center 9015-02-000 and either 8324 Solicited Corporate Sponsorship or 8325 Unsolicited Corporate Sponsorship. Accounting will debit 1111 Cash Account and credit the appropriate sponsorship account to cost center

9015-02-000. When funds are used for a particular event, Marketing Sponsorship Section will forward enclosure (2) example In-Kind Sponsorship Receipt form to accounting via the General Support Team Leader indicating the event, cost center, description will be "cash" and amount to be moved from their cost center to the appropriate cost center. As expenses are incurred, accounting will set up a credit to payables and debit the appropriate 6XXX series expense account for the proper cost center. At no time will expenses be debited against 8324 or 8325.

(b) In-Kind Sponsorship. In-Kind Sponsorship is goods or services received from Corporations or individuals rather than cash. In-Kind Sponsorship can be for a specific event or given for general use. Below are the proper procedures for handling this type of sponsorship. Enclosure (3) shows an example of the Accounting Entries for In-Kind Specific Event.

1 A cost value for all In-Kind Sponsorship must be determined. When possible have sponsor annotate a dollar value of items received. If this is not possible determine a reasonable value for items from merchandise catalogs, websites, etc. Once a cost value is determined Marketing will notify accounting on a Purchase Order Request (POR) of items received. Enclosure (4) is an example of a POR.

2 In-Kind items received for a specific event will have the event name and cost center number on the POR. Accounting will credit 8324 or 8325 for the proper cost center and debit 6738 In-Kind Sponsorship Expenses.

3 In-Kind items received for general use will have 9015-02-000 as cost center on the POR. Accounting will credit 8324 or 8325 and debit 6738 in cost center 9015-02-000. As items are used the In-Kind Sponsorship Receipt (Enclosure (2)) will be produced to transfer items to the correct event. Accounting will debit 8324 or 8325 cost center 9015-02-000 and credit 6738 cost center 9015-02-000 and the same time accounting will debit 6738 and credit 8324 or 8325 for appropriate cost center.

4 Enclosure (5) is an example which can be used to maintain inventory of the In-Kind Sponsorship items. The inventory items must remain separate from items purchased for sponsorship give-aways.

(c) Awards and Prizes. During the year Marketing may purchase items to stock inventory. These items are considered awards and prizes as they are purchased with sponsorship money that has been accounted for in the above cash procedures and 6721 awards and prizes are debited for expense. These items will be maintained in inventory similar to enclosure (5) and issued out using enclosure (2) being sure to annotate these are awards and prizes. Accounting will credit awards and prizes for 9015-02 and debit correct cost center as appropriate.

(d) Year-End. Normally sponsorship will be used in the year that it is acquired. However, any sponsorship received late in the fiscal year may create excess when this occurs the below procedures will be used to move sponsorship to the next fiscal year.

1 Marketing will give accounting a listing of cash sponsorship that is un-used. Accounting will debit 8324 or 8325 and credit 2504 accrued liabilities for these amounts. Accruals will automatically reverse on the first day of the new fiscal year.

2 Marketing will take an inventory of un-used In-Kind items on the last working day of the fiscal year. This inventory will be forwarded to accounting. Accounting will do an accrual to debit 8324 or 8325 and credit 6738

for cost center 9015-02-000. This entry will automatically reverse itself on the first day of the next fiscal year.

3 Marketing will take an inventory of un-used purchased give-aways at year-end. This inventory will be sent to accounting. Accounting will credit 6721 awards and prizes and debit 1601 prepaid inventory. Accruals will automatically reverse on the first day of the new fiscal year.

5. Administration and Logistics. Distribution Statement A Instructions issued by the Director are distributed via email. This instruction can be viewed at <\\tnpnas01\mccsinstructions\MCCSInstructions>.

6. Command and Signal.

a. Command. This Instruction is applicable to all Divisions, Branches and Facilities within the Marine Corps Community Services.

b. Signal. This Instruction is effective the date signed.


MActingS

Example Accounting Entries for Cash Sponsorship

1111 Cash	
1	1000

XXXX-XX-8324-XX	
	1000 1

XXXX-XX-6XXX-XX	
2	1000

2101 Acct Payable	
	1000 2

- 1 Cash received from sponsor for a specific event
- 2 Purchase of items for event.

Cash for General Use

1111 Cash	
1	1000

9015-02-8324-000	
2	1000
	1000 1

XXXX-XX-8324-XXX	
	1000 2

XXXX-XX-GXXX-XX	
3	1000

2101 Acct Payable	
	1000 3

- 1 Cash for General use
- 2 Transfer of funds from Sponsorship to Activity
- 2 Purchase of items for event.

Year-End If Necessary

1111 Cash	
1	1000

9015-02-8324-000	
2	1000
	1000 1
	1000 3

2504 Accrued Liab	
3	1000
	1000 2

- 1 Cash Received from Sponsor
- 2 Accrual at Year-end
- 3 Automatic reversal of Year-End Accrual.

IN-KIND SPONSORSHIP RECEIPT

Event:

Date:

Program Coordinator:

IN-KIND SUPPORT RECEIVED

Sponsor	Product Brand	Product Description	Unit Value	Total Value	Print & Sign
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Please read the following and sign:

1. I certify that these items were received from the Corporate Sponsorship Coordinator and that they will be used only for the event listed above.
2. If any products are **left** over at the end of the event I will contact the Corporate Sponsorship Coordinator and **return** the items.
3. ALL BANNERS WILL BE RETURNED AFTER EACH EVENT.

Program Coordinator

Date

Commercial Sponsorship Coordinator

Date

Enclosure (2)

Example Accounting Entries for In-Kind Specific Event

XXXX-XX-6738-XXX	
1	500

XXXX-XX-8324-XXX	
	500

1

1 Receipt of In-Kind Sponsorship

In-Kind for General Use

9015-02-6738-000	
1	500
	500 2

9015-02-8324-000	
2	500
	500 1

XXXX-XX-6738-XX	
2	500

XXXX-XX-8324-XXX	
	500 2

1 Receipt of In-Kind Sponsorship
2 Transfer of In-Kind Sponsorship

Year-End Entry

9015-02-6738-000	
1	1000
	750 2
3	250
4	750

9015-02-8324-000	
2	750
	1000 1
3	250
4	750

1 Receipt of In-Kind Sponsorship
2 Year-End Inventory
3 Final Expense and Income
4 Starting figure in new fiscal year

Enclosure (3)

Example In-Kind Sponsorship Inventory

Category	Date Received	Sponsor/Vendor	(Product Brand)	Product Description	Unit Value	Units Received	Units Out	Total Units	Total Cost
Clothing	2/22/2006	Anhuser-Busch	Budweiser	XL Bowling T-shirt		10	0	10	0
Clothing	2/22/2006	Anhuser-Busch	Budweiser	Large Bowling T-Shirt		20	0	20	0
Clothing	2/22/2006	Anhuser-Busch	Budlight	Cowboy Hat		3	2	1	0
Clothing	2/22/2006	Anhuser-Busch	Budweiser	XL Brown Happy T-shirt		3	2	1	0
Clothing	2/22/2006	Anhuser-Busch	Budlight	XL Brown & Green T-shirt		1	0	1	0
Clothing	2/22/2006	Anhuser-Busch	Budweiser	XL Blue T-shirt		2	1	1	0
Clothing	2/22/2006	Anhuser-Busch	Nascar	XL White T-shirt		3	2	1	0
Clothing	2/22/2006	Anhuser-Busch	Budlight	LG Brown & Green T-shirt		4	3	1	0
Clothing	2/22/2006	Anhuser-Busch	Budweiser	LG Blue T-shirt		2	0	2	0
Clothing	2/22/2006	Anhuser-Busch	Budlight	LG Flip Flops		19	20	-1	0
Clothing	2/22/2006	Anhuser-Busch	Budlight	M Flip Flops		7	4	3	0
Clothing	2/22/2006	Anhuser-Busch	Budlight	SM Flip Flops		9	7	2	0
Clothing	2/29/2006	Anhuser-Busch	Bud Light	XL Flip Flop		5	1	4	0
Clothing	2/29/2006	Anhuser-Busch	Bud Light	Khaki Baseball Hat		24	21	3	0
Clothing	2/29/2006	Anhuser-Busch	Budweiser	XL "Rasie Poker" T-shirt		10	6	4	0
Clothing	2/29/2006	Anhuser-Busch	Budweiser	L "Rasie Poker" T-shirt		10	2	8	0
Clothing	2/29/2006	Anhuser-Busch	Bud Light	XL Blue T-shirt		12	7	5	0
Clothing	2/29/2006	Anhuser-Busch	Budweiser	XL Gray T-shirt		12	6	6	0
Clothing	11/3/2006	Anhuser-Busch	Budweiser	Relaxed Hat	\$4.60	25	9	16	73.6
Clothing	11/3/2006	Anhuser-Busch	Budweiser	M Charcoal Hooded Fleece(sh9962)	\$33.38	2		2	66.76
Clothing	11/3/2006	Anhuser-Busch	Budweiser	L Charcoal Hooded Fleece(sh9962)	\$33.38	2	1	1	33.38
Clothing	11/3/2006	Anhuser-Busch	Budlight	L Alum Btl T-Shirt (sh9601)	\$5.49	8	9	-1	-5.49
Clothing	11/3/2006	Anhuser-Busch	Budlight	XL Alum Btl T-Shirt (sh9601)	\$5.49	8	4	4	21.96
Clothing	11/3/2006	Anhuser-Busch	Budlight	Blue Tonal Hat (H3984)	\$4.60	15	9	6	27.6
Clothing	11/3/2006	Anhuser-Busch	Budlight	XL Burnt Orange T-Shirt (sh9984)	\$6.15	8	6	2	12.3
Clothing	11/3/2006	Anhuser-Busch	Budlight	L Navy Hoodie (sh9991)	\$27.60	2		2	55.2
Clothing	11/3/2006	Anhuser-Busch	Budlight	XL Navy Hoodie (sh9991)	\$27.60	2	1	1	27.6
Clothing	11/3/2006	Anhuser-Busch	Budlight	L Vanilla Crew Fleece (sh9996)	\$26.48	2	1	1	26.48
Clothing	11/3/2006	Anhuser-Busch	Budlight	Football Shirt (sh8428)	\$5.97	15		15	89.55
									428.94

Enclosure (5)