Although the words "he," "him," and "his" are used sparingly in this course to enhance communication, they are not intended to be gender driven or to affront or discriminate against anyone.
Sailor's Creed

"I am a United States Sailor.

I will support and defend the Constitution of the United States of America and I will obey the orders of those appointed over me.

I represent the fighting spirit of the Navy and those who have gone before me to defend freedom and democracy around the world.

I proudly serve my country's Navy combat team with honor, courage and commitment.

I am committed to excellence and the fair treatment of all."
THE UNITED STATES NAVY

GUARDIAN OF OUR COUNTRY
The United States Navy is responsible for maintaining control of the sea and is a ready force on watch at home and overseas, capable of strong action to preserve the peace or of instant offensive action to win in war.

It is upon the maintenance of this control that our country's glorious future depends; the United States Navy exists to make it so.

WE SERVE WITH HONOR, COURAGE, AND COMMITMENT
Tradition, valor, and victory are the Navy's heritage from the past. To these may be added dedication, discipline, and vigilance as the watchwords of the present and the future.

At home or on distant stations, we serve with pride, confident in the respect of our country, our shipmates, and our families.

Our responsibilities sober us; our adversities strengthen us.

Service to God and Country is our special privilege. We serve with honor.

THE FUTURE OF THE NAVY
The Navy will always employ new weapons, new techniques, and greater power to protect and defend the United States on the sea, under the sea, and in the air.

Now and in the future, control of the sea gives the United States her greatest advantage for the maintenance of peace and for victory in war.

Mobility, surprise, dispersal, and offensive power are the keynotes of the new Navy. The roots of the Navy lie in a strong belief in the future, in continued dedication to our tasks, and in reflection on our heritage from the past.

Never have our opportunities and our responsibilities been greater.
Center for Service Support

ACKNOWLEDGEMENTS

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PS1  Antonio Singleton  PCU GERALD R. FORD (CVN-78)
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RTM Development Group personnel who provided direct support for this RTM:

Mr. Richard Rangel  NRTC Model Manager/Conference Facilitator
PSC (SW/AW) Roger Drumheller  CSS Training Manager

The Model Manager for this RTM is Center for Service Support Newport, RI DSN 841-1583
ABOUT THIS COURSE:

This is a self-study course. By studying this course, you can improve your professional/military knowledge, as well as prepare for the Navy-wide advancement-in-rate examination. It contains subject matter about day-to-day occupational knowledge and skill requirements and includes text, tables, and illustrations to help you understand the information. An additional important feature of this course is its reference to useful information in other publications. The well-prepared Sailor will take the time to look up the additional information.

By enrolling in this self-study course, you have demonstrated a desire to improve yourself and the Navy. Remember, however, this self-study course is only one part of the Navy training program. Practical experience, schools, selected reading, and your desire to succeed are also necessary to successfully round out a fully meaningful training program.

COURSE OVERVIEW: In completing this non-resident training course, you will demonstrate knowledge of the subject matter by correctly answering questions on the following subjects: The military postal service, designations and terminations, mail packaging and acceptance, domestic mail, international mail, registered mail, finance, handling and transportation, claims and inquiries, directory service, equipment and supplies, official mail, audits, reports and inspections.

THE COURSE: This self-study course is organized into subject matter areas, each containing learning objectives to help you determine what you should learn along with text and illustrations to help you understand the information. The subject matter reflects day-to-day requirements and experiences of personnel in the rating or skill area. Also, it reflects guidance provided by Enlisted Community Managers (ECMs) and other senior personnel, technical references, instruction, etc., and either the occupational or Naval standards, which are listed in Manual of Navy Enlisted Manpower and Personnel Classifications and Occupations Standards, NAVPERS 18068.

THE ASSIGNMENTS: The assignments that appear in this course are designed to help you understand the material in the text.

COURSE OBJECTIVE

The objective of this course is to provide Personnel Specialists (PS) with occupational information.

INSTRUCTIONS FOR TAKING THE COURSE ASSIGNMENTS

The links and material that you are to study are included in each chapter. Study the material and links carefully before attempting to answer the questions. Pay close attention to tables and illustrations, and read the information in the links.
SELECTING YOUR ANSWERS

Read each question carefully, and then select the BEST answer. You may refer freely to the text. The answers must be the result of your own work and decisions. You are prohibited from referring to or copying the answers of others and from giving answers to anyone else taking the course.

SUBMITTING YOUR ASSIGNMENTS

To have your assignments graded, you must be enrolled in the course with the Non-Resident Training Course Administration Branch. Following enrollment, there are two ways of having your assignments graded:

- Use the Internet to submit your assignments as you complete them.
- Send all the assignments at one time by mail to CPPD, NRTC.

**Grading on the Internet:** Advantages to Internet grading are as follows:

- You may submit your answers as soon as you complete an assignment.
- You get your results faster.
- In addition to receiving grade results for each assignment, you will receive course completion confirmation once you have completed all the assignments.

To submit your assignment answers via the Internet, go to the following site:

https://www.courses.netc.navy.mil

**Grading by Mail:** When you submit answer sheets by mail, send all of your assignments at one time. Do NOT submit individual answer sheets for grading. Mail all of your assignments in an envelope, which you either provide yourself or obtain from your nearest Educational Services Officer (ESO). Submit answer sheets to the following:

Commanding Officer
Center for Personal and Professional Development
ATTN: VOLED Det. (NRTC)
6490 Saufley Field Road
Pensacola, FL  32509

**Answer Sheets:** Each course includes an answer sheet for your assignments. If you are going to mail in your answer sheets, please make copies of the included answer sheet. Explanations for completing the answer sheets are on the answer sheet.

Follow the instructions for marking your answer on the answer sheet. Be sure that blocks 1, 2, and 3 are filled in correctly. This information is necessary for your course to be properly processed and for you to receive credit for your work.
COMPLETION TIME

Courses must be completed within 12 months from the date of enrollment. This includes time required to resubmit failed assignments.

PASS/FAIL ASSIGNMENT PROCEDURES

You will be given the opportunity to resubmit failed assignments. You may resubmit failed assignments only once. Internet students will receive notification when they have failed an assignment; they may then resubmit failed assignments on the Web site. Internet students may view and print results for failed assignments from the Web site. Students who submit by mail will receive a failing result letter and a new answer sheet for resubmission of each failed assignment.

COMPLETION CONFIRMATION

After successfully completing this course, you can download a copy of your letter of completion on the NRTC Web site:

https://www.courses.netc.navy.mil
We value your suggestions, questions, and criticisms on our courses. If you would like to communicate with us regarding this course, we encourage you, if possible, to use e-mail. If you write or fax, please use a copy of the Student Comment form that follows this page.

For subject matter questions:

Contact the Center for Service Support, Newport, RI

Email: NWPT_CSS RTM@navy.mil
Phone: 401-841-1057 or DSN 841-1057

For enrollment, shipping, grading, or completion letter questions:

Email: NRTC@navy.mil
Phone: Toll Free 1-877-264-8583
Comm: 850-452-1511
DSN: 922-1511
FAX: 850-452-1370

(Do NOT fax answer sheets.)

ADDRESS:

Commanding Officer
Center for Personal and Professional Development
ATTN: VOLED Det. (NRTC)
6490 Saufley Field Road
Pensacola, FL 32509

Privacy Act Statement: Under authority of Title 5, USC 301, information regarding your military status is requested in processing your comments and in preparing a reply. This information will not be divulged without written authorization to anyone other than those within DOD for official use in determining performance.
Students' Comments

Course Title: Personnel Specialist (PS) Advanced

NAVEDTRA: 15007A Date:

We need some information about you:

Rate/Rank and Name:

Command/Unit:

Street Address:

City:

State/FPO:

Zip:

Email Address: DSN:

Your comments, suggestions, etc:

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CHAPTER 1

OFFICE OCCUPATIONS AND MANAGEMENT

Learning Objectives: Upon completing this chapter, you should be able to do the following:

— Understand your role as supervisor and manager of your office, wherever you are assigned.

— Discuss customer service, correspondence management, preparation of personal award recommendation forms, letters of appreciation and commendation, the Navy Standard Integrated Personnel System (NSIPS) and Common Access Card (CAC) Identification (ID) card.

— Discuss the responsibilities of a Personnel Specialist (PS).

— Identify the key components of a disbursing office.

— Describe the key components of NSIPS and the Electronic Service Record (ESR).

INTRODUCTION

This training manual is for members of both the Regular Navy and the Navy Reserve. The purpose of this manual and its nonresident training course is to help you meet the occupational qualifications for advancement to PS1 or PSC. As a senior Personnel Specialist, your responsibilities for leadership supervising training will increase. Some of the assigned duties are listed as follows:

- Leading Personnel Specialist
- Leading Petty Officer or Leading Chief Petty Officer in a Personnel Support Detachment (PSD) or a personnel office onboard afloat units
- Personnel Officer
- Assistant Personnel Officer
- Military Pay Officer
- Educational Services Officer
- Classifier
- Career Counselor
- Manpower Specialist
- Deputy Disbursing Officer.

Topics throughout this chapter include Permanent Change of Station (PCS) transfer order, naval messages, reports management pay and allowance document preparation and submission. Selective Reenlistment Bonus (SRB), disposition of obsolete records and files, electronic service records,
identification cards, leave definition and departmental work coordination are also discussed.

ROLE OF THE SUPERVISOR AND/OR MANAGER

When you are assigned as the supervisor and/or manager of your office, you are the expert. Your customers depend on you for accurate information. If you do not know the answer to your customer’s questions, encourage them to research the problem and then provide feedback to you with their results as soon as possible.

As a PS1 or PSC, you must set the example for your workers. Good leadership is important in your office. Strong leadership provides the motivating force for a coordinated effort by all personnel in the work center. You must encourage, inspire, teach, stimulate and motivate all junior PSs to perform their assignments to the best of their abilities. Emphasize that the quality of the product starts with them.

Training your personnel must be one of your primary concerns wherever you are. The quality of the work performed by them reflects on you and eventually on your command. To be effective, ensure that you establish a weekly training schedule and continuously train your personnel. Also, you must stress professionalism and provide constructive criticism to assist your personnel to grow in their roles as PSs.

PASS Program

The Pay/Personnel Administrative Support System (PASS) program provides consolidated military personnel and pay offices for all shore and afloat commands in a specific geographical region. By consolidating personnel offices with military pay offices and official passenger transportation offices, customers are offered “one-stop shopping.” OPNAVINST 1000.23 (series) provides guidance on the PASS program. Therefore, when you hear the term Pass Office or PSD, the term means the Pay and Personnel Office. MILPERSMAN 1000-021 has more information and sample designation letters.

As the Command PASS Coordinator (CPC), your role is to work closely with your customers and PSD to ensure all aspects of pay and personnel support are provided. By close liaison with your PSD, you are kept informed of policy changes that affect the pay, personnel and transportation entitlements. In doing so, you greatly enhance the quality of service that we provide.

CUSTOMER SERVICE

Everyone in the Navy should provide outstanding customer service. Of the many ratings in the Navy, however, only a few are primarily involved with providing services directly to personnel. These ratings include, PS, HM, LN, LS, NC, RP, SH and YN.

CORRESPONDENCE MANAGEMENT

We often think of correspondence as Naval letters; however, it includes various types of paper work. For training purposes, remember that whatever paperwork we handle is a form of correspondence management. Constant awareness of what is transpiring is required at all times. For guidance in handling and preparation, refer to the Department of the Navy Correspondence Manual, SECNAVINST M-5216.5 (series).
DIRECTIVES

The Department of the Navy, Navy Directives Issuance System, SECNAVINST M-5215.1 (series), establishes the rules and guidelines used to prepare directives. As a senior PS, you may be required to draft instructions and notices. SECNAVINST M-5215.1 (series) provides you with the necessary information to perform these important tasks. The establishment of Navy-wide directives preparation guidelines assures the uniformity of format regardless of type or location of command instructions.

Instructions

Instructions are directives that contain authority or information of continuing reference value, or requiring continuing action. Instructions remain in effect until superseded or canceled by the originator or higher authority.

Notices

Notices are directives of a one-time or brief nature that have a self-canceling provision. They have the same force and effect as instructions. Notices usually remain in effect for less than six months, but are not permitted to remain in effect for longer than one year. Any requirements for continuing action contained in notices, such as the submission of reports, use of forms, or following specified procedures, are considered to be canceled when the notices are canceled. Requirements may be incorporated into another suitable document, thereby continuing their validity.

PREPARATION OF PERSONAL AWARD RECOMMENDATION FORM

Recommendations for awards may be submitted by any senior personnel to the individual being recommended who has knowledge of an act, achievement, or service that warrants such award. The award recommendation must be submitted promptly following the act, achievement, or service upon which it is based. A recommendation originated by other than the Commanding Officer (CO) of the individual concerned must be forwarded to his or her CO for endorsement.

A recommendation for a personal decoration is prepared on the Personal Award Recommendation, OPNAV Form 1650/3. Block by block instructions are contained in SECNAVINST 1650.1 (series). When additional space is required, sheets of standard size paper may be used. A separate OPNAV Form 1650/3 must be used for each award being recommended.

Since each award recommendation is evaluated on the merits of the justification, the summary of action is required in all cases, except command awarded Navy and Marine Corps Achievement Medals. The individual recommending an award must present an objective summary; giving specific examples of the performance and manner of accomplishing the action with the results and benefits derived. The amount of detail and supporting documentation required depends on the circumstances and the nature of the award being recommended, but in general, a single page is sufficient. A proposed citation must accompany the recommendation. The citation is a condensation of the required summary of action. The citation must be factual and cannot contain classified information. Refer to the Navy and Marine Corps Awards Manual SECNAVINST 1650.1 (series) for additional information.
POLICY CONSIDERATIONS

Awards are important symbols of recognition. They are a means of publicly recognizing and rewarding extraordinary, exceptionally meritorious, or conspicuously outstanding acts of heroism and other acts or services. They are above and beyond acts that are normally expected and that distinguish the individual from those performing similar acts of services.

The use of military decorations and awards provides incentives for greater effort and higher morale. Individuals who deserve to be recognized should be rewarded whenever possible.

Recognition of sustained superior performance should normally be afforded an individual at the termination of the period during which that person demonstrated the action, such as at the end of the assigned tour of duty. A routine end-of-tour award is, however, not to be considered an integral part of the awards system.

AWARDING AUTHORITIES

Awarding authorities who are listed in SECNAVINST 1650.1 (series) may take one of the following actions:

- Approve or disapprove the award
- Approve a lower award
- Approve a higher award, if empowered to do so, or recommend approval of a higher award to the appropriate awarding authority
- Return the recommendation for further clarification or justification

PREPARATION OF LETTERS OF APPRECIATION AND COMMENDATION

Another method by which to recognize your personnel is through the presentation of letters of appreciation and commendation. Prepare a letter of appreciation or commendation to recognize an individual’s noteworthy accomplishments, in accordance with local and award authority.

A letter of appreciation and commendation is normally prepared and issued to an individual at his or her command. However, in some instances like letters of commendation, it is not unusual for COs to request that their immediate superiors in command sign such letters or citations.

NAVY STANDARD INTEGRATED PERSONNEL SYSTEM (NSIPS)

Description

The Navy Standard Integrated Personnel System (NSIPS) is the Navy’s single, field-entry, electronic pay and personnel system and data repository for all Active-duty and Reserve Sailors. This web-enabled system offers Sailors round-the-clock access to their Electronic Service Record (ESR), training data and career counseling records. NSIPS is available world-wide, both ashore and afloat.
Features

NSIPS collects, validates, processes and transfers data necessary to ensure accurate pay and maintenance of personnel records. It offers Sailors self-service functionality to view their ESR, career counseling and training data. It also offers the capability to update personal information, such as mailing address, phone numbers, emergency contacts, race and religion and for the reserves, civilian employer information.

Supervisor

The supervisor is responsible for designated functional work area operations, supervising and assisting the clerk, whenever required. The supervisor’s primary responsibility in NSIPS is the accuracy and release (if authorized) of events from the event file to the central files. The supervisor uses system reports to monitor his or her functional area of operations and to confirm processing of events to Navy Personnel Command (NPC) and DFAS–Cleveland Center. The supervisor resolves problems encountered by the clerk.

ELECTRONIC SERVICE RECORDS

All Active-duty and drilling Reserve Sailors can access their ESR by signing up for a self-service ESR account on the NSIPS Web page using a CAC-enabled computer. Sailors are able to view their own records, as well as make minor changes, including emergency contact information, home and mailing address, official email address personal info such as race, religion and ethnic code. Navy Reserve Sailors can also put in their civilian employment information.

In addition to reviewing service record data online, ESR implements self-service functionality. ESR was initially limited to items such as emergency contact information, address and phone numbers, this serves as a model for future self-service functions that will affect benefits and entitlements, such as the Record of Emergency Data.

Common Access Card (CAC)

The CAC (See Figure 1-1) is a United States Department of Defense (DOD) smart card issued as standard identification for active-duty military personnel, reserve personnel, civilian employees, non-DOD other government employees and State Employees of the National Guard and eligible contractor personnel.

The CAC is used as a general identification card, as well as for authentication to enable access to DoD computers, networks and certain DoD facilities. It also serves as an identification card under the Geneva Conventions. The CAC enables encrypting and cryptographically signing email, facilitating the use of PKI authentication tools and establishes an authoritative process for the use of identity credentials.

The affiliation area of the card will state “Unformed Services” and the status area of the card will reflect the member’s sponsoring Service, Agency, or Department. The status of the individual will be located electronically within the circuit chip of the card (Active duty, Reserve, National Guard). It is necessary that this chip be updated when status changes occur (e.g. mobilization, Reserve, on Active duty).
a. The CAC does not change current benefits and entitlements, or the requirement to update the Defense Enrollment Eligibility Reporting System (DEERS) when any changes to a member’s family, status, or other information changes.

b. The DD Form 2 machine-readable card will continue to be issued to those Reserve Component categories not eligible for the CAC (e.g., Inactive Ready Reserve (IRR), standby Reserve and inactive National Guard).

c. DD Form 1934 remains valid and will continue to be issued according to DODI 1000.1.

d. If a member has been mobilized and there are no communications either with the DEERS database or the certificate authority, a temporary card can be issued with an abbreviated expiration date for a maximum of ten days. The temporary card will not have Public Key Infrastructure (PKI) certificates and will be replaced as soon as the member can reach an online RAPIDS station or communications have been restored. Further guidance pertaining to the DoD common access card can be found at the CAC website.

Figure 1-1, Armed Forces of the United States Geneva Conventions ID Card.

PERMANENT CHANGE OF STATION TRANSFER ORDER AND PCSR.

The enlisted PCS transfer order is normally used for PCS orders issued by NPC and the Naval Reserve Personnel Center (NRPC) any other agency granted order issuing authority by NPC. The use of PCSR is appropriate also for command-initiated transfers. Refer to the MILPERSMAN for more information and preparation instructions.

You may need to request PCSR orders via NSIPS; for example, when a member is transferred for temporary duty (TEMDU) to a naval hospital. For further information, read NAVADMIN 244/14. This NAVADMIN announced the rollout of the NSIPS order writing module, which will be utilized to generate all orders authorizing permanent change of station (PCS) transfer of members for unit moves, unit’s decommissioning, base realignment and closure (BRAC) moves, overseas tour incentive program, and enlisted separation and retirements. Commanding Officers and Officers in charge no longer have the authorization to write command/field-generated PCS orders allocating CNPC appropriated funds outside of the NSIPS order writing module.
DETACHING AND REPORTING ENDORSEMENTS IN CONJUNCTION WITH PERMANENT CHANGE OF STATION ORDERS

You must prepare a detaching endorsement whenever a member permanently detaches from his or her permanent duty station. When the member arrives at an intermediate duty station or ultimate duty station, a reporting endorsement must be prepared to report his or her arrival and account for leave, travel time and proceed time, if applicable. The MILPERSMAN and Procedures Training Guide (PTG) provide you with instructions on the preparation and distribution of endorsements.

NAVAL MESSAGES

A Naval message is a written thought or idea expressed briefly and to the point. A message is prepared when electrical transmission is warranted. Refer to the Naval Telecommunications Procedures (NTP), Telecommunications Users Manual, NTP 3 (series), for instructions and preparation of Naval messages.

The term originator identifies the command or organization in whose name a message is sent. The message is authorized for transmission by the releasing officer as discussed later in this chapter.

When you compose a message, you are identified as the drafter. As a First Class or Chief Petty Officer, you will draft many messages. You must be knowledgeable and understand the procedures contained in the NTP 3 (series).

TYPES OF MESSAGES

There are four types of classified and unclassified narrative messages: single address, multiple address, book and general message.

1. A single address message is a message that has only one addressee, either action (TO) or information (INFO).

2. A multiple address message has two or more addressees, whether action or information. The purpose of this message is to let all addressees know who the other recipients are.

3. A book message is a message destined for two or more addressees, but is of such a nature the drafter considers that no addressee needs or should be informed of the other addressee(s).

4. General messages are designed to meet recurring requirements to send out information to a wide, predetermined standard distribution. General messages are titled; e.g., NAVADMIN, NAVOP, ALNAV, ALCOM, ALMILACT. Because the title indicates the distribution, it serves as the address designator in the address line of the message heading.

To attain format uniformity with joint procedures, the general message has a consecutive three-digit serial number followed by a single slant and the last two digits of the current calendar year; for example, NAVADMIN 245/15. The general message title and number and year stand alone on the line after the classification and before the Message Identification (MSGID).
MESSAGE FORMAT

General Administrative (GENADMIN) is the format used for most narrative messages. The only exceptions are those narrative messages for which a publication, an instruction, or other directive requires a different format. NTP 3 (series) contains GENADMIN message preparation instructions.

RELEASING AUTHORITY

The message releaser is a properly designated individual who is authorized to release a message for transmission in the name of the originator. The individual’s signature validates the content of the message and affirms compliance with message drafting instructions contained in the NTP 3(series) and related publications. Also, the releaser’s signature authorizes transmission of the message. Normally, a senior PS releases messages while standing duty as Command Duty Officer (CDO), or when he or she is designated by the CO or Officer in Charge (OIC).

REPORTS MANAGEMENT PROGRAM

According to SECNAVINST M-5214.1 (series), information is vital to the success of any organization and provides the basis for management decisions. Specific types of data are needed to meet particular requirements. Information collections are the major means for providing this data. Information collections management encompasses the development of collections and information systems. As conditions or needs change, information management must provide for improvement of collections or systems; it must also provide for the control of information requirements to ensure minimum collection burden is expended and maximum effectiveness obtained. SECNAVINST M-5214.1 (series) contains information on reports control, reports analysis, internal reports, public reports, interagency reports and a self-inspection guide for managers.

DISPOSITION OF OBSOLETE RECORDS AND FILES

The disposition of obsolete records and files is contained in SECNAVINST M-5210.1 (series). Files should be terminated periodically to ease disposal action and to assist with reference to current records.

ACTIVATION OF A DISBURSING OFFICE

A Disbursing Officer (DO) who activates a new disbursing office, reactivates a disbursing office that has been temporarily closed, or relieves another DO must forward a memorandum through the requesting activity’s chain of command to the Director, DFAS ATTN: DFAS-NPD/IN and to the supporting DFAS site. This memorandum must include the following information in regard to the incoming DO’s duty assignment:

- The reason why establishing the office is necessary
- The anticipated workload of the office in terms of the number of military personnel to be supported, civilian personnel to be paid commercial vouchers to be settled. If military or civilian personnel are to be paid, identify the automated payroll system to be used
- The proposed date of establishment
• The name of the nearest Federal Reserve Bank (FRB) or branch, including location and dis-
tance of the FRB from the proposed disbursing office. If there is no FRB or branch within a
reasonable distance of the proposed office, include the name and location of the nearest
general depository
• Estimate of U.S. Treasury checks required for the first year of operation and whether checks
will be procured through the normal requisition process or if an emergency supply will be
needed. See DODFMR Vol. 5 for more information
• Name, Social Security number (SSN) and rank or grade of the proposed DO, if known
• Estimate of monthly cash requirements
• Information on plans to implement an automated disbursing system.

Normally, relief should take place on the last day of the month to eliminate the need for an incoming
DO to submit an extra set of returns for the month. The transfer between DOs may take place at any time,
based on operational commitments or other considerations. This transfer is recorded on an SF 1219 to be
discussed later in this chapter.

Before relieving the outgoing DO, the incoming DO should examine the records and accounts that will
be under his or her jurisdiction. An incoming DO who is dissatisfied with the condition of the records and
accounts and feels unwilling to accept full responsibility for them, may refuse the relief. Under these
circumstances, the incoming DO must make a detailed report to the CO. The CO will investigate the
report and make any appropriate recommendations. Usually, the transfer will take place and the CO will
assume responsibility for bringing any charges against the relieved DO, as warranted by the
circumstances of the case.

ACCOUNTABLE POSITIONS

Accountable assistants assigned to the DO are the Deputy DO and the agent cashier. As explained in
the following paragraphs, all the rules and regulations governing the duties of the DO apply equally to
these assistants. Other agents of Disbursing Officers are: Paying Agents and Postal Agents, Collection
Agents, Change Fund Custodians and Imprest Fund Cashiers. Further guidance is contained in the
DODFMR Vol. 5.

DEPUTY DISBURSING OFFICER

A deputy to a DO is appointed by the DO and acts under a formal letter of appointment. Any officer,
senior enlisted member, or civilian employee satisfactory to the DO and who is a U.S. citizen may be
appointed to the position of deputy.

In accordance with DODFMR, the following must be submitted: a copy of the letter of appointment
and the required original specimen signature forms (FMS Form 5583 and FMS Form 3023) to DFAS-
NPD/IN to be maintained along with the DO files.

Authorized Actions of Deputy

Generally, a deputy DO is authorized to perform any and all acts relating to the receipt, disbursement,
custody accounting for public funds in the name of and for the account of the appointing DO. The
appointing DO may restrict the acts his or her deputy will be authorized to perform.
Termination of Appointment

The DO may revoke the appointment of a deputy at any time. When a DO is relieved from disbursing duties, that DO revokes the appointments of all deputy DOs. In all cases, address the notice (memorandum) of proposed revocation of a deputy’s appointment to the deputy. Send a copy of the notice or memorandum to DFAS-NPD/IN. If another individual will succeed the deputy, then send a copy of the letter of appointment and the required original specimen signatures for the new deputy with the copy of the memorandum of revocation.

AGENT CASHIER

As done for deputy DOs, the current DO appoints individual agent cashiers in writing. Unlike the position of deputy, however, the position of agent cashier is both established and approved locally by the activity’s CO.

Duties and Responsibilities of Agent Cashier

Cashiers disburse, collect account for cash perform other duties as required concerning the receipt, custody, safeguarding and preparation of checks. To facilitate training and effectively use personnel, cashiers may perform other duties on days when they do not perform cashier functions. A cashier may prepare DO accountability reports, but the DO or deputy (or disbursing agent) must personally review the reports.

Agent cashiers are not authorized to sign U.S. Treasury checks or depositary checks, Statements of Accountability, or other documents relating to the DO’s accountability. With these exceptions, an agent cashier may be authorized to perform any duty relating to public funds in the name of and for the account of the current DO.

Duration of Appointment

Agent cashier appointments are effective only while the appointing DO continues to serve as DO of that activity. The appointment of an agent cashier may be revoked by the DO at any time. All revocations must be in writing and include the effective date of revocation. Keep letters of appointment in a permanent file at the activity to show the successive holders of each position for a period not less than six months after an individual ceases to serve in the position.

PAYING AGENTS AND POSTAL AGENTS

Appoint paying agents and postal paying agents only when adequate payment, currency conversion, or check cashing service cannot be provided otherwise. Do not appoint paying agents and postal paying agents solely as a convenience when it is feasible for the transactions to be made by a DO, deputy, disbursing agents, or cashiers. In an unusual situation, (e.g., a requirement to make payments or currency conversions at remote locations where use of checks is not feasible) the DO may request that the commander of the remote location appoint a paying agent or postal paying agent to make the payments for and in the name of the DO from funds advanced for that purpose. Paying agents and postal paying agents may not be appointed or used over protest of the accountable DO, nor may they act as purchasing officers. Escort officers also serve as paying agents for expenses related to official travel and are thus not considered purchasing officers.
Duration of Appointment

Appointments may be for a specific transaction, or for a definite or indefinite period of time. When appointed for an indefinite period, the paying or postal paying agent’s designation continues until transferred or relieved of such duty by the appointing officer or until the DO is transferred or relieved from disbursing duty. The postal paying agent must clear his or her account with the DO on the transfer of the DO.

COLLECTION AGENT

A collection agent is an individual designated to perform duties relating to the collection of official funds. Those duties include the collection of funds held as safekeeping deposits at a point other than the disbursing office.

Appointment Procedures and Restrictions

The officer responsible for the collection of the designated official funds appoints the collection agent in writing. The appointed collection agent can be an officer, an enlisted member, or a civilian employee. Disbursing personnel, however, are not eligible for appointments as collection agents. They are not eligible because individuals appointed as collection agents are not authorized to serve concurrently in any other accountable position and shall not be charged with the handling or custody of any other funds.

The officer who appoints a collection agent will prescribe that agent’s duties and will act as the agent’s general supervisor. Some of the functions to which collection agents may be appointed will depend on the status of the appointing officer.

Duties and Responsibilities

CO OR OIC É A CO or OIC ashore may approve and establish the position of collection agent for the responsibilities involved with the collection of the following funds:

- Hospitalization fees and other charges at medical facilities
- Communications charges
- Rentals and other charges at housing developments
- Fees for research or reproduction of records
- Safekeeping deposits when the safekeeping function is not performed by the DO
- Similar functions when deemed appropriate by the CO.

Duration of Appointment

An appointment as collection agent remains in effect during the agent’s service at the activity unless it is revoked by the appointing authority in writing. The requirements for the letters of appointment and revocation are the same as those for an agent cashier. Collection agents may not serve concurrently in any other accountable position and may not be charged with the handling or custody of any other funds. The appointing authority may revoke the appointment of a collection agent at any time. Address the written revocation to the agent and include the effective date of the revocation.
CHANGE FUND CUSTODIAN

The change fund custodian receives a change fund from the parent DO and uses the fund to make change for sales transactions.

Appointment Procedures

The CO or designee of the activity (e.g., commissary or hospital) appoints the individual who fills the established position.

IMPREST FUND CASHIERS

Imprest funds are utilized to make small purchases of supplies or services. Detailed regulations concerning establishing, using and accounting for imprest funds, including the responsibilities of designated imprest fund cashiers and alternates are in Department of the Treasury Financial Manual for Guidance of Departments and Agencies, Vol. I, U.S. Government Accountability Office Policy and Procedures Manual for Guidance of Federal Agencies, Title 7 (Fiscal Guidance), Chapter 6; and The Federal Acquisition Regulation.

Appointment

The CO appoints imprest fund cashiers to make authorized cash payments for materials and for non-personal services, to maintain custody of funds to file periodic vouchers to account for and to replenish the imprest fund. The imprest fund cashier should maintain an organizationally and physically convenient location on the installation or activity to make payments to vendors or carriers. DOs, disbursing office personnel, certifying officers and individuals responsible for originating, approving and processing requirements are not eligible for appointment as imprest fund cashiers. An imprest fund cashier (or an alternate) may not have access to or control of more than one fund or be concurrently appointed to any other accountable position.

Keep the appointing document and approval for establishment of the imprest fund in a permanent file. Furnish two copies of the documents to the cashier and one copy each to the installation or activity contracting office.

ALTERNATE AGENTS

When required, one or more alternate agents may be designated to serve only during the absence of an imprest fund cashier, disbursing agent, cashier, change fund custodian, or collection agent. Alternate agents for deputy DOs are not permitted. The official authorized to appoint alternate agents issues letters of appointment as prescribed for the primary agent. When serving in place of the primary agent, the alternate is governed by all regulations applicable to the primary. Alternates may not merge funds received with those of the primary agent. Each agent or alternate maintains separate records to establish the amount for which each is responsible. Alternates may not conduct operations involving the handling of public funds concurrently with the primary.

RETENTION OF DISBURSING RECORDS

The original disbursing office records and associated supporting documentation shall be retained as government property and shall be readily accessible to the DO or to the designated settlement office, for a six-year and three-month period. Extensions of this record retention period may be warranted on a
case-by-case basis when determined by the DO or designated settlement official that records are needed beyond six-years and three-months period to complete reconciliation of payment or collection discrepancies, or for other necessary purposes. Refer to DODFMR Vol. 5 for more information about retention of disbursing records.

CASH VERIFICATIONS

Cash verification is the physical count of the cash, negotiable instruments other assets that make up a DO’s total accountability. The cash verification is a management control that, along with other controls, can be used to gauge the overall health of a disbursing operation. It is not meant to alleviate management’s responsibility to direct and monitor all facets of a disbursing operation. The CO must appoint a cash verification board to carry out the cash verification procedures. Further guidance is contained in DODFMR Vol. 5.

Cash Verification Board

The CO of every command where a DO is assigned (or where a deputy is attached to a branch office in another command) should appoint in writing a cash verification board.

For imprest and change funds, especially those held at installations or activities other than the installation or activity of the DO, the CO who authorized the establishment of the fund and appointed the cashier or custodian is responsible for appointing the cash verification team.

The cash verification board should consist of two or more persons. These persons must not be in the DO’s chain of command. Appointees may be officers, warrant officers, senior enlisted personnel, or civilian employees. At least one of these persons should have some disbursing or accounting experience. If possible, one member should be equal or senior in rank to the accountable individual.

Report of Verification

The DODFMR Vol. 5 contains detailed information on the procedures the board should use for conducting the verification process and reporting the results.

As stated previously, the board must vary the time during each quarter when the verification process is held. To attest that a verification was held, the board must make an entry on the face of the DO’s daily Statement of Accountability (DD Form 2657) and on the last Record and Receipt of Deposits and Withdrawals of Safekeeping Funds (DD Form 2674). The DODFMR Vol. 5, gives the substance of how the entry should read.

The board must report its findings in writing to the CO, with a copy provided to the DO. This letter should advise the CO whether the official funds and documents (including the safekeeping deposits, money orders the postage fund, when applicable) are in agreement with the DO’s records and whether the funds are in excess of the authorized amount.

- Security devices for the check-signing machines, meters plates are kept in the custody of the DO or an authorized deputy at all times
- The combinations to all safes and containers are changed at least every 6 months and upon relief, transfer, separation, or discharge of the accountable individual. Each combination is known only to the responsible individual. A signed and dated record is kept of all combination changes
- The name and phone number of the individual responsible for each container are posted on the inside of that container.
- Keys to the workspace or disbursing office are strictly controlled and a written record is maintained to identify the persons to whom keys were issued and the times when keys were both issued and surrendered.
- All security equipment is tested every 6 months for proper operation and a record of the tests is maintained.
- As indicated by these requirements, the DO's overall responsibility for security is directly related to the routines of business.
### RECORD AND RECEIPT OF DEPOSITS AND WITHDRAWALS OF SAFEKEEPING FUNDS

**PRIVACY ACT STATEMENT**


**PRINCIPAL PURPOSE(S):** This form is designed exclusively to help overseas and affiliated DoD custodial officers account for and track funds and valuables placed in safekeeping.

**ROUTINE USE(S):** The information on this form may be disclosed as generally permitted under 5 U.S.C. Section 552a(b) of the Privacy Act of 1974, as amended. It may also be disclosed outside of the Department of Defense to Federal, state, or local government agencies, which have identified a need to know, for the purpose(s) identified in the DoD Blanket Routine Uses as published in the Federal Register.

**DISCLOSURE:** Voluntary, however, failure to provide the requested information may result in refusal to accept funds and valuables for safekeeping.

#### 2. DEPOSIT
- a. AMOUNT DEPOSITED (in words)
- b. AMOUNT DEPOSITED (in figures)
- c. DESCRIPTION OF OTHER PROPERTY DEPOSITED

#### 2. DEPOSITOR
- (1) SIGNATURE
- (2) RANK OR TITLE
- (3) ACCOUNT NUMBER OR SSN
- (4) DATE (YYYYMMDD)

#### 3. RECEIPT
- Receipt is acknowledged of the deposit of cash in the amount specified, or valuables as described, with the officer whose signature appears below for safekeeping under the above deposit number. The deposit will be restored upon surrender of this receipt and identification of depositor by signature.
- (1) SIGNATURE
- (2) RANK OR TITLE
- (3) DATE (YYYYMMDD)

#### 3. WITHDRAWAL
- a. AMOUNT WITHDRAWN (in words)
- b. AMOUNT WITHDRAWN (in figures)
- c. DESCRIPTION OF OTHER PROPERTY WITHDRAWN

#### 3. RECEIPT
- I hereby acknowledge receipt of above amount/article(s) as a withdrawal of my deposit.
- (1) SIGNATURE OF DRAWER
- (2) RANK OR TITLE
- (3) DATE (YYYYMMDD)

#### 4. WITHDRAWAL
- a. AMOUNT WITHDRAWN (in words)
- b. AMOUNT WITHDRAWN (in figures)
- c. DESCRIPTION OF OTHER PROPERTY WITHDRAWN

#### 4. RECEIPT
- I hereby acknowledge receipt of above amount/article(s) as a withdrawal of my deposit.
- (1) SIGNATURE OF DRAWER
- (2) RANK OR TITLE
- (3) DATE (YYYYMMDD)

**DD FORM 2674, SEP 2007**

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**Figure 1-2, Records and Receipt of Deposit and Withdrawal of Safekeeping Funds.**
Vaults and Safes

**Vaults.** When possible, provide a DO a built-in, fire-resistant vault with at least a three-position, dial-type combination lock; with the door and vault being able to resist a fire for a minimum period of two hours. Store all safes containing funds and, when possible, the instruments and documents cited in DODFMR Vol. 5, in the vault. Construct new vaults, doors intrusion devices following the requirements of the DOD Physical Security Equipment Guide.

**Safes.** When vaults are not available, DOs, deputies, agents, cashiers and all other custodians of public funds use combination three-tumbler lock, tool-resistant safes appearing on General Services Administration (GSA) or Federal Supply Schedules (FSS) to store public funds. If such a safe is not available, then use a field safe secured properly to an immovable object. Post a guard in an unsecured building at the direction of the installation commander. Store checks, bonds, or other perishable records, which cannot be replaced in combination three-position, dial-type built-in fire-resistant, insulated money cabinets/safes. Class five file cabinets which have three-position, dial-type, built-in combination locks protected against forced entry may be used for temporary storage. File cabinets with steel lock bars or without forced-entry protection are not adequate.

**SUMMARY**

In this chapter we discussed some of the areas with which senior Personnel Specialists deal on a daily basis. Other areas we discussed are the role of the supervisor, customer service, correspondence management, personal award recommendation form, letters of appreciation and commendation, NSIPS, PCS orders and messages. Also, this chapter discussed reports management, disposition of obsolete records and files, electronic service records leave definition.

Following the proper procedures of accountability cannot be overemphasized. The requirements for proper appointment and monitoring of all positions involved in the handing of funds and accountable instruments must be followed at all times. Detailed procedures have been established to allow for the maximum protection of the individuals in these positions and the Navy.

This chapter is just an overview of the most often encountered positions and some of the associated duties and responsibilities. After studying the information in this chapter, you should be aware of and appreciate the complexity of the principle of financial accountability and how accountability is mandatory and intrinsic to every disbursing operation. For more information regarding financial accountability, see the DODFMR Vol. 5.
CHAPTER 2

MANPOWER MANAGEMENT

Learning Objectives: Upon completion of this chapter, you should be able to do the following:

— Discuss the purpose of Manpower Management.

— Discuss the different types of manpower requirements.

— Determine the correct procedure to submit Activity Manning Document (AMD) Change request.

— Determine the different Manning Control Authorities.

INTRODUCTION

The Navy’s concern for effective management of manpower resources has never been greater, especially with the reduction of the U.S. Armed Forces. Manpower management is the methodical process of determining, validating and using manpower requirements to inform budget decisions, prioritizing manpower authorizations based on available funding and personnel; and translating authorizations into a demand signal for personnel, training and education processes. The Navy’s objective in manpower management is to distribute personnel to activities where their talents are required and are best used. As a senior Personnel Specialist, you need to have knowledge of manpower management. This chapter is designed to provide you with the knowledge and terminology to help you understand manpower management. When you prepare manpower change requests, refer to OPNAVINST 1000.16 (series) and other pertinent publications.

NAVY TOTAL FORCE MANPOWER POLICIES PROCEDURES

OPNAVINST 1000.16 (series), also referred to as the Navy Total Force Manpower Policies Procedures, aids all levels of the chain of command in the management of total force manpower resources. The instruction describes how the Navy determines, forecasts and programs manpower for ships, aviation squadrons, shore activities, staffs and new developments. The manpower managers and others involved in the management of manpower resources use this instruction. Manpower managers are Commanders, Commanding Officers (COs), Officers in Charge (OICs) and staff personnel who have control of manpower resources.

PURPOSES

The Navy Total Force Manpower Policies Procedures, OPNAVINST 1000.16 (series), has several important purposes. It is a general reference and also a procedural tool for all personnel engaged in manpower requirements determination and approval. Some of the specific purposes are listed below:

- Provide general reference, outline policy and procedures for all personnel required to develop, review, approve, implement and update Total Force manpower requirements and authorizations for all naval activities
• Established Chief of Naval Operation (CNO) (N1) as the Single Manpower Resource Sponsor and of the Enterprise/Enabler/Provider construct. Issue additional policies and technical guidance from the CNO (N12) on Navy total force manpower

• Defines and explains the overall manpower management process, provides a manpower requirements overview, describes manpower programming/reprogramming/authorizations and delineates general roles and responsibilities. Provides descriptions of the manpower requirements determination rules applicable to all elements of the Navy's Total Force, to include the military and civilian workforce

• Describe fleet, shore and other special manpower requirements. Fleet manpower requirements include manpower requirements for ships, squadrons and other deployable units governed by Required Operational Capability/Projected Operational Environment (ROC/POE) documents. Shore manpower requirements are used for Navy activities not governed by a ROC/POE

• Provide information, policies and procedures about the Navy's officer subspecialty system

• Provide comprehensive definitions and planning guidance for manpower in all mobilization phases.

SCOPE

OPNAVINST 1000.16 (series) contains the background, policies, and procedures necessary for the effective determination, programming, classification, and management of Navy manpower requirements and authorizations.

MANPOWER REQUIREMENTS

Manpower requirements define the number of personnel required to perform the Navy's work and deliver the specified capability. Each manpower requirement equates to a specific manpower space which is assigned qualifiers that define the duties, tasks and functions to be performed and the specific skills and skill level required to perform the delineated functions.

FLEET MANPOWER REQUIREMENTS

Fleet manpower requirements are determined by Navy Manpower Analysis Center (NAVMAC) and include ships, squadrons and other deployable unit requirements. The primary factors considered in developing Fleet manpower requirements are as follows:

• Required Operational Capability/Projected Operational Environment (ROC/POE). Examples of ROC/POE are the number of aircraft, flight hour utilization, operating environment, crew-seat ratio, etc.

• Deputy Chief of Naval Operations (DCNO) approved staffing standards, especially Navy Standard Workweek

• Warfare publications (e.g., Concept of Operations (CONOPS), Combat systems doctrine)

• Maintenance requirements

• Navy Maintenance and Material Management (3-M) Systems
Navy Training System Requirements, Acquisition, Key Performance Parameters, and Training Requirements Program Planning Management (TRPPM) documents.

Fleet manpower requirements are documented as follows:

- **Fleet Manpower Document (FMD).** FMD displays, in detail, quantitative and qualitative manpower requirements of a sea duty activity or a sea duty activity with shore duty component(s) that are operationally dependent upon one another and include operational units other than ships or squadrons.

- **Ship Manpower Document (SMD).** SMD displays quantitative and qualitative manpower requirements for an individual ship or class of ships and the rationale for determination of the requirements.

- **Squadron Manpower Document (SQMD).** SQMD displays quantitative and qualitative manpower requirements for an individual aviation squadron or a class of squadrons and the rationale for the determination of the manpower requirements.

- **Sea Operational Detachment (SEAOPDET) Manpower Document.** SEAOPDET manpower documents are in direct support of an aircraft carrier’s Aircraft Intermediate Maintenance Depot’s (AIMD) when the air wing is embarked.

**SHORE MANPOWER REQUIREMENTS**

Shore manpower requirements will be based on valid, approved workload drivers. The primary driver of shore workload is the Mission, Functions and Tasks (MFT) statement of the activity. Procedures for establishing, changing, and approving MFTs are contained in OPNAVINST 1000.16 (series).

**Mission, Functions and Tasks (MFT) Statement**

MFT is the shore equivalent of ROC/POE. However, unlike ROC/POE (which are developed in association with NAVMAC), each shore command writes and signs its own MFT statement. Shore claimants conduct their own determination/validation of requirements using the MFT statements of individual commands.

Missions are concise, unclassified general statements of what the activity is to accomplish. Functions are workload derived from the main elements of an activity’s mission. Tasks are workload accomplished in connection with existing program policy directives or written tasking assignments.

**Statement of Manpower Requirements (SMR)/Mobilization Statement of Manpower Requirements (MSMR)**

The validated peacetime requirements for shore-based activities are displayed in the SMR. Each claimant is responsible for managing its process of determination based on MFT. Claimants validate and approve quantitative and qualitative manpower requirements for a shore activity. Wartime requirements are documented on the Mobilization Statement of Manpower Requirements (MSMR). The SMR and MSMR are the shore equivalent of FMD, SMD and SQMD.

**Activity Manpower Document/Activity Workforce Document (AMD/AWD)**
The Activity Manpower Document/Activity Workforce Document (AMD/AWD) is a single source document that provides the quantitative and qualitative Total Force manpower requirements and authorizations allocated to naval activity to perform its assigned MFTs or ROC/POE. The AMD is discussed in further detail later in this chapter. Refer to NAVMAC’s web page for the most current manpower document profiles.

OTHER MANPOWER REQUIREMENTS

Other manpower requirements apply to the Individuals Account (IA) and in Non-Navy controlled activities. CNO (N12) has oversight over IA and outside the Navy requirement determination process.

- IA requirements account for personnel in Student, Trainee, Transient or Holdee (STTH) status as well as Midshipmen on active duty. Holdees include patients, prisoners and personnel in the process of being separated (separatees). IA requirements are determined by CNO (N12)
- Outside Navy requirements such as Combatant Commander (COCOM), defense agency and OSD billets are determined using other processes and are reviewed by CNO (N12).

NAVY MANPOWER ANALYSIS CENTER

CNO (N1) controls policy and the direction of manpower requirements. The NAVMAC is a supporting organization that provides essential support. Some of NAVMAC’s mission is as follows:

- Determine Fleet manpower requirements, to include ship, squadron and other deployable unit requirements for CNO (N12)
- Publishes the FMD/SMD/SQMD Production Plan annually
- Reviews documentation for total force manpower requirements of the Naval Shore Establishment and maintains supporting Automated Data Processing (ADP) systems
- Provides direct support in developing policy and procedures for the Navy manpower requirements programs
- Provides technical consulting services in all facets of manpower management to manpower Budget Submitting Offices (BSOs), resource sponsors and other OPNAV offices
- Performs other manpower analyses and studies as may be directed by the CNO

TOTAL FORCE MANPOWER MANAGEMENT SYSTEM (TFMMS)

The Total Force Manpower Management System (TFMMS) is the single, authoritative data base for the total force manpower requirements of active duty military personnel, Navy/Reserve Personnel, Navy (MPN/RPN) manpower authorizations and end strength. It provides storage and retrieval of historical, current, budget and out-year manpower data. TFMMS provides access to current, budget and out-year manpower data. TFMMS provides access to current manpower data for resource sponsors, BSOs and others and provides storage and retrieval transaction history.

TFMMS MICRO MANPOWER CHANGE APPLICATION (TMMCA)
A software package that allows manpower managers to initiate Activity Manning Document (AMD) change requests through any computer. This is a viable alternative to employing the TFMMS mainframe computer.

MANPOWER MANAGERS AND ADVISORS

Manpower managers exercise control of manpower resources. Because of the high costs of personnel and the difficulty in providing skilled personnel to meet requirements, manpower requirements must be minimized. Therefore, effective control of manpower resources is mandatory to achieve the best use. To achieve this control within the Navy, manpower managers use classification systems that clearly define manpower requirements and the related personnel qualifications.

SINGLE MANPOWER RESOURCE SPONSOR (CNO (N1))

As the single manpower resource sponsor, CNO (N1) is responsible for providing CNO a Total Force manpower program that maximizes Navy war-fighting capability within allocated resources. Pursuant to this role CNO (N1) must do the following:

- Assess, validate and approve manpower requirements
- Prioritize funding of manpower requirements
- Ensure resources allocated to the manpower program are executable (thereby not wasting Navy resources).

MANPOWER BUDGET SUBMITTING OFFICES

- BSOs (formerly major manpower claimants) are aligned to most of the Echelon 2 commands of the Navy. Each BSO will likely have subordinate commands and activities in multiple war-fighting enterprises/enablers. As the manpower entity aligned with the executors of Navy missions, BSOs develop mission, function and task statements
- Oversee the day-to-day management of manpower authorizations
- Initiate the shore manpower requirements process.

WAR-FIGHTING ENTERPRISES

War-fighting Enterprises, in conjunction with Commander, U.S. Fleet Forces Command (CUSFFC), are charged with coordinating the efforts of component elements spanning multiple Echelon 2 commands and/or BSOs to maximize war-fighting capability. Pursuant to this role it is incumbent upon the enterprises and CUSFFC to do the following:

- Assess and validate the required capabilities and missions, functions and tasks of their component elements, including those in supporting enablers
- Make manpower funding recommendations to the manpower resource sponsor and the Fleet Readiness Enterprise.
ENABLERS

Enablers are charged with supporting the War-fighting Enterprises by coordinating the efforts of component elements spanning multiple Echelon 2 commands and/or BSOs. Each enabler is aligned to one broad support function which does not provide direct war-fighting capability but is necessary for the War-fighting Enterprises to accomplish their mission. Each enabler generally supports every enterprise. Pursuant to this role, enablers shall do the following:

- Align manpower to support the War-fighting Enterprises to the maximum extent possible
- Assess and validate missions, functions, and tasks of component elements.

COMMANDERS, COMMANDING OFFICERS AND OFFICERS IN CHARGE

The duties and responsibilities of commanders, COs and OICs include, but are not limited to, the following:

- Exercise overall management of assigned manpower resources
- Ensure that the number of billets and positions and the qualifiers assigned to each on the activity manpower authorization are the minimum requirements necessary to support the mission, functions and tasks of the command. Identify, to the manpower claimant, all billets and positions in excess of those required
- Annually review all authorized billets and positions to make sure manpower requirements within CNO policy constraints are correctly stated. Recommend changes to the BSOs via the chain of command
- Before requesting an increase in manpower resources because of changes in tasks or increased workload, analyze all manpower requirements (military and civilian) and the billets and positions authorized
- Minimize the number of manpower authorization change requests by proper planning, annual billet and position reviews and consolidation of desired manpower changes
- Ensure that the change requests are submitted sufficiently in advance of the requested effective date of change, to permit adequate time for review at the various levels of the chain of command, for thorough consideration by CNO/Chief of Naval Personnel (CNP) and for orderly response by personnel distribution authorities. Due to fiscal constraints, rotational patterns, training support and deployment schedules in the case of ships and squadrons, actual manning of newly authorized billets may not be satisfied in less than nine to twelve months from date of approval
- Ensure that each requested action is complete and accurate and includes necessary mobilization requirements
- Ensure that complete justification is provided for each request for revision.

ENLISTED COMMUNITY MANAGER

The Enlisted Community Manager (ECM) is responsible for close monitoring and management of the health and welfare of enlisted rating communities. The ECM ensures their cognizant ratings recruit and
maintain required manpower and that the manpower is correctly distributed throughout the enlisted paygrades as required by valid billets. The enlisted community manager also does the following:

- Develops recruiting requirements
- Provides guidance on basic (e.g., 'A' school) and advanced (e.g., 'C' school) training requirements.
- Work with warfare sponsors to ensure valid, executable billet requirements
- Establishes and monitors the Career Navigator (C-NAV) Program via Career Waypoints (C-WAY). The C-NAV Program promulgates policy affecting enlisted career management and identifies processes designed to promote Sailor involvement in their careers. C-WAY is the IT system that supports key Sailor decisions about their next career choice. The following enlisted career management processes are supported by the C-WAY system: Reenlistment, PACT Designation, Conversion, Reclassification, and the Transition between Active Component (AC) and Reserve Component (RC). They set the following:
  - Career Waypoints-Reenlistment
    - C-WAY automatically generates most reenlistment applications based on a Sailor’s end of their enlistment contract (End of Active Obligated Service, as extended (SEAOS)).
  - Career Navigator (C-NAV) Categories of skill sets levels.
    - Categories of skill sets have been created to expedite reenlistment request processing for Sailors E5 and below. These three categories are Open Reenlistment; Balanced Reenlistment, and Competitive Reenlistment.
  - Conversion quotas and Reclassification
    - Applications for Active Component (AC) and Full Time Support (FTS) Sailors are submitted during C-WAY Reenlistment system-generated application windows (e.g., PRD and SEAOS). Applications for Reserve Component (RC) Sailors requesting a change in rating are entered though C-WAY, as well. See MILPERSMAN 1440 series for more information
  - Transition between Components quotas
    - Transition requests are incorporated into C-WAY. Additionally, SELRES and Voluntary Training Unit (VTU) Sailors use C-WAY to apply for both in-rate and conversion into ratings with available AC and FTS quotas, provided they meet program requirements.
  - Career Waypoints-Professional Apprenticeship Career Track (PACT) Designation guidelines (C-WAY PACT Designation)
    - C-WAY PACT applies to undesignated Sailors desiring to become rated. C-WAY PACT Designation auto-generates partially populated applications for PACT Sailors who are Time In-Rate (TIR) eligible for the Navy-Wide Advancement Examination (NWAE) and/or have at least 12 months on board their first permanent duty station.
- Sets advancement quotas
- Establishes and monitors sea/shore flow
Establish and monitor career development
Ensures rating Occupational Standards (OCCSTDS) are valid and current
Set Selective Reenlistment Bonus (SRB), Special Duty Assignment Pay (SDAP) and Enlistment Bonus (EB) levels
Ensures Navy Enlisted Classification Code (NEC) system is effective in training and detailing people to fill special skill billets
Early Enlisted Transition Program
Work with warfare sponsors to ensure valid, executable billet requirements
Reviews Navy Training Plans (NTPs) and manning documents for new or modernized systems to assess their impact on the enlisted structure, training pipeline and manpower distribution.
Analyse impact of proposed policy changes on a community

OFFICER SUBSPECIALTY SYSTEM

The Officer Subspecialty System is an integrated manpower and personnel classification and control system that establishes criteria and procedures for identifying officer requirements for advanced education, functional training and significant experience in various fields and disciplines. The Subspecialty System is used to identify those requirements which require a Subspecialty Code (SSC) including a specific degree program (four digit code) and the specific level (suffix last digit) required to perform the task and mission of the validated position. Subspecialty needs will be validated for the minimum education level deemed essential for performance.

Manual of Navy Officer Manpower Personnel Classification, Major Code Structure (NAVPERS 158391 Vol. 1) delineates the procedures to establish, change, modify, or delete a subspecialty code or curriculum through the Navy Officer Occupational Classification Standards (NOOCS) process.

ENLISTED PRIORITY MANNING

The need for priority manning is dictated by the fact that the mission accomplishment of some activities is especially essential to national interests and these activities must be properly manned, even when personnel shortages exist. Priority manning may be on a continuous basis or may exist only for specified periods of time.

MANNING CONTROL AUTHORITIES

Continuous management of authorized priority manning is necessary to ensure mission accomplishment and to provide the order of importance for which activities will be priority manned while undermanning other activities. All activities are assigned to one of two MCA's - Fleet and Bureau (as described below). The Manning Control Authorities (MCAs) responsible for managing requirements for priority manning are as follows:

- U.S. Fleet Forces Command (USFLTFORCOM) for all activities identified with MCA Commander Fleet Forces Command on the Enlisted Distribution and Verification Report (EDVR). MCA USFF is referred to as Manning Control Authority Fleet (MCAF)
As the MCA for all "operational" (sea duty) forces, USFF conducts monthly in-depth analysis of Fleet manning and personnel readiness. A report of personnel readiness will be provided to the Office of the Chief of Naval Operations (OPNAV) staff, Commander, U.S. Pacific Fleet (COMPACFLT), TYCOMs and NAVPERSCOM. As personnel manning deficiencies are identified, action will be taken by MCAF or assigned to the appropriate authority as necessary to solve those issues.

- Commander, Navy Personnel Command (NPC) or all activities identified with MCA NPC Manning Control Authority BUPERS (MCAB) on the Enlisted Distribution Verification Report (EDVR).

MCAB is responsible for the manning and placement functions for all other shore duty activities relating to infrastructure, training, recruiting, and joint commands. Manning is the function of determining the quality, quantity, and priority for assignment of personnel to all billets within a composite. Placement is the function of communicating unit personnel vacancies to the assignment control authorities and directing the order in which these vacancies are to be filled. Additionally MCAB is responsible for 38 Budget Submission Offices (BSO), which are the primary agents for determining shore manpower requirements. MCAB manages NMP and sets priorities for over 4,200 Naval Activities, encompassing more than 41,000 billets.

POLICY

Only the Chief of Naval Personnel (CNP) may authorize and direct Priority 1 and 2 manning. The MCAF and MCAB may authorize and direct Priority 3 manning for their activities only.

Priority 1 Manning

Ships and activities whose mission success is deemed vital to the highest national interest and that require some degree of priority manning for an indefinite period of time may be authorized Priority 1 Manning. Priority 1 Manning shall be limited to that portion of the activity absolutely essential to mission success.

Priority 2 Manning

Ships and activities whose mission success is deemed essential to the national interests and that have specific needs for increased manning for a specified period of time in order to carry out their mission may be authorized Priority 2 Manning. Priority 2 Manning shall be limited to that portion of the activity absolutely essential to mission success.

Priority 3 Manning

Ships and activities that have a specific need for increased manning above the normal manning level for specific mission accomplishment may be authorized Priority 3 Manning by their respective MCA. Priority 3 Manning shall not normally be authorized for periods in excess of one year. All Priority 3 manning authorizations shall be automatically canceled on 30 September each year; unless a specific date is otherwise authorized by the respective MCA.
Unauthorized Priority Manning

No activity will be priority manned except as authorized by CNP for Priority 1 and 2 manning, or by the respective MCA for Priority 3 Manning. The employment of personnel assigned to a priority manned activity in functions not approved for priority manning is, in effect, unauthorized priority manning. The overall integrity of the enlisted personnel distribution system requires that prioritized allocation and assignment of personnel be minimized. If personnel on board exceed that required to perform the priority manned function, action should be initiated to terminate the priority manning or reduce the manpower authorizations in the priority manned function.

Consideration for Lower Priority

Requests for Priority 1 and 2 Manning which are not approved will be considered by MCAF and MCAB for a lower level of priority manning.

Excess Manning

Manning a ship or activity in excess of manpower authorizations is not authorized unless Navy-wide excesses exist in the applicable distribution community (rating/NEC) as determined by fair share methodology (Rule 90) in the Navy Manning Plan (NMP).

PERSONNEL ASSET DISTRIBUTION

The MCA will establish manning levels within their area of responsibility to the authorized priority manning requirements in order of Priority (1, 2, & 3) and then generally provide (fair share) manning levels for their remaining activities.

ADMINISTRATIVE PROCEDURES

Initial requests for Priority 1 or 2 Manning must be forwarded to Fleet Forces Command, MCAF or NPC, MCAB as appropriate, via the appropriate Type Commander or ISIC, with copies to the remaining MCA for shore commands.

Requests for continuation of an existing Priority 2 Manning authorization must be forwarded via the activity’s Type Commander or other ISIC to reach MCAF and/or MCAB not later than two months prior to the date the authorization would expire. Request for continuation of FY Priority 2 Manning will be reviewed annually by the MCAs in August. MCAs will then forward all recommended Priority 2 Manning continuation requests to NPC (PERS 452) for consolidation. All consolidated requests for continuation of Priority 2 Manning will then be forwarded to NPC (PERS 4) and Deputy Chief of Naval Personnel (DCNP) no later than September, annually, for approval.

Both initial and continuation requests for Priority 3 Manning must be forwarded to the appropriate MCA via the activity’s Type Commander or other Immediate Superior in Command (ISIC) no later than 1 September, annually, for approval.

All approved priority manning will be consolidated by NPC (PERS 45) for application of the appropriate Priority Manning Indicator (PMI) Code in TFMMS/TFARS and for application of the appropriate Rating Control Rule (RCR) in the Readiness Information System (RIS) by NPC (PERS 4013). A consolidated listing of activities authorized priority manning will be maintained by NPC (PERS 45). This
listing will also be published to the MCAs and NPC, as necessary, when significant changes occur in the activities receiving Priority 1 or 2 Manning.

Format requests for priority manning may be submitted by letter or other appropriate form of communication. All requests, both initial and requests for continuation must contain the following information:

- Activity name
- Activity 10-digit code or UIC
- Priority manning level requested (Priority 1, 2, or 3 Manning)
- Category requiring priority manning (activity, rating, rate and/or NEC community)
- Priority Manning Code requested (Refer to OPNAVINST 1600.1 (series))
- Beginning and ending dates for requested priority manning, in months and calendar years
- Complete justification for priority manning.

**ACTIVITY MANNING DOCUMENT (AMD)**

The AMD is a single source document that provides the quantitative and qualitative Total Force (military, civilian, and contractor) manpower requirements and authorizations allocated to a naval activity to perform the assigned ROC/POE or MFT statement. It has the following uses and applications:

As an expression of manpower needs of an activity, it is the authority used by NPC and the applicable Enlisted Personnel Distribution Office to provide requisite military personnel distribution and Navy Reserve recall.

It is the basic document for current and future peacetime and mobilization Navy military manpower planning in the areas of personnel strength planning, recruiting, training, promotion, personnel distribution and naval reserve recall.

It is the single official statement of organizational manning and manpower authorizations Billets Authorized (BA).

**AMD Change Request Packet**

The AMD change request packet is generated in TMMCA and/or TFMMS. It is used to add, change, or delete manpower requirement and/or authorization information documented on the AMD. Detailed guidance and procedure on AMD change request packet submission can be found in OPNAVINST 1000.16 (series).

Manpower authorizations are aligned to the Future Years Defense Program (FYDP). The FYDP summarizes the Secretary of Defense's approved plans and programs for the Department of the Defense (DOD). The FYDP is published at least annually. Also, it is represented by a computer database that is updated regularly to reflect budget decisions and Out-of-Cycle programming actions.
SUMMARY

In this chapter we discussed how you should have some basic knowledge and understanding of manpower management and its related terminology. Manpower management is the tool used to properly and equitably distribute manpower resources throughout the Navy. As you advance in your career, you will be required to know more about manpower management. By becoming knowledgeable in this area, you will be able to better assist in the management of your command’s manpower resources. In addition, you will be able to train your personnel in this important area.
CHAPTER 3
CASUALTY ASSISTANCE

Learning Objectives: Upon completion of this chapter you should be able to do the following:

— Identify the types of casualties that requiring generation of a Personnel Casualty Report (PCR).

— Understand casualty reporting formats.

— Understand notification and transportation entitlements for next of kin.

— Identify applicable MILPERSMAN articles as they relate to casualty assistance.

INTRODUCTION

The use of this chapter as the sole reference is not recommended. Refer to the Naval Military Personnel Manual (MILPERSMAN), 1770 series.

PERSONNEL CASUALTY REPORTING REQUIREMENTS

A Personnel Casualty Report (PCR) is required on the following:

• All deceased or missing military personnel

• All deceased or missing Department of Defense (DoD) civilian employees and DoD contractors, Outside the Continental United States (OCONUS), who are casualties as a result of hostile or non-hostile action, or while accompanying Armed Forces in the field and for all CONUS casualties as a result of hostile action

• All deceased 120-day disability retired members

• All deceased personnel who were attending a military service academy

• All active duty military personnel whose status is listed as seriously ill or injured, or very seriously ill or injured (terminally ill, although not an “official” category, should be reported as well). See definitions in the table below.

• All DoD civilian personnel, including DoD contractors, OCONUS, who are listed as Seriously Injured (SI) or Very Seriously Injured (VSI) as a result of hostile or non-hostile action, or while accompanying Armed Forces in the field

• All military personnel listed as Duty Status Whereabouts Unknown (DUSTWUN) and all DoD civilian employees and DoD contractor personnel listed as Excused Absence Whereabouts Unknown (EAWUN)

• All personnel, including military and DoD civilians and DoD contractors, who are wounded in action.

SEE MILPERSMAN 1770 series for definitions and other information.
Table 3-1, Degree of injury or illness

REPORTING CASUALTIES

The Commander, Commanding Officer (CO), or Immediate Superior in Command (ISIC) should submit a personnel casualty report within 4 hours (not to exceed 12 hours) of confirmation of a qualifying casualty. If a casualty occurs to a member while away from member’s command, the local Navy activity appraised of the circumstances shall verify the casualty and notify the member’s command and Navy Personnel Command (NPC), Navy Casualty Office (PERS-13).

For all casualty reports, include:

- Record of Emergency Data, NAVPERS 1070/602
- Service members’ Group Life Insurance Election and Certificate, SGLV 8286

In cases where the member’s command is unknown, the naval activity shall complete as much of the PCR as known, and submit to PERS-13. PERS-13 shall assist in identifying the member’s command, and the member’s command shall be charged with status update reports.

PCR submission shall be made through the Defense Casualty Information Processing System (DCIPS) reporting system, to ensure Personally Identifiable Information (PII) is properly protected. If connectivity or system outages prevent access to the DCIPS reporting system, an encrypted email containing required information may be sent to the MILL_NavCas_Duty@navy.mil inbox.

REPORT FORMAT

The format for PCR reporting is embedded in the DCIPS reporting system. Refer to MILPERSMAN 1770 series for specific guidance on preparation of the PCR.

The User’s Guide for DCIPS PCR reporting is available on the NPC website.

TYPES of CASUALTY REPORTS

A variety of personnel casualty reports are required to be submitted by a command as the situation warrants and are listed as follows:

Initial (INIT). Initial reports, as stated above, should be submitted by the member’s command, or the first command with knowledge of the member’s condition.
Supplemental (SUPP). Submitted to provide amplifying information to a previously submitted PCR. Can be used multiple times.

Progress (PROG). Submitted to indicate changes in medical condition (N/A for deceased reports).

Status Change (STACH). Submitted to document a change in status (i.e., from “Very Seriously Injured” to “Deceased”).

SPECIAL CIRCUMSTANCES

Naval Disasters

A naval disaster or accident is defined as a loss of life or injury to more than 15 persons at a specific location, such as the confines of a ship, aircraft, or the geographic limits of a single shore-based activity. The first and most immediate problems in a major disaster are the saving of lives, evacuation of casualties, damage control and the safety of the ship or installation. Casualty reports should be made to PERS-13 as soon as practical, by any means possible, to allow for prompt identification and notification of next of kin.

Joint Services Disaster

Whenever casualties occur in a disaster or accident involving personnel of more than one service, the casualty status determination will be made for all personnel involved by the service operating or controlling the equipment, installation, or unit involved. In such cases and whenever individual casualties occur to personnel of other branches of the uniformed services or civilians serving with or attached to the Navy commands, make reports through the DCIPS reporting system, and identify the member’s service in the remarks section.

Instructions Regarding Casualties during Hostilities or as a Result of Hostile Acts which Could Result in an International Incident

When war or hostile action by an organized force results in personnel casualties, notification of the next of kin will be made as directed by higher authority.

During hostilities, or in international or other applicable incidents, records of personnel missing in action will be controlled as For Official Use Only until the member is determined to be dead or returned. Significant details, including biographical data, will not be publicly disclosed.

RELEASE OF NAMES of CASUALTIES

Public release of names, grade/rate, date of birth, and unit to which assigned and home of record, of military personnel who become casualties, should be withheld until confirmation is received that the next of kin have been notified. Release efforts shall be coordinated through Navy Public Affairs channels.

During hostilities, only DOD is authorized to release information contained in the above paragraph as it applies to casualties listed as missing in action, captured, detained, interned, beleaguered, or besieged.
Local public affairs offices should also be contacted concerning the release of names of casualties who are not military members. This will need to be coordinated with the next of kin of the non-military members.

**NOTIFICATION OF NEXT OF KIN**

In all cases of casualties to naval personnel involving death, “DUSTWUN”, or missing classifications, the next of kin will be promptly notified in person by a responsible uniformed Navy representative between the hours of 0600 and 2400 hours. If it is known that the next of kin are already aware of the death, the notification should be made in person as quickly as possible, regardless of the hour. This notification is coordinated by the Navy Region Casualty Assistance Calls Program (CACP) manager. Commands wishing to use assigned personnel should coordinate notification efforts with the Navy Region CACP manager.

Under no circumstances will notification of death be made by telephone unless a previous arrangement has been made between the family and the attending physician. This exception to the general CACP policy is to be exercised in a judicious manner. At the time the medical officer makes telephone notification to the next of kin, he/she will simultaneously inform the Region program coordinator, in whose area the next of kin resides, of his/her action.

Undue delays (excess of 12 hours from knowledge of the casualty) in notification should be reported to PERS-13 and the Region program coordinator.

CO's will write a letter of condolence to the next of kin within 48 hours of an active duty service member’s death.

Once notification has been made to the primary next of kin, the deceased member’s CO must either personally telephone or visit the primary next of kin. This contact will allow the CO to express condolences and explain the circumstances surrounding the death of the service member by use of a more intimate form of communication, while at the same time, reassuring the family that the command is taking a personal interest in their well-being. When a member is in transit at the time of casualty it is the responsibility of the CO under whom they last served to ensure that the next of kin are provided with the letter of condolence.

**CASUALTY ASSISTANCE CALLS PROGRAM**

The Casualty Assistance Calls Program (CACP) is executed by the Navy Region CACP manager. As with notification, assignment of a Casualty Assistance Calls Officer (CACO) should be coordinated through the Navy Region CACP manager. A uniformed Navy representative (an officer with a minimum of two years active duty or a senior enlisted member, E-6 through E-9) shall be designated to assist the primary and secondary next of kin, and other interested parties (normally beneficiaries) of members who die, are reported as “Duty Status-Whereabouts Unknown” (DUSTWUN) or become missing while on active duty (or active duty for training or inactive duty training) with respect to rights, benefits and privileges to which they may be entitled. This individual is normally part of the notification team, but it is not required.

A courtesy CACO is assigned by the Region CACP manager in cases of seriously/very seriously ill or injured members, or members that are injured in any manner in a combat zone. The courtesy CACO is assigned primarily to assist with transportation entitlements as outlined below.
TRANSPORTATION OF NEXT OF KIN TO THE BEDSIDE OF SERIOUSLY ILL OR INJURED MEMBERS

Funded round-trip transportation is authorized for up to three family members to visit a seriously ill or injured active duty member, hospitalized in or outside the United States. Such transportation is authorized when the attending physician/surgeon and the commander/head of the military medical facility exercising military control over the member determine, in writing, that the presence of family members is medically necessary for the health and welfare of the member concerned.

Eligible travelers are the spouse, children (including step, adopted and illegitimate children), siblings of the member and parents of the member (includes fathers and mothers through adoption and persons who have stood in loco parentis to the member for a period of not less than 1 year immediately before the member entered the uniformed service). The spouse will be given first option in such transportation and the option to determine the other eligible traveler. The child(ren) will be given the next option. When there is no surviving spouse or children, the member’s biological parents will be given the next transportation option.

When NPC (PERS-13) is advised that presence of next of kin is medically warranted, the eligible traveler(s) will be contacted via telephone, issued travel orders and advised that arrangements have been made for their transportation. Government/government-procured transportation will be used to the maximum extent practical especially in connection with international/transoceanic travel [which should be arranged through a Navy Passenger Transportation Office (NAVPTO)]. See OPNAVINST 4650.15 (series). NPC (PERS-13) will contact the host command or Naval activity nearest the facility where the member is hospitalized for assignment of a CACO to meet the traveler’s flight(s), transport them to the member’s bedside, arrange lodging/hotel accommodations and provide assistance while they are visiting the member. Upon completion of family member travel, courtesy CACOs will be assigned to assist family members in completing travel claims. Contact NPC Casualty Assistance Branch (PERS-13) for additional guidance or assistance.

DISPOSITION of MAIL and PERSONAL EFFECTS of CASUALTIES

All mail addressed to members who are deceased will be held until next of kin have been notified of the death, then returned to sender under a cover letter from the CO. Under no circumstances will the mail of deceased personnel be opened, without authorization from NPC (PERS-13). Shipment must be made within 2 weeks after casualty occurs. If not feasible, inform NPC (PERS-13).

Mail addressed to members who are missing, captured, or interned will be forwarded to NPC (PERS-13).

The CO will have personal effects inventoried and placed in safekeeping to protect against pilferage until member is returned to duty station or until disposition instructions are received from the member or their guardian (if declared incompetent).

If guardian has not been appointed and next of kin is requesting the personal effects, contact the responsible CAC/FHS Program Coordinating Authority or NPC (PERS-13) for guidance.

NAVSUP P-485 and NAVSUP P-490 provide information to afloat/ashore command on the handling and shipping of personal effects.
SUMMARY

As a supervisor one of your duties may be to submit casualty reports. You must set up a case file containing the initial casualty report message with the letter to the next of kin and any other correspondence about the casualty. Furthermore, as a Chief Petty Officer you may be assigned the duties of CACO. While dealing with Navy casualties is not something any of us look forward to, serious injuries, illnesses and deaths do occur. You should be aware of your responsibilities in dealing with these situations and know where to find the information so you can quickly and accurately submit the necessary reports.
CHAPTER 4

Financial Accountability

**Learning Objectives:** The learning objectives include the following:

— Describe the types of funds.
— Describe the procedures to determine cash requirements.
— Describe the purpose and format for Letters of Introduction.
— Describe the procedures to procure funds, receive funds and count funds procured.
— Describe the physical security requirements to safeguard funds.
— Describe the procedures and documentation required to relieve a Disbursing Officer.
— Describe the procedures and documentation to report irregularities in the disbursing accounts.
— Describe the procedures to process counterfeit currencies.
— Identify the requirements in making deposits.
— Describe the procedures to prepare deposits.
— Describe the purpose and format of the Deposit/Debit Voucher Log.
— State the authorized uses of U.S. Treasury checks.
— Recognize and understand some basic terms associated with the use of U.S. Treasury checks.
— Identify specific procedures required for the procurement, security, maintenance, issue, control and disposition of U.S. Treasury checks.
— Describe the procedures to process check issue discrepancies.
— Describe the procedures for procuring, maintaining and using foreign currency.
— Identify the various sources to procure foreign currency.
— Know the importance and process of revaluation.
— Describe the procedures for disposition of foreign currency.
— Identify the various forms used for foreign currency including records and reports.
— Describe the purpose, general requirements and payment of public vouchers.
— Describe the accounting data common to public vouchers and the various types of public vouchers.
— Describe the purpose and format of the Disbursing Voucher Control Log (DD 2659).
— Describe the purpose of collection vouchers and the various types of collection vouchers.
— Describe the purpose of a Statement of Agent Officer’s Account (DD From 1081).
— Describe the purpose and format of a Daily Agent Accountability Summary (DD Form 2665).
— Describe the purpose, format, balancing time frames and handling of the Daily Statement of Accountability (DD Form 2657).
INTRODUCTION

This chapter amplifies all instructions pertaining to unique operations of the Department of the Navy (DoN) disbursing offices. Guidance contained herein is not intended to conflict with other publications and directives. This chapter provides guidance for disbursing operations at DoN overseas Personnel Support Detachments (PSDs) and Customer Service Desks (CSDs), naval vessels and tactical units.

APPROPRIATED FUNDS (types of funds)

Deposit Funds

The Department of the Treasury holds funds appropriated by the Congress subject to disbursement by Disbursing Officers (DOs) of the United States (U.S). Disbursements may be made by electronic funds transfer (EFT), U.S. Treasury check, or cash. Every DO authorized to make disbursements is identified by a Disbursing Station Symbol Number (DSSN). DOs outside the United States may maintain official checking accounts with banks designated by the Secretary of the Treasury in accordance with DoDFMR, Vol. 5.

Cash Funds

When it is necessary to make all or some disbursements in cash, upon approval of the Commanding Officer (CO), DOs may maintain on hand, at their own personal risk, currency and coin required for official disbursements and accommodation transactions.

Determine cash requirements. - In considering cash requirements for disbursing and accommodation transactions, DOs consider daily cash collections of all deputies, agents, cashiers of the DO and other custodians of public funds over a representative period of time and average the results. If daily cash collections exceed disbursement and accommodation needs, then no further computation is necessary. Otherwise, compute the cash requirements according to source and availability; as outlined in DoDFMR, Vol. 5.

Approving Authority FOR CASH HELD AT PERSONAL RISK. - For tactical commands (ships) the CO is the approving authority. The Defense Finance and Accounting Service (DFAS) Director is the approving authority for non-tactical commands.

Requests for Approval. - Each DO requests the authority to hold cash at personal risk (a Cash-Holding Authority (CHA)) from the appropriate approving authority. The approving authority ensures the amount of the request is within the guidelines provided in DoDFMR, Vol. 5 and that management controls exist to ensure that routine reviews of cash requirements are conducted. Submit a new CHA request semiannually or whenever a review of cash requirements results in a major change (for 30 days or more). The DO must allow sufficient approval time for that authority to become effective on October 1st and April 1st of each year. From detailed information on submitting CHA requests refer to DoDFMR, Vol. 5.

Determining Cash Requirements. - In considering cash requirements for disbursing and accommodation transactions, DOs consider daily cash collections of all deputies, agents, cashiers of the DO and other custodians of public funds over a representative period of time and average the results. If daily cash collections exceed disbursement and accommodation needs, then no further computation is necessary. Otherwise, compute the cash requirements according to source and availability; refer to DoDFMR, Vol. 5.
**Special Circumstances.** - When special circumstances require DOs to increase their CHA beyond the amounts stated in the DODFMR, Vol. 5 (e.g., operational contingencies) describe the circumstances and duration of the expected need for increased cash in the request for approval to increase cash held at personal risk. The approving authority may authorize holding amounts in excess of the limits described above temporarily based on the circumstances. If the circumstances are more than temporary (over 30 days) or are expected to become permanent, then the DO re-computes the cash requirements based on the addition or deletion of anticipated services and requirements and submits a new request.

**Notification to the Bank. - Letters of Introduction.** - The Treasury Financial Manual, Vol. 1 requires that DOs provide the bank with advance notice of their cash requirements. At the time of notification, the DO provides other additional requirements to the financial institution, (e.g., the date the currency is required); identification required of the DO or deputy; denominations required; fees charged; and any policies or procedures peculiar to the particular institution (e.g., letter of introduction). Letters of Introduction format and sample specimen are available on the DFAS-Cleveland Bulletin Board System.

**Obtaining Cash for Disbursing Purposes.** - A disbursing activity may obtain cash for disbursing purposes from other Department of Defense (DoD) DOs, a Federal Reserve Bank (FRB), a FRB branch, or any commercial bank willing to provide the service, to include overseas Military Banking Facilities (MBFs). The preferred method is to obtain funds from other Disbursing Officers. A complete listing of all Federal Reserve Banks is available at the Federal Reserve website.

A DO or any other accountable individual leaving the disbursing activity with more than $10,000 in official cash funds, or to pick up more than $10,000, notifies the installation CO (base CO) and the security police (typically the Master-at-Arms).

**RECEIVE AND VERIFICATION OF FUNDS PROCURED**

Transporting Cash

Secure cash at all times; this is a command responsibility. Specifically, the responsibility for providing security rests with the CO of the activity requesting such funds be made available. The decision to have an armed escort, how many, or the type of transportation to be used are factors of the command responsibility. The CO will consider such things as amount of funds to be protected, the distance and terrain.

**Liability**

An accountable official (DDO, agent, cashier, or other custodian of public funds) who has signed for the cash is peculiarly liable for the funds until their return to the DO. An accountable official who feels that the command has not provided adequate security may refuse to disburse such funds and return them to the do Verification of Money.

The DO, DDO, agent, cashier, or other custodian of public funds verifies all cash received prior to acceptance. Verify unsealed money by actual count before acceptance or immediately upon receipt of shipment. Sealed new money bricks (presented with the FRBs packaging intact) may be bundle counted at the DO's or deputy's risk. When the bundle is needed, verify it immediately upon opening with individuals standing by to witness both the breaking of the seal and the count verification. Report discrepancies immediately by issuing a claim to the Department of the Treasury via the bank that provided the money. Identify the bundle/brick in question and include a signed statement from the witnesses.
PHYSICAL SECURITY REQUIREMENTS TO SAFEGUARD FUNDS

The CO may require the establishment of a safekeeping service. This responsibility is normally assigned to the DO, but can be assigned to other accountable assistants. Although this service does not involve public funds, the responsibilities for financial accountability are just as important.

Purpose

The purpose of a safekeeping service is to provide safe custody for personal funds and valuables and for funds of morale support activities for which safe custody would not be otherwise available.

Regulations

Depending on the availability of safekeeping facilities, all deposits and withdrawals are subject to the CO’s regulations. The CO establishes the necessary and proper restrictions as to the time, place and frequency of deposits and withdrawals and to the type of objects classified as valuables. Afloat, deposits are normally made on a one-time basis for the duration of the cruise. Deposits of valuables are usually limited to funds, negotiable instruments and objects classified as jewelry having an intrinsic value requiring additional protection. Objects that are of value only to the owner are not eligible for safekeeping.

Documentation and Security

The DO and all accountable assistants must use the Record and Receipt of Deposits and Withdrawals of Safekeeping Funds (DD Form 2674) to record safekeeping deposits.

When more than one person is authorized to accept deposits, each accountable person must maintain the safeguarding deposits placed in his or her custody on a separate DD Form 2674. Safekeeping deposits are not normally commingled. Each safekeeping deposit should be placed in a separate, sealed envelope that identifies the deposit number, the name of the depositor and the amount or description of the articles enclosed. The identical currency or articles presented by the depositor must be returned to the depositor at the time of withdrawal.

For complete details concerning the procedures for the safeguarding of deposits in cases regarding commingled funds, prisoners, or deceased, missing, or incapacitated persons, you should consult the DODFMR, Vol. 5, Chapter 27.

RELIEF OF DISBURSING OFFICER

Irregularities in the disbursing accounts

Now, let’s talk about the specific actions that must be taken by the DO and the CO when an irregularity is suspected or fraud.

Disbursing Officer. — A DO may know or have reason to believe that a deputy (or any other person) to whom funds have been entrusted has lost or misused (or may be misusing) those funds. In such cases, the DO must report that information to the CO who exercises immediate jurisdiction over the alleged offender. When an irregularity is suspected, the DO must immediately verify that all transactions have been properly posted since the last balancing. The DO must also perform an actual count of all cash and documents held by his or her deputies, agents and cashiers. If the irregularity has not been resolved within 24 hours of discovery, the DO is required to report the irregularity to the CO in writing and request
an immediate audit of all disbursing assets by the cash verification board or team to confirm that the irregularity has occurred. The CO will be informed immediately in writing of the cash verification team’s findings.

**Commanding Officer.** — For irregularities other than a minor physical loss, an erroneous payment, or an overage and is a major loss of funds or is the result of a payment due to fraud, then the CO will report through the chain of command within 24 hours via email to Disbursing-DebtManagementPolicy@DFAS.MIL or by mail to the Relief of Liability Section, Disbursing/Debt Management Policy Division, Defense Finance and Accounting Service Indianapolis (DFAS-NPD/IN), Column 329F, 8899 E. 56th Street, Indianapolis, IN 46249. When the Commander is in command of the deputy, agent, or cashier, a copy of the report shall be provided to the DO.

When an investigating officer is required, the CO is responsible for making the appointment. If the CO is not authorized to convene an investigation, he or she must request an investigation through the chain of command. The investigating officer must not be in the DO’s chain of command. Whenever possible, a disinterested DO should be appointed as the investigating officer. Investigating officers should be commissioned officers in the rank of O-4 or above, or civilian employees in grades GS-12 or above and if practical, senior in rank to the DO under investigation. The investigating officer should be familiar with investigative techniques and have knowledge of the required internal controls, pertinent laws and directives. If the investigative officer does not meet these requirements, technical guidance should be requested from the staff judge advocate or other appropriate sources. The required procedures and findings are detailed in the DODFMR, Vol. 5, Chapter 6

**OVERAGES OF PUBLIC FUNDS**

Overages of funds are handled much more easily than shortages. No investigation of an overage is required unless fraud or another criminal act is indicated.

**Accounting for Overages**

Disbursing personnel handling overages should not offset any overage of funds against a physical loss of funds, unless these categories obviously relate and the relationship can be documented. An obvious relationship can usually be determined if, for example, foreign currency on hand is short and U.S. currency on hand is over by an equivalent amount (a shortage of $597.32 against an overage of $597.32). To be able to offset in this manner, the shortage and overage must have occurred on the same business day.

**Tracking and Documentation**

Track overages by recording each occurrence on a separate DD Form 2667 maintained specifically for overages.

**Requesting Granting Relief**

The Secretary of Defense is authorized to relieve disbursing officers, certifying officers and accountable officers of liability. Requests for relief shall be submitted in accordance with the provisions of DoD FMR, Vol. 5. Requests for relief shall be in the form of a memorandum and submitted within 30 days after the investigation is complete.
DEALING WITH THE ABSENCE OR INCAPACITY OF A DISBURSING OFFICER

When a DO dies, is incapacitated, or is removed from disbursing duty for cause (including unauthorized absence), the deputy is authorized under 10 U.S.C. 2773 to continue to disburse in the name of and under the accounts of the DO through the last day of the second month following the month of death, incapacity, or removal. If there is more than one deputy, then the Military Service commander, DFAS Director, or designee, as appropriate designates a deputy to disburse in the name of the DO.

The CO can authorize a deputy to continue to disburse the accounts under the name of the absent DO for a period of time up through the last day of the second month following the month of absence. During this period, the deputy—not the DO—will be responsible for all acts performed under this authority. Whether it is a deputy or another accountable person appointed by the CO to act for the absent DO, the acting accountable DO is also responsible for rendering the reports and returns in the same manner that was required of the person he or she was appointed to replace. The returns of an acting accountable DO must not be merged either with those of the relieved DO or with those submitted by the regular relief after the regular relief assumes duties.

Sometimes, a deputy will be located at a different activity. A common example is when a deputy is assigned to a branch located on an activity different from that of his or her DO. The CO of the activity where the deputy is assigned must immediately notify the accountable DO of the deputy’s absence in cases of emergency. Such cases include death, incapacity, unauthorized absence, or arrest. If practical, the accountable DO, in the presence of a competent witness, should inventory the vouchers, funds and property involved. If that is not practical, the accountable DO should request the appointment of a board to take the inventory and a suitable person to take custody until he or she can perform the inventory. The request should be made to the CO of the activity at which the branch is located.

DISPOSITION OF RETAINED DISBURSING RECORDS UPON DETACHMENT OF A DISBURSING OFFICER

When a DO detaches, copies of returns and vouchers, books, records and any other associated papers (located ashore or afloat) should be retained as government property. They should be readily accessible to the acting or incoming DO or a duly authorized settlement officer.

PROCEDURES for ASHORE UNITS

At an ashore activity, retained records less than one year old will be transferred to the relieving DO as a part of the relief process. When the records are one year old, the relieving DO will destroy them. When a disbursing office is being deactivated, the retained records should be packaged and mailed to the office designated to settle the accounts. When the records are one year old, the designated settlement office will destroy them.

TACTICAL UNITS AND NAVAL VESSELS

Detachment with relief. When a DO of a tactical unit or Naval vessel is relieved from disbursing duty by another DO, the relieving DO keeps the relieved DO’s disbursing records for 90 days from the date of relief and then packages and sends them to the supporting Defense Finance and Accounting Service (DFAS) site or alternate designated by that DFAS site for retention until the expiration of the required retention period. If deployed, do not transfer the records until 90 days after the unit or vessel returns to homeport.
**Detachment without relief.** When a DO of a tactical unit or Naval vessel is relieved from disbursing duty due to deactivation of the disbursing office (or when a vessel or unit is decommissioned from service), package and send all disbursing office records to the applicable support DFAS site or alternate designated site for retention.

**TRANSFER of FUNDS**

Occasionally, DO’s are required to transfer funds in their possession.

**From one Disbursing Officer to another**

*If the transfer is simply to another DO, the normal exchange-for-cash procedures are followed. Under other circumstances, however, the requirements will be different.*

**Upon Relief of a Disbursing Officer Ships Afloat**

Upon the relief of a DO, all funds—including those in the hands of deputies and other accountable assistants—must be transferred to the relieving DO. A certificate of transfer should be furnished on the bottom of the final Statement of Accountability, SF 1219, of the officer relieved. A certificate of transfer shall be furnished on the bottom of the final SF 1219 of the officer relieved.

In addition to the normal distribution requirements, two extra copies of the SF 1219 must be prepared. One copy will be filed with the retained records of the relieving officer the other copy will be retained by the officer being relieved as a receipt for the funds transferred. The original and all copies of the SF 1219 must be signed by both the officer relieved and the relieving officer.

**COUNTERFEIT CURRENCIES**

Currency shall be delivered with a letter of transmittal, giving all available information, to a representative of the appropriate investigative service, when available, or if not, then to the nearest military security agency. A receipt shall be obtained in either case.

**Detected prior to acceptance**

Counterfeit or altered U.S. currency, if detected upon presentation to a DO for exchange or payment of an obligation to the US, shall then be confiscated.

No entries will be made in the DO's account.

**Detected after to acceptance**

DO shall request reimbursement from the source from which received. When reimbursement is received follow same as before acceptance. No loss to the DO accrues and no entries in the DO's account is required.

If source counterfeit currency is unknown or if the source is known and reimbursement is unobtainable, the currency shall be delivered immediately, with a detailed report of all known circumstances, to either a representative of the appropriate investigative service (if available), or the nearest military security agency, obtaining a receipt in either case. The receipt for the currency, with a signed copy of the report made by the DO, shall be forwarded with a memorandum via the commander to
DFAS-NPD/IN. The memorandum shall include the reason reimbursement was not obtained. This transaction shall be reported on the SF 1219 (discussed later in this chapter) as a physical loss of funds.

DEPOSITS

Custodians of Money, DOs holding cash, checks, money orders, etc. either in excess of current requirements or in excess of the amount authorized to be held at personal risk, whichever is less, must deposit them promptly in an authorized depositary of the US Treasury for credit to the Treasurer of the U.S. This rule does not apply for instruments which will be returned to remitters in the form in which received, e.g., deposits of unsuccessful bidders for the sale of government property. Federal Reserve Banks (FRB) or other authorized branches shall be used as depositaries whenever possible. A listing of FRBs can be found at the Federal Reserve Web-site.

DOs shall separate cash from (i.e., personal checks, money orders, traveler’s checks) checks and U.S. Treasury checks and prepare a separate OTCnet Deposit. Cash deposits are no longer authorized at a FRB or branch. U.S. Treasury checks must be deposited to a FRB or branch or an approved designated depositary.

Deposits shall be accomplished via the online OTCnet system, accompanied by a SF 215 prepared in quintuplicate. The SF 215 is designed to be processed on optical character recognition equipment; therefore, it is essential that the preparer strictly follows these requirements. The original, depositary and confirmed copies of the SF 215 shall be delivered or submitted to the depositary with the funds and or negotiable instruments to be deposited. The DO shall retain the memorandum and agency copies in a suspense file to assure that all deposits are in fact confirmed by the depositary.

DOs and/or those who make deposits on their behalf may also deposit funds electronically to the FRB Cleveland by using Military Paper Check Conversion Over the Counter (MPCC-OTC). MPCC-OTC was developed by the US Treasury, Financial Management Service (FMS) to convert paper negotiable instruments received over the counter or through the mail into electronic debits. More information is available on the MPCC-OTC website.

Deposits shall be made at a time of day before the depositary’s specified cut-off time, but as late as possible to maximize daily deposit amounts. Receipts of $5,000 or more shall be deposited on the same day if received before the depositary cut-off time. Deposits shall be made by Thursday of each week, regardless of the amount accumulated.

Debit Vouchers

When a bank has a valid charge against a disbursing symbol number (such as in the case of a returned check), a Debit Voucher, SF 5515, is issued. This acts as a negative deposit and requires the DO to make the adjustment on his or her current month’s financial returns. The necessary actions for recording and clearing these transactions are contained in the DoDFMR, Vol. 5.

All DOs are required to prepare and submit a Schedule Of Deposit Activity in connection with their financial returns. The primary purpose of the schedule is to report the detailed deposit transactions included on the SF 1219, Statement of Accountability. The schedule also serves as a transmittal for deposit documents and provides a detailed listing of those that remain unconfirmed.

It is imperative that the DO take follow-up action whenever a confirmation copy of a deposit is not received from the depositary in reasonable time. The definition of reasonable time should be based on
past experience. In other words, reasonable time should be the time it usually takes for this transaction to take place—from the date the deposit is mailed to the depository until the date the confirmed copy is received by the disbursing unit. Afloat DOs must also allow for the ship’s movement schedule and the location where the deposit was mailed. In any event, follow-up action must be initiated within 45 days from the date of mailing.

All negotiable instruments must be endorsed before deposit. The endorsement will depend on where the deposit is being made. Deposits to an FRB or a branch must have a 9-digit CA$HLINK II Identification Number (CIN), which is specific to each disbursing office. The date will be the date of the bank’s business date on which the deposit is made.

Deposit/Debit Voucher Log

As an internal procedure to track deposit, deposit confirmation and debit vouchers the disbursing office will maintain a Deposit/Debit Voucher Log. At the end of the month the Deposit/Debit Voucher Log is verified against the Daily Statement of Accountability (DD Form 2657).

ADVANCING FUNDS TO AGENTS

DOs may entrust funds for official use to the custody of their deputies, agents and cashiers under this section using a DD Form 1081 (Statement of Agent Officer’s Account). DD From 1081 will be discussed later in this chapter. Under normal conditions, the amount of funds advanced to a deputy, agent, or cashier may not exceed their cash holding authority.

U.S. TREASURY CHECKS

Authorized Uses

Using Treasury Checks is a regular method of making payments. However, using the checks has limitations. DOs shall issue United States (U.S). Treasury checks only in accordance with applicable laws and regulations for the following purposes:

- Military pay and allowances
- Civilian payrolls
- Public vouchers for purchases and services
- Travel claims
- Authorized advances to travelers and agents
- Deposits to the credit of the Department of the Treasury
- Exchange for Cash (Ex-Cash)

These purposes, along with their associated regulations and laws, provide the criteria for a DOs accountability governing his or her authority to use U.S. Treasury checks to satisfy government obligations.
**Negotiability**

All U.S. Treasury checks are payable up to one year from the date of issue. Checks presented for payment that are not negotiable due to the above criteria shall be verified for validity and replaced, if appropriate, as prescribed in DODFMR, Vol. 5.

**Check Types**

Several types of U.S. Treasury checks are distinguished by their use and appearance. As a senior PS, you must be able to identify regular-issue checks, test grid checks, unnumbered checks and specimen checks. In the following sections, we take a brief look at each of these types.

**Regular Issue Checks**

Regular issue checks are standard checks with preprinted check symbol, serial numbers and Magnetic Ink Character Recognition (MICR) encoding. Standard checks are the only instruments which DOs are authorized to draw on the account of the Department of the Treasury.

**Test Grid Checks**

Test grid checks provide the format of the check by grid lines for use in testing or aligning automated check-writing equipment. Test grid checks are not for issuance.
**Unnumbered Checks**

Unnumbered checks are regular issue checks without preprinted check symbol, serial numbers and MICR encoding. These checks are for use only by the Defense Finance and Accounting Service (DFAS) sites. Special check-writing equipment is required to issue unnumbered checks.

**Specimen Checks**

Specimen checks are identical to unnumbered checks except that each specimen check is overprinted with the words “SPECIMEN CHECK - NONNEGOTIABLE” in the signature space.

**PROCUREMENT OF U.S. TREASURY CHECKS**

**Normal Ordering Procedures**

All orders for U.S. Treasury checks shall be made using Government Printing Office (GPO) Form 2431 (Print Order-Department of the Treasury Checks and Proofs), Figure 4-1 and submitted to Disbursing/Debt, Management Policy & Performance Management Directorate Defense Finance and Accounting Service-Indianapolis (DFAS-NPD.IN). No other purchasing documents are required or authorized. Disbursing offices should order a supply of checks to last one year, unless there is a good reason to request a supply for a longer or shorter period. The order and shipping time for the checks is 90-days. To ensure continuity of operations, DOs should not allow check stock to be less than a 6-month supply. Therefore, reorder levels should be set for when the check stock falls to the 9-month supply-on-hand level. The DO at a newly established DSSN should submit the check order at least four months prior to the planned commencement of disbursing operations.

The minimum amount of any assembly should be 1,000 checks. The initial order for serially numbered checks shall specify that the numbers begin with 00,001,000. Depending on the quantity of checks ordered, the serial numbers shall end in “999,” as appropriate. Subsequent orders shall specify serial numbers that follow exactly in sequence as those on preceding orders.

The cost of ordering US Treasury Checks is charged to the command’s OPTAR. Therefore you must acquire a requisition and a line of accounting (LOA) from the LSs onboard. This information will be entered in the remarks section of the GPO Form 2431.

When all serial numbers of a symbol have been used, the Financial Management Service, Department of the Treasury, will assign a new checking account symbol for the next supply of checks, if necessary. Accordingly, as serial numbers of checks issued approach 99,999,999, the DO should notify the FMS, Check Analysis Branch, through the Director, Disbursing/Debt Management Policy Division, Policy & Performance Management Directorate (DFAS-NPD/IN), so that action can be taken to assign a new checking account symbol before the next supply of blank checks is ordered.
DISTRIBUTION AND CANCELLATION OF GOVERNMENT CHECKS

Emergency Check Ordering Procedures

An order for emergency checks shall be made to the DFAS-NPD/IN. The DOs request shall be in writing and include complete justification for the order. The request shall specify the DSSN under which the checks will be issued and the name of the DO. Orders should specify quantities in multiples of 1,000 checks and the quantity should be sufficient to last until regular issue checks are received. Orders for emergency checks shall be kept to an absolute minimum and shall be placed only as a last resort. Emergency checks shall be completely used before any new stock of regular issue checks is issued.
Receipt of U.S. Treasury Checks

Upon receipt of a check shipment, the DO or designee shall verify that all checks have been received and, based on a representative sample, make an examination of the accuracy of the printing and check symbol/serial numbers in the upper right corner of the checks and in the MICR field. Any box which bears evidence of tampering shall be opened and the checks individually counted. An acknowledgment of receipt of the checks to the vendor is not required.

Warranty

The vendor provides a 120-day warranty on the checks it produces. The warranty period begins the day the checks are delivered to the user. Therefore, it is the responsibility of the office that receives the checks to determine any obvious defects or missing stock before the warranty period expires. Otherwise, the vendor may not be liable for making replacements.

Transfers between Disbursing Officers

Checks transferred between DOs as a part of the relief from disbursing duty process shall be counted individually by both the transferring and the receiving parties when they are not in the original packages.

SECURITY and STORAGE

Blank U.S. Treasury checks shall be stored in a secure container following the specifications in DODFMR, Vol. 5. The checks shall be kept under lock and key or in the safe of the DO or deputy. The DO shall ensure that the conditions of storage prevent any deterioration of the surface tint and design of the check, which is sensitive to moisture, light and heat.

Blank Check Control Log.

Each DO shall maintain a blank check control log for each series of checks used. This log shall be used to maintain a perpetual inventory of checks on hand as well as controlling the release of checks. At a minimum, the blank check control log shall contain the following data elements: date; beginning check number; ending check number; balance of checks on hand; initials of the persons advancing or receiving checks; and initials of persons receiving or returning checks.

Blank Check Issue and Audit

Blank checks shall be issued from the check stock in blocks of appropriate size by serial numbers. The DO shall use a blank check control log as prescribed above to release blank checks to check-writers and to monitor return of blank, voided, or spoiled checks to the vault. At a minimum of once every 90-days, the DO or designee shall take inventory of the check stock. Any open container shall be inventoried by individual count of the checks contained therein. All damaged cartons, or those bearing evidence of having been tampered with, shall be opened and the checks contained therein individually counted. A record of the inventory and total checks on hand shall be retained in the disbursing office and given to the cash verification team for attachment to the quarterly cash verification report. For additional detailed information refer to DODFMR, Vol. 5.
ISSUANCE OF U.S. TREASURY CHECKS

Check Preparation and issuance

Checks shall be used and issued in strict numerical sequence within each series. The information essential to a check includes place of issue, date, serial number of check, payee, amount, signature of drawer and other identifying information such as the symbol number and designation of title.

No check may be issued for more than $99,999,999.99. In instances when the total payment exceeds that amount, two or more checks shall be issued which total the payment required. All data printed or typewritten on the checks shall be imprinted in such a manner that the print is permanent and not affected by erasure, smudging, moisture, handling, the passage of time, or by other methods that might intentionally or unintentionally be employed to remove or to alter the printing without affecting the check itself. In order to standardize printing and facilitate accuracy verification, words on checks should be inscribed all in uppercase (i.e., capital) letters and punctuation should be omitted, except commas used in addresses and to set off names of more than two payees. No deviation in the check writing procedures outlined in DODFMR, Vol. 5 is permitted unless authority first is obtained from the DFAS-NPD/IN.

Reporting Large Disbursements by Check

Since the Financial Management Service (FMS), Department of the Treasury, solely is responsible for the management of the government’s daily cash position, disbursement transactions by check affecting the cash position shall be made known to the FMS in advance of the time of actual disbursement. DOs who disburse $50 million or more in a single transaction, or in multiple transactions of a common nature, shall report to the FMS at least 2-business days prior to the payment(s) date. If a disbursement of over $500 million is anticipated, then a minimum of 5-business days advance notice is required. Detailed information on notification procedures and requirements is contained in DODFMR, Vol. 5.

Record of Checks Issued

Each DO shall maintain a record of every check issued by his or her Disbursing Station Symbol Number (DSSN). The record shall contain at least the following data elements: payee, amount, DSSN, check serial number and date of the check. Other information as to the purpose for which the check was issued, document number, voucher number and local identification code or number is optional and subject to the discretion of the issuing DO. The record may be kept on paper or electronically. Copies of check issue records shall be included in the retained disbursing records.

Supporting Documents

Attach documents and payroll vouchers used to support the record of checks issued to the original vouchers submitted to the supporting DFAS-Cleveland. These supporting documents are not transmitted to the Department of the Treasury with the check issue reports.

EXCHANGE-FOR-CASH CHECKS

An exchange-for-cash (ex-cash) check is issued by a disbursing officer to obtain cash funds for disbursements or in exchange for cash for official or accommodation purposes (i.e., a “one for one” exchange).
Exchange-for-cash checks may be prepared and issued by DOD DOs for official purposes to a deputy, agent, or cashier as an advance of funds; to the U.S. Postal Service for remitting collections for the sale of postal money orders; or to the Western Union (restrictions apply). DOs may inscribe exchange-for-cash checks to themselves, a deputy, or an agent for purposes of obtaining operating or accommodation cash. When authorized in writing by the DO, deputy DOs may inscribe exchange-for-cash checks to themselves for purposes of obtaining operating or accommodation cash.

**Preparation and Handling**

Exchange-for-cash checks to payees within the United States shall be drawn on the Department of the Treasury. Exchange-for-cash checks for payees outside the United States shall be drawn on a Limited Depositary Account (LDA) if such an account is maintained by the DO. Support the exchange-for-cash check by a memorandum Optional Form (OF) 1017-G (Journal Voucher). This form is available from the Department of Defense (DOD) Web site for DOD Issuance.

**SPOILED CHECK**

When a check is spoiled during the check issue process, the handling method and the replacement method depends on whether or not the check has been reported to the Treasury as issued with a dollar value greater than zero and the payee’s entitlement to payment. A spoiled check should be replaced by a control check bearing the same symbol and serial number.

For available spoiled checks, the DO stamps the check, “Not Negotiable-For Deposit Only; Credit of Agency Location Code (DSSN). If the spoiled check has been reported with a dollar value greater than zero, it cannot be voided. Follow the check cancellation procedures outlined in DoDFMR Volume 5. If the check is spoiled during the check issue process and has not been reported as issued, follow the procedures for voided checks.

**VOIDED CHECKS**

A voided check is one that is misprinted or mutilated during the issue process or is determined not to be a proper payment and has not been reported to the Treasury. Voided checks have a zero dollar value ($0.00). Report destroyed unused blank checks as voids. Report lost or stolen blank checks as voids.

You will store voided checks in the vault or safe segregated from all other checks until destroyed. The DO will destroy the voided checks locally at least once each quarter by either burning or shredding. A certificate of destruction, signed by the DO and at least one witness, listing the serial numbers and method of destruction must be prepared.

**CANCELED CHECK**

Cancel checks are those which have been reported to the Treasury for a specific dollar value. You will cancel a treasury check to render it not negotiable. There are two types of cancelled checks, Available Check Cancellation and Unavailable Check Cancellation.

**Available Check**

An available check is a check which is in the possession of the disbursing officer and is canceled due to non-entitlement or because it is mutilated or undeliverable. Upon receipt of an available check to be canceled, prepare an SF 1098 as the collection voucher and credit the appropriation originally charged for...
the payment. For more information on procedures refer to the DODFMR, Vol. 5. Deposit the cancelled check on a separate OTCnet deposit document.

**Unavailable Check**

An unavailable check is a properly vouchered and issued check which is not held by the disbursing officer or payee (not received by payee, lost, or destroyed). If the check in question meets the requirements outlined in DODFMR, Vol. 5 it will be replaced by a recertified check, to be discussed later in this chapter.

**Undeliverable Checks**

An undeliverable check is a check that is not delivered to the payee within 3 workdays.

DOs attempt to deliver checks to the proper payees. If delivery is not accomplished within 3 workdays of receipt, dispose of them as under the guidelines of DODFMR, Vol. 5.

The DO keeps a record of undeliverable checks using DD Form 2658 (Returned and Undeliverable Check/Bond Record), indicating the date the check is returned, check number, check date, amount, payee, voucher number, disposition and date of disposition. An electronic system is acceptable to record undeliverable checks provided it includes all of the information required on the DD Form 2658 and it is accessible for a 6-year 3-month period.

You will not remove undelivered checks from the safe or vault, or allow deputies, agents, or cashiers to hold them, except for immediate delivery to payees, or for cancellation and deposit. Cancel undelivered checks held by the issuing DSSN and credit them to the issuing appropriation or to a suspense account and deposit them following the procedures outlined in DODFMR, Vol. 5. Checks received for cancellation need not be deposited daily, but may be held in the DO’s safe or vault pending preparation of a consolidated SF 215. Send deposits to the Federal Reserve Bank (FRB) not later than the 25th of the month of receipt. Checks canceled after the 25th of the month will be deposited the following month.

**RECERTIFIED CHECK**

A recertified check is a check issued to replace an unavailable canceled check. Recertified checks can be issued for checks less than 12 months old that have been canceled as unavailable U.S. Treasury checks and reported to the DO as lost, stolen, mutilated, or not received by the payee. For all governing restrictions refer to DODFMR, Vol. 5. A recertified check bears its own check number and is vouchered and recorded as a disbursement in the same way as any other check issue disbursement.

When a payee reports the loss, theft, mutilation, or non-receipt of a U.S. Treasury check, the DO obtains a written statement from the payee using DD Form 2660. This statement is mandatory to substantiate the payee’s entitlement to a recertified payment. Failure to obtain the payee’s certified statement could hinder collection efforts if a dual negotiation occurs. Also, if the payee is the one that negotiated both checks, then the statement could also be used to establish fraudulent intent.

Once the payee has completed DD Form 2662 you will then prepare SF 1184 (Unavailable Check Cancellation) request via email format and submit it to DFAS-Cleveland. Before submitting the SF 1184 request, the DO must verify that the check has not been returned as undeliverable by verifying that the check is not listed on the DD Form 2658. Request will include, date of SF-1184 request, DSSN, check number, appropriate stop code (in accordance with DODFMR, Vol. 5), check amount, check date, payee
ID number/agency reference number (in accordance with DODFMR, Vol. 5), address on the check and the address where SF 1184/Daily Advice of Status (DAS) hard copy should be sent including the name, mailing address and email address of the DO. The DFAS-Cleveland will then reports each individual unavailable check to be canceled to Treasury using an SF 1184.

There are two different categories for issuing a recertified check once the SF 1184 request has been submitted: issue before receipt of treasury status and issue after receipt of treasury status.

**Issue Before Receipt of Treasury Status**

Delays in reissuing checks may affect military and civilian employees’ personal financial affairs, DOD relations with private business and other intangible benefits. For these reasons, immediate issuance of replacement checks may be appropriate. For specific requirements to issue a recertified check Before the Receipt of Treasury Status refer to DODFMR, Vol. 5.

**Issue After Receipt of Check Status**

Any scenarios or individual/company that is not covered under the “Issue Before Receipt of Treasury Status” must wait until the Daily Advice of Status (DAS) has been received from the Treasury.

**Daily Advice of Status (DAS)**

Once SF 1184 is received at the Treasury via DFAS-Cleveland the Treasury will issue a DAS advising the DO on the status and next procedural steps of the unavailable canceled check. For the status codes the Treasury uses the DAS review in DODFMR, Vol. 5. If the member claims that the check was cashed due to forgery or unauthorized endorsement the Treasury has 18 months from the date a check is paid to reclaim monies from the financial institution.

**Recertified Payments**

Prepare and distribute recertified checks in the same manner as regular checks as described in DODFMR, Vol. 5. All recertified payments (including immediate replacements) must be vouchered, using SF 1034 (Public Voucher For Purchases And Services Other Than Personal) or SF 1080 (Voucher and Schedule of Withdrawals and Credits), certified by a certifying official and charged to the appropriation or fund charged for the original payment.

**DD Form 2662 (Recertified Payment Register)**

To assure the necessary cross-reference and control over unavailable check cancellations, the DO will maintain DD Form 2662. An electronic log is acceptable provided it contains the required information and is accessible for a 6-year 3-month period. DD Form 2662 requires information to identify the original check serial number, date, amount, payee and status of the check as provided by the Treasury, identifying information regarding the recertified payment, payee’s claims and collection information.

**CHECK ISSUE DISCREPANCIES**

A check issue discrepancy occurs when the issue amount reported by the disbursing office differs from the amount for which the check actually was issued as evidenced by the printed amount on the check itself when presented for payment. The Department of the Treasury uses the FMS Form 5206
(Advice of Check Issue Discrepancy) to notify DOs of check issue discrepancies. The FMS Form 5206 is a computer-generated form that contains a complete description of the discrepancy.

Check Issue Overdrafts of U. S. Treasury check

A check issue overdraft occurs when the amount printed on a check and paid by the Department of the Treasury is greater than the issue amount of that check as reported by a disbursing officer (DO) on the check issue report. A check issue overdraft also occurs when the amount printed on a check and paid by the Department of the Treasury is greater than the amount due as shown on the payment voucher. For procedures on handling, distribution, recording and adjustment for check issue overdrafts refer to DODFMR, Vol. 5.

Check Issue Underdraft of U. S. Treasury check

A check issue underdraft occurs when the amount printed on the check and paid by the Department of the Treasury is less than the issue amount of that check as reported by the DO on the check issue report. A check issue underdraft also occurs when the amount printed on a check and paid by the Department of the Treasury is less than the amount due as shown on the payment voucher. For procedures on handling, distribution, recording and adjustment for check issue underdrafts refer to DODFMR, Vol. 5.

FOREIGN CURRENCY

Normally, a DO uses United States dollars to pay U.S. military and civilian personnel assigned overseas. However, a DOs use of United States currency in an overseas or other special foreign location is not automatic. It is subject to strict monetary control regulations based on various diplomatic or financial relations between our government and the foreign country involved.

You may be assigned to a disbursing unit located in a foreign country. You may become involved in the exchange of U.S. dollars and local foreign currency. Like all other disbursing personnel operating in overseas units or other special foreign locations, you must be aware of the specific monetary control regulations associated with your location.

Your command must contact the local Department of State representatives concerning the foreign currency control regulations of that country. The next step is for your command to issue instructions to conform to local procedures and regulations for that area. These instructions include the guidelines that you and other command disbursing personnel must use to manage the exchange of U.S. dollars and local foreign currency. You need to follow these guidelines carefully in carrying out your responsibilities in helping your DO support the financial obligations of the command or unit.

The DoDFMR, Vol. 5 sets forth complete and explicit instructions for the procurement, use and disposition of foreign currencies. This is just an overview of some of this information. It briefly discusses the regulations and guidelines disbursing personnel must use to procure, manage, handle and dispose of foreign currency and the associated negotiable instruments. You will be able to determine the general rules, regulations and procedures the DOs of various afloat and ashore units must follow for the procurement, exchange, handling, disbursement and disposal of foreign currency and negotiable instruments required to support disbursing operations at their activities. Remember, this is intended as an overview only.
PROCUREMENT OF FOREIGN CURRENCY

AUTHORITY FOR PROCUREMENT

Before a DO can proceed to obtain foreign funds for official purposes, they must be authorized in writing by the CO or higher authority. Once authorized a DO may obtain foreign funds for official purposes (e.g., disbursements in foreign currency to U.S. Government creditors and exchanging foreign currency or negotiable instruments for which the disbursing officer is accountable for U.S. currency or negotiable instruments). Foreign funds obtained may be in the form of currency or credits maintained in Limited Depositary Accounts (LDA). The DO retains the written authority to obtain foreign funds in their retained files. This authorization is an auditable item.

LIMITATIONS AND JUSTIFICATIONS

DOs ensure that the amount of foreign currency purchased with U.S. dollars, together with the balance on hand, is for immediate disbursing requirements, not to exceed a 5 to 7 day supply. DOs generally limit foreign funds to paper currency only unless special circumstances require coins.

PROCUREMENT METHODS

Procurements of foreign currency can be made from three different sources; Military Banking Facility (MBF), U.S. Government sources or commercial sources. All require a certificate or statement showing the amount of foreign currency purchased, the rate of exchange, the amount of U.S. dollars paid, the date and the source/seller. Include the certificate or statement with the DOs monthly financial reports.

Department of Defense (DOD) Contract Military Banking Facility (MBF)

When possible, DOs purchase foreign currency (including funds for LDA) from an MBF by Treasury check issued in exchange for the foreign currency. The DO draws the exchange-for-cash check payable to himself or herself and endorses it to the order of the MBF furnishing the foreign currency.

U.S. Government Sources

When an MBF is not available, DOs obtain foreign currency (including funds for LDA) by purchase from other DOD DOs, United States Disbursing Officers (USDOs), cashiers at American Embassies, or the Federal Reserve Bank of New York (FRBNY). Normally, the DO draws an exchange-for-cash check payable to himself or herself and endorses it to the order of the officer furnishing the foreign currency.

Commercial Sources

When neither an MBF nor other government sources are available, a DO may purchase foreign currency (including funds for LDA) from commercial sources using State Department regulations or the currency control laws of the country where the currency will be used. When there are no State Department procedures, the DO purchases foreign currency at the best rate available (i.e., fixed or non-fixed legal rate) under the laws of the country where the currency will be used. Generally, obtain at least three written bids from three different commercial sources, using DD Form 2668, Request For Bid (Purchase/Sale), in order to determine the “best rate.” The DO accepts the bid providing the most beneficial exchange rate to the U.S. Government, as certified by another commissioned officer. The DO includes a copy of the certified and accepted bid as a supporting document with the financial reports and
keeps a copy of it to substantiate the place of purchase in the event that some of the currency is eventually sold through commercial channels. DO will then draw Treasury checks to obtain foreign currency from commercial sources in favor of the DO and endorse them to the order of the banking institution or commercial enterprise furnishing the funds.

METHODS FOR DETERMINING FOREIGN CURRENCY RATE OF EXCHANGE

There are three elements needed to determining foreign currency rate of exchange; Foreign Currency Value (FCV), Exchange Rate (ER) and the US Dollar (USD) Equivalent.

To find the Foreign Currency Value (FCV) use the following formula:

US Dollar (USD) Equivalent X Exchange Rate (ER) = Foreign Currency Value (FCV)

Example:

($1.00 = 98 Yen)

$2,244.92 (USD) X 98 (ER) = 220,000 Yen (FCV)

To find the Exchange Rate (ER) use the following formula:

Foreign Currency Value (FCV)/ US Dollar (USD) Equivalent = Exchange Rate (ER)

Example:

220,000 Yen (FCV)/ $2,244.92 (USD ) = 98 (ER) Therefore ($1.00 = 98 Yen)

To find the US Dollar (USD) Equivalent, use the following formula:

Foreign Currency Value (FCV)/Exchange Rate (ER) = US Dollar (USD) Equivalent

Example:

220,000 Yen (FCV)/ 98 (ER) = $2,244.92 (USD)

For detailed information on certificates of revalue of foreign currency, Change of Official Rate of exchange and receipt of additional foreign funds refer to DODFMR, Vol. 5.

Gain or Loss by Revaluation

Except when using the average purchase rate method, any change in the Treasury prevailing rate causes a gain or loss by revaluation since revaluation is a change in the U.S. dollar (USD) value of the foreign currency. Whenever possible, revalue the foreign currency on hand (including LDA) at the beginning of the business day on which a rate change occurs. For procedures on how to determine the new USD value refer to DODFMR, Vol. 5.

Accounting for Gains by Revaluation

Except when using the average purchase rate method, there are two different ways to document and credit gains of foreign currency.
Unvouched

Unvouched foreign currency gains will be documented on OF-1017G, Journal Voucher, throughout the month and will be formally vouched at the end of the month following the “vouched” collection procedure discussed below.

Vouched

Vouched foreign currency gains will be documented using DD Form 1131 (Cash Collection Voucher), citing the correct appropriation and showing the computation of the revaluation causing the gain on the DD Form 1131.

Cite the following appropriation (Gains – Exchange Transactions) for gains of foreign currency

17X6763.0000 000 10001 0 00012 3C 000000 00 (UIC) 98004
17*6763.0000 000 10001 0 00012 3C 000000 00 (UIC) 98004

* denotes the Fiscal year (FY) that the foreign currency gain occurred

This is a miscellaneous receipts account, therefore there is no fiscal year applicability here. The letter “X” in the third position indicates multiple year appropriation.

Unit Identification Code (UIC) – replace with your commands 5 digit UIC of the command to whom the foreign currency gain occurred

Accounting for Losses by Revaluation

If a loss of foreign currency occurs due to a revaluation of foreign currency the loss must be immediately documented and charge losses using SF 1034 (Public Voucher for Purchases and Services Other Than Personal).

Cite the following appropriation (Deficiencies – Exchange Transactions) for gains of foreign currency

17X6763.0000 000 10001 0 00012 3C 000000 00 (UIC) 98004
17*6763.0000 000 10001 0 00012 2I 000000 00 (UIC) 98004

This is a miscellaneous receipts account, therefore there is no fiscal year applicability here. The letter “X” in the third position indicates multiple year appropriation

(UIC) – replace with your commands five digit UIC of the command to whom the foreign currency gain occurred

FOREIGN CURRENCY CONTROL

All transactions involving foreign currency are treated as cash transactions and basically follow the same principles and guidelines established for controlling U.S. currency. All DOs, deputy DOs, agents and cashiers who engage in foreign currency transactions (e.g., collections, disbursements and accommodation exchanges) shall maintain a record of such transactions on DD Form 2663, Foreign
Currency Control Record. DD Form 2663 shows current balances of foreign currency on hand (all foreign currency held by cashiers, in the vault, or by other agents of the DO) and in LDAs and the detailed transactions that increase or decrease these balances. Separate DD Forms 2663 shall be maintained for each type of foreign currency used (e.g., Kuwaiti Dinar, British Pound Sterling, or Japanese Yen). For detailed information on the proper procedures to fill out DD Form 2663 refer to DODFMR, Vol. 5.

Sales and Repurchase of Foreign Currency to and from Individuals for Accommodation Exchanges

DOs, agents and cashiers making foreign currency accommodation exchanges to individuals for accommodation exchanges refer to the DODFMR, Vol. 5. DOs, agents and cashiers making foreign currency accommodation exchanges must maintain DD Form 2664 (Currency Exchange Record) daily to ensure implementation of the authorities and limitations DODFMR, Vol. 5.

In countries served by contract MBFs, DOs providing accommodation exchange services acquire needed foreign currencies from the MBF and make those exchanges at the accommodation rate. DOs may not repurchase foreign currency from individuals in countries served by MBFs under DOD contract. To repurchase the foreign currency, it will be made at the prevailing market rate. For additional information on sale and repurchase of foreign currency refer to DODFMR, Vol. 5.

DISPOSITION OF FOREIGN CURRENCY

Payments and Sales to Authorized Personnel

DOs may use foreign currency for payments to personnel and to foreign vendors in accordance with DODFMR, Vol. 5. DOs may also sell foreign currency (accommodation exchange) to authorized personnel for U.S. dollars.

Disposition of Excess Foreign Funds

When possible, transfer foreign currencies in excess of immediate disbursing requirements to other DOD DOs, USDOs, or accountable officers in a particular locality who may need them.

Sale to an MBF

The sale of excess foreign currency to a MBF is authorized whenever the currency cannot be sold to another DOD DO.

Sale through Commercial Channels

If foreign currency (cash) cannot be sold to a MBF or government source, a DO may sell it through commercial channels. When the rate of exchange has been established by agreement between the United States and the foreign country, sell or otherwise dispose of foreign currency for U.S. currency or U.S. dollar checks at the established rate of exchange.

When the rate of exchange is not established by agreement between the United States and the foreign country, use a DD Form 2668 to request at least three bids from reputable banking institutions or dealers in foreign exchange, if available. Sell the foreign currency to the bidder submitting the bid most beneficial to the U.S. Government. A commissioned officer other than the DO certify the accepted bid as the most beneficial of the bids obtained and shall be accepted by the DO, who includes the certified and accepted bid with his/her financial reports to support gains or losses in foreign currency transactions.
Instruments Drawn on Foreign Banks Payable in U.S. Dollars Through Foreign Banks

When disposition cannot be made through a DOD DO or an MBF, endorse U.S. dollar instruments drawn on foreign banks and foreign branches of U.S. banks, which are payable only at the foreign bank or branch and send them for deposit to Citigroup, Global Cheque Collections. Process a single OTCnet Deposit with all U.S. dollar foreign instruments sent to Citigroup on a single day.

For additional information on foreign currency refer to DODFMR, Vol. 5.

PUBLIC VOUCHERS

In most instances, a disbursement, also known as a Public Voucher (PV), is a payment to an individual or organization for goods furnished or services rendered. In some cases, a disbursement merely transfers funds from one appropriation or fund to another, either by voucher deduction or by a “no check drawn” transaction. All disbursements must be supported by a formal disbursement voucher. Occasionally, disbursements are made on formal vouchers but are not immediately charged to an appropriation or fund and are referred to as deferred vouchers.

SUBSTANTIATING VOUCHERS – WRITTEN RECORD OF TRANSACTION

Unless otherwise mandated by law, each transaction conducted by a DO, agent, or employee of the Government of the United States, which requires payment of money from the U.S. Treasury requires a written, printed, or approved electronically-signed document or series of documents that includes a complete record of the transaction in accordance with DODFMR, Vol. 5.

Certified Disbursement Vouchers

A certified disbursement voucher is a DO’s authority to make payments of and is the source document for liquidation of government obligations. Certified disbursement vouchers must contain complete and accurate data. Contents of these vouchers and supporting documents may vary slightly depending on the type of disbursement and form used. Signatures and other information that become integral parts of original vouchers must be written in permanent, non-erasable ink. Disbursing office personnel may not make voucher corrections. Do not use white-out ink or correction tape, as these are not permanent. For additional requirements see DODFMR, Vol. 5.

Essential Data

To be recognized as valid transactions, all certified disbursement vouchers must contain the following minimum essential data:

- Voucher Heading and Date
- Accounting Classification
- Amount to be Disbursed
- Method of Disbursement
- Payee.
VARIOUS TYPES OF PUBLIC VOUCHERS

All public vouchers/disbursements must be supported by a formal disbursement voucher. Since there is a wide variety of reasons to make different payments below is a list of only a few commonly used public vouchers.

- DD From 115 (Military Payroll Money List)
- DD From 117 (Pay Voucher, Military)
- DD Form 1351 (Travel Voucher)
- DD Form 1351-2 (Travel Voucher Or Subvoucher)
- SF 1034 (Public Voucher for Purchases and Services Other Than Personal)
- SF 1080 (Voucher for Transfers Between Appropriations and/or Funds)
- SF 1081 (Voucher and Schedule of Withdrawals and Credits)
- SF 1164 (Claim For Reimbursement For Expenditures On Official Business).

Deferred Vouchers

These are paid vouchers that have not been recorded in the accounting system. Vouchers paid by deputies, agents, or cashiers not yet examined by the DO may be deferred until the voucher review is completed. For detailed information regarding deferred vouchers refer to DODFMR, Vol. 5.

Certification and Validation of Vouchers

Certifying officers examine payment vouchers before certification to ensure that the information on them agrees with all supporting documentation. Certifying Officers and accountable officials must be appointed using DD Form 577 (Appointment/Termination Record – Authorized Signature). DOs must have access to the DD Form 577 records and must verify all certifying officers who submit vouchers for disbursement. Refer to DODFMR, Vol. 5 for instructions on the distribution and maintenance of the DD Form 577.

Validate the voucher by completing the Paid By (or Brief) block with the paying office location, DSSN and business date of payment, using a typewriter, automated system, or rubber stamp for this purpose. Do not show the geographical location if the disbursing office has a classified address.

Disbursement Voucher Control Log

Maintain the DD Form 2659 (Voucher Control Log) daily for each disbursement voucher received or prepared in the disbursing office. This log will include the assigned PV number, the payee, amount and the form of payment.

Numbering Public/Disbursement Vouchers

Assign public voucher numbers consecutively starting at the beginning of each fiscal year (October 1st) based on guidance from DFAS-Cleveland. Identify voucher numbers with the disbursing office, not the DO.
Voucher Storage

Safeguard original paid vouchers consistent with standard security regulations prescribed in DODFMR, Vol. 5.

Distribution of Public Vouchers

The DO will submit the original and necessary copies of PVs, including supporting documentation, to DFAS-Cleveland with their monthly returns. The DO will maintain a copy of all PVs, including supporting documentation, and retain for 6 years and 3 months. Additional copies will be disbursed as needed depending on the requirements of the specific PV.

COLLECTION VOUCHER

A collection is either a vouchered or unvouchered transaction that increases a DOs accountability.

Collection vouchers (CV) are any document certified by a certifying officer as the basis for a disbursing officer to make a collection. Schedule each collection received by a DO on the appropriate collection voucher form, verify it and record it in the accounting records.

COLLECTION TRANSACTIONS

Vouchered collections:

A voucher-supported collection creates a credit to a receipt or deposit fund account or to an appropriation and involves either:

- Direct receipts (e.g., cash, checks, drafts and money orders)
- Deductions on payment vouchers to cover an indebtedness due the U.S. Government
- Other deductions on payment vouchers, e.g., deductions for purchase of savings bonds and federal taxes
- A transfer between appropriations of funds, or corrections of charges against and credits to them.

Unvouchered collections:

These occur when a DO receives cash or negotiable instruments from an individual or organization and does not credit them to an appropriation or fund and does not support them with a formal collection voucher. These are document for record purposes on an Optional Form (OF) 1017-G (Journal Voucher) and will later become formally vouchered. In some instances, (e.g., collections from dining facilities) assign only one collection voucher number for the entire month; prepare the formal collection voucher on the last business day of the month.
TYPES OF COLLECTIONS

The three types of collections are receipts, reimbursements and refunds. Collections not creditable to an appropriation (e.g., losses of funds, dishonored checks) are not one of the three types of collections, because no formal collection voucher is prepared.

Receipts

Receipts are collections creditable to a Department of the Treasury (Treasury) miscellaneous receipt account or other account or fund authorized by legislation. They are recognizable by the absence of a fiscal/program year in the appropriation accounting classification. Examples of a receipt are Foreign Currency Gain (once formally vouchered) and the Montgomery GI Bill College Fund “Kicker” (MGIB-Kicker).

Reimbursements

Appropriation reimbursements are amounts earned and collected for property sold or services furnished to the public or to other U.S. Government agencies. They are recognizable by the presence of an accounts receivable sales code within the accounting classification. A “negative reimbursement” results when a reimbursement is over-collected, requiring a return of funds to the remitter. An accounts receivable sales code is required within the accounting classification for either type voucher. Examples of a reimbursement are the Ship Store and Enlisted Dinning Facility collections (once formally vouchered at the end of the month) and some Pay Adjustments Authorizations (PAAs).

Refunds

A refund is a recovery of payment collected into a DO’s accountability using the same accounting classification as the one on the original public/disbursement voucher (PV). Examples of a refund are a travel overpayment, Master Military Pay Account (MMPA) overpayment (e.g., overpayment of Basic Allowance of Housing (BAH), Career Sea Pay) and cancelled U.S. Treasury Checks.

COLLECTION VOUCHER CONTROL LOG

Maintain the DD Form 2659 (Voucher Control Log) daily for each Collection Voucher (CV) received or prepared in the disbursing office. This log will include the assigned CV number, the remitter, amount and the form of remittance.

Numbering Collection Vouchers

Assign collection voucher numbers consecutively starting at the beginning of each fiscal year (October 1st) based on guidance from DFAS-Cleveland. Identify voucher numbers with the disbursing office, not the DO.

Voucher Storage

Safeguard original collection vouchers consistent with standard security regulations prescribed in DODFMR, Vol. 5.
Distribution of Collection Vouchers

The DO will submit the original and necessary copies of CVs, including supporting documentation, to DFAS-Cleveland with their monthly returns. The DO will maintain a copy of all CVs, including supporting documentation, and retain for 6 years and 3 months. Additional copies will be disbursed as need depending on the requirements of the specific CV.

**DISBURSING OFFICER ACCOUNTABILITY REPORTS**

**CONCEPT**

All DOs are agents of the Department of the Treasury. Each DO is accountable to the Treasury for the cash items (including receivables) in his or her possession. The following forms support and document the accountability of each Disbursing Station Symbol Number (DSSN)

**BALANCING**

Deputies, cashiers and agents perform most of the DO cash transactions. They report their accountability to the DO. When accounts are inspected, DOs present their DSSN’s Accountability reports to the inspectors for examination.

**STATEMENT OF AGENT OFFICER’S ACCOUNT (DD Form 1081)**

**Overview of DD Form 1081**

Deputy Disbursing Officers (DDO), cashiers and agents will prepare a DD Form 1081 as a summary of cash transactions and receipt for cash and vouchers on hand whenever a settlement of the account occurs. DD Form 1081 summarizes cash transactions for the period covered by the turn-in.

The DO verifies the DD Form 1081 when the deputy, cashier, or agent settles their account; signs the original and copy of the form; they will keep the original and supporting documents sustaining the form; and returns the signed copy to the deputy, cashier, or agent. The DO will perform an actual cash count at the time of turn-in or settlement. The deputy, cashier, or agent keeps the signed copy as a record of the opening cash balance for the next period of duty or for record purposes if the account is balanced to zero.

**General Preparation**

Prepare the DD Form 1081 as a summary of cash transactions and receipt for cash and vouchers on hand between DOs and their agent officers (deputies, agents, cashiers and paying and collection agents). Also, a DO advancing funds to an agent prepares this form. The agent officer initiates this form when to turn in funds and/or cash vouchers to the DO. Show cash transactions that increase the accountability of an agent officer in the “Increase” column. Show cash transactions that decrease the accountability of an agent officer in the “Decrease” column.

**Preparation of DD Form 1081 by DO**

The DO prepares an original and two copies of the DD Form 1081 to account for an advance of funds to an agent officer. Enter the identifications of the DO and the agent officer in the blocks provided. Enter all totals in U.S. dollars.
Preparation of DD Form 1081 by Agent Officer

An agent officer (deputies, agents, cashiers and paying and collection agents) prepares an original and two copies of the DD Form 1081 to account for a return of funds and/or cash vouchers to the DO. Enter the identifications of the DO and agent officer in the blocks provided, showing all totals in U. S. dollars.

For detailed preparation instructions for DD From 1081 refer to DODFMR, Vol. 5.

DAILY AGENT ACCOUNTABILITY SUMMARY (DD Form 2665)

Overview of DD Form 2665

Each deputy disbursing officer (DDO), cashier and agent prepares a DD Form 2665 for each day during which they transact business to summarize that day’s business, recording transactions in U.S. dollar values. For the DD Form 2665 to reflect a continuous picture of the transactions affecting the accountability of a deputy, agent, or cashier, show the advance on the first DD Form 2665 prepared after receipt of an advance from the DO and the turn-in on the last DD Form 2665 prepared up to the time of turn-in (submission of financial reports to the DO). The DD Form 2665 is thus a stand-alone document that provides a complete picture of a deputy's, cashiers, or agent's accountability transactions from day to day.

To the extent possible, do not perform a turn-in in the middle of a business day. If such a turn-in is necessary, however, then prepare a DD Form 2665 up to the time of and including the turn-in and prepare another DD Form 2665 for the portion of the business day after the turn-in.

General Preparation

Except as provided in DODFMR, Vol. 5, all DO deputies, agents and cashiers prepare a DD Form 2665 for each day they transact business. Prepare the form in an original only as a permanent record (i.e., typed or printed in ink). State all totals in U.S. dollars.

For detailed preparation instructions for DD From 2665 refer to DODFMR, Vol. 5.

DAILY STATEMENT OF ACCOUNTABILITY (DD FORM 2657)

Overview of DD Form 2657

The DD Form 2657 is to one day what the SF 1219 is to one month (SF 1219 will be discussed later in this chapter). The DD Form 2657 summarizes the amounts the Treasury would seek to recover from the DO if the DO ceased operations on that day. Amounts on the DD Form 2657 are at summary level only, including a summary of all disbursements (PVs) and collections (CVs) made during the business day by the DO and all deputies, cashiers and agents. DOs report detailed transactions in their subsidiary records.

Every DO prepares a DD Form 2657 for each day they transact business. Except as provided in DODFMR, Vol. 5, prepare this form in an original only as a permanent record (i.e., typed or printed in ink). The DD Form 2657 may be provided to other functional areas for reconciliation of cumulative disbursement and collection totals with the daily accounting records. The DD Form 2657 original DD From 2657 will be submitted to DFAS-Cleveland with the DOs financial returns each month. A copy shall be retained onboard.
When the DO or a designated deputy signs the DD Form 2657 they are attesting to the accurate representation of accountability to the Treasury.

General Preparation

Section I (Transactions Affecting Accountability) of the DD Form 2657 reflects the total DO accountability to the Treasury at the end of each business day. The accountability reflected on the SF 1219 is the accumulated DD Form 2657 accountability on the last day of the accounting period (Month-to-Date Column). Section II (Distribution Of Accountability - Incumbent DO), used for the current DO and section III (Distribution Of Accountability - Predecessor DOs) used for all prior DOs of that Disbursing Station Symbol Number (DSSN) summarize the elements of total DO accountability. Total Sections II (Distribution Of Accountability - Incumbent DO) and III (Distribution Of Accountability - Predecessor DOs) in section IV (Distribution Of Accountability – Combined). Section V (Distribution Of Cash On Hand) shows the physical location of all U.S. and foreign cash on hand, including custody or contingency cash and payroll cash. It includes cash held by both on- and off-site deputy DOs, agents and cashiers. It does not include: funds in designated depositaries, undeposited collection, funds with contractors, or cash in transit.

Section I totals (except for line 1.0, Accountability - Beginning of Day) start with a zero balance at the beginning of each new accounting period (e.g., month) and when there is a change of DOs before the end of an accounting period. The Month-to-Date totals are cumulative for the entire accounting period. Sections II, III and IV Month-to-Date totals are cumulative from month-to-month. The Section IV total must agree with the Section I total or the DD Form 2657 is out of balance.

The DO should not begin a DD Form 2657 for a new business day until the DD Form 2657 for the prior business day is in balance. The properly-balanced DD Form 2657 ensures agreement between the DOs cash accountability, the Treasury and disbursement and collection transactions recorded in the accounting system. The DO signs the daily DD Form 2657 as an official attestation of accountability to the Treasury. For detailed preparation instructions refer to DODFMR, Vol. 5.

SUBMISSION OF DISBURSING OFFICER’S FINANCIAL REPORTS AND DISBURSING OFFICE RECORDS FINANCIAL RETURNS

You have already learned that every DO is required to maintain Accountability Reports. Every DO is also required to submit financial returns at the end of each accounting period. Also, you learned that a DO is required to include certain documents in these returns. An accounting period normally begins on the first day of each calendar month and ends on the last day of that month. These requirements exist because a DO’s financial returns and supporting documents make up the formal accounting to the United States for all public funds received and spent by that DO. Financial returns also are the basis for the official audit and settlement of accounts by the General Accounting Office (GAO). Additionally, financial returns provide the data from which the DOD maintains its administrative accounting controls. This section covers some of the procedures and documents required of every Navy DO to accomplish the submission of financial returns.

DO’s will mail the original copy of their official financial reports to DFAS-Cleveland on the first business day following the close of the accounting period. For detailed preparation instructions for Financial Reporting (End of Month Returns) refer to DODFMR, Vol. 5 and the current requirements from DFAS-Cleveland on Disbursing Officer Financial Reporting Requirements for Naval Vessels and Tactical Units.
All documents comprising the financial returns of any DO will be shipped under a covering DD Form 2666, Transmittal of Statements or Vouchers. Also, this form is required with the daily transmittal of business for those offices required to submit daily business. Checking account returns are required in the monthly financial returns. They are e-mailed to DFAS Cleveland.

**FINANCIAL RETURNS TRANSMITTAL**

*Generally, the financial returns will contain the following (unless there are no transactions of the type for the month)*:

- DD Form 2666, Transmittal of Statements And Vouchers
- SF 1219 - Statement of Accountability (original plus a copy)
- Detailed Analysis Of Cash And Other Assets
- Statement of Accountability and Disbursements and Collections
- DD 2657 - Daily Statement of Accountability (original for each business day)
- Navy Cash SF 215 and 5515 - Deposit Tickets confirmed copy) and Debit Vouchers (confirmed copy)
- OTCnet Deposit Document
- Schedule of Deposit Activity (SODA) (original)
- Collection Vouchers *
- Navy Payrolls and Money Lists
- Disbursement Vouchers *
- SF 1179 - Month End Check Issue Summary (one copy)
- Check Issue Listing (original)
- Certificate Of Destruction
- SF 1184 - Unavailable Check Cancellation (one copy)
- FMS 5206 - Advice of Check Issue Discrepancy With Related Correspondence and Journal Voucher (Optional Form 1017-G) with related correspondence
- Foreign Currency Certificates
- Civilian Payroll Certification Sheets
- Civilian Labor Roll Summary.

**NOTE:** *All collection and disbursement vouchers shall be grouped by type with separate adding machine tapes. Within each group, arrange vouchers in numerical sequence. Tapes for collections and disbursements shall be prepared and the totals shall be verified with the SF 1219 to ensure the completeness of the package. The tapes shall be marked and attached to*
the original SF 1219. All vouchers must be verified thoroughly to ensure amounts and accounting data shown reflect those reported on the SF 1219 message.

Additional documentation: the following documents will be included in the reports package sent to DFAS, unless no transaction occurred during the month requiring preparation of such document:

- SF 1080: Voucher for Transfers between Appropriations and/or Funds And All Supporting Documentation (One copy)
- SF 1081: Voucher and Schedule of Withdrawals and Credits and All Supporting Documentation (One copy)
- SF 1149 Statement of Designated Depositary Account (One Copy)
- SF 1098: Schedule of Cancelled or Undelivered Checks Along With Copies of Canceled Checks (Original)
- DD FORM 1131: Cash Collection Voucher and All Supporting Documentation (Original)
- DD FORM 1134: Payroll for Personal Services-Certification and Summary (Original)
- SF 2812: Journal Voucher and Report of Withholdings
- Supporting SF 2812A: Report of Withholdings and Contribution Continuation (One Copy)
- Labor Roll/Material Charges and Credits (Original)
- Certificate of Revaluation of Foreign Currency (Original)
- Certified Accepted Bid (Procurement of Foreign Currency) (One Copy)
- Military Pay Voucher (Original)
- Military Payroll Money List (Original)
- Civilian Payroll Certification Sheets (Original)
- DD Form 1351 Series Disbursement Vouchers (Original)
- Collection Vouchers Crediting Army, Air Force, or Coast Guard Appropriations (Original)
- Disbursement Vouchers Charging Army, Air Force, or Coast Guard Appropriations (Original)
- All Other Collection and Disbursement Vouchers (Original).

STATEMENT OF ACCOUNTABILITY (SF 1219)

Overview

As stated previously, the Statement of Accountability, SF 1219, is a consolidated analysis of the transactions recorded for the accounting period. The SF 1219 shows summary totals of all receipts and expenditures of public funds occurring during the accounting period and the state of the DOs accounts at the end of the accounting period. The SF 1219 summarizes totals of all receipts (collections) and
Preparation and Submission Requirements

The Statement of Accountability, SF 1219, is prepared in triplicate. Erasures, strikeovers, or marks of any description other than legitimate entries are not permitted on the SF 1219.

A Statement of Accountability is submitted each month for each disbursing symbol. Whether or not transactions have occurred or an accountable balance is involved does not matter. The SF 1219 still must be submitted each month. Use cumulative month-to-date totals from the final DD Form 2657 for the accounting period (e.g., month) to complete the similarly-numbered lines of the SF 1219. Combine certain alpha-suffixed cumulative line totals on the DD Form 2657 for entering on the SF 1219.

A final SF 1219 shall be prepared and submitted by the DO being relieved irrespective of the fact that the last day of the accounting period may be other than the last day of the month. The final SF 1219 shall be plainly marked “FINAL” in the blank space directly above the name line. A certificate of transfer shall be inserted on the bottom of the final SF 1219 of the relieved DO stating.

“I have received on date by transfer from officer relieved, total amount, an analysis of which is described in sections I-B and I-C.

(Signature and rank of relieving officer)"

As a senior PS, you may be responsible for preparing or auditing the SF 1219. In preparing the SF 1219, be sure to use cumulative Month-to-Date totals from the final DD 2657 for the accounting period (or month) to complete the similarly number lines of the SF 1219. Certain alpha-suffixed cumulative line totals on the DD Form 2657 must be combined before they are entered on the SF 1219.

The SF 1219 is to one month what the DD Form 2657 is to one day.

General Preparation

A DO, as an agent of the Department of the Treasury authorized to make disbursements and accept collections on its behalf, submits an SF 1219 monthly for each DSSN assigned whether or not any transactions occur or any accountable balance is involved, as required by the Treasury Financial Manual, Vol. I. A DO being relieved will submit a final SF 1219 regardless of the fact that the last day of the accounting period may be other than the last day of the month. Plainly mark the final SF 1219 "FINAL" in the blank space directly above the name line. Erasures, strikeovers, or marks of any description other than legitimate entries are not permitted on the SF 1219. Use cumulative month-to-date totals from the final DD Form 2657 for the accounting period (e.g., month) to complete the similarly-numbered lines of the SF 1219. Combine certain alpha-suffixed cumulative line totals on the DD Form 2657 for entering on the SF 1219.

The message report portion entitled “Statement of Accountability” is the basis for establishing the month’s accountability. After the message is prepared and again immediately after the message is transmitted, the DO must review and balance the message to ensure that there are no errors and the
message agrees with the hard copy of the Statement of Accountability. Normally, the message report is used for consolidation and as the basis for subsequent reporting to the U.S. Treasury. Once a properly balanced message report is transmitted, no changes are permitted unless specifically authorized by the appropriate DO. Therefore, the SF 1219 must agree with the message report. If any change is discovered after a balanced message report is transmitted, the DO will not include the changes on the SF 1219, but will report them in the next month’s financial returns. There is no rounding of figures. Like the Analysis of Cash and Other Assets, any lines with zero amounts will be omitted. In the Section II, Part B, portion of the message, the amounts of debit vouchers are shown in parentheses to denote a negative amount.

Erroneous Statements of Accountability

DOs will not submit corrected or amended SFs 1219 under any circumstance. But, what if you find an error in the SF 1219 after your DO has forwarded this document with the financial returns? Your DO simply reports the error on the SF 1219 for the following reporting period. If adjustment action is necessary, the adjustment is made on the succeeding month’s SF 1219. In instances when a final SF 1219 is submitted because of deactivation of a disbursing office and subsequent adjustments are found to be necessary, a supplemental SF 1219 is submitted showing the adjustments. The adjustment entries are explained in detail by supporting documentation attached to the SF 1219.

SCHEDULE OF DEPOSIT ACTIVITY (SODA)

All Navy DOs shall prepare and submit a monthly Schedule of Deposit Activity as prescribed in DODFMR, Vol. 5. The Schedule of Deposit Activity is prepared in the automated Defense Milpay Office (DMO) system.

Purpose

The primary purpose of the schedule is to list the detailed transactions included in line 4.2 (Deposits Presented or Mailed to Bank) of the SF 1219. The schedule also serves as a transmittal for deposit confirmation documents and provides a detailed listing of those that remain unconfirmed.

Preparation

Generally, the schedule shall be prepared in an original and two copies. The original and one copy should be sent to the supporting DFAS site with the SF 1219. One copy shall be retained by the disbursing office. Forward the original with the financial reports and submit one copy with the advanced reports.

MESSAGE REPORT OF STATEMENT OF ACCOUNTABILITY AND DISBURSEMENTS AND COLLECTIONS

This is an additional report that aids the Navy in the timely gathering of financial information. It is a message report of the Statement of Accountability with detailed information concerning U.S. Treasury checking account activity and the amounts of disbursements and collections reported by category code, appropriation and subhead.

SUBMISSION REQUIREMENTS

NLT than 1000 EDTST on the first workday following the end of an accounting period (normally a calendar month), all DOs assigned to a ships and tactical units, will submit the message report Statement
of Accountability and Disbursements and Collections. If this day falls on a weekend or holiday, the message must be submitted the preceding Friday.

Negative reports are required. If MINIMIZE on message traffic is in effect, reports will take precedence over MINIMIZE and be transmitted as required.

**Disbursing Officer Temporarily Ceases to Transact Business**

Under certain circumstances, such as overhaul or emergency repairs, DOs assigned aboard ships may be required to temporarily discontinue processing disbursements and collections transactions. Generally the DO will make arrangements with a nearby non-tactical DO to process these transactions (including payrolls) during the overhaul or repair period. This action does not close the DSSN and the DO continues to prepare and submit all required reports including the message report. When a DO temporarily ceases to transact business, but does not close the disbursing account, the message report is submitted as follows:

Immediately upon transfer of the disbursement and collection transaction responsibility to a non-tactical DO, the transferring DO submits the disbursements and collections portion of the message to report all transactions performed from the first day of the reporting period through the date of transfer. The report identifies the period for which the report is made. The report also identifies the DSSN of the disbursing office to which the work is transferred and includes an estimate as to when normal operations are anticipated to resume.

On the first workday following the end of the reporting period during which the responsibility for disbursement and collection transactions is transferred, the DO prepares the Statement of Accountability portion of the report in the usual manner. The disbursements and collections portion will be negative and will contain a statement referencing the message report submitted in compliance with the preceding paragraph.

For each succeeding month until disbursing operations are resumed, the DO continues to submit the message report. The Statement of Accountability portion will report the DOs accountability to the Treasury and the disbursements and collections portion will be negative.

**ASSEMBLY, PACKAGING AND FORMAT REQUIREMENTS**

As previously stated, certain designated DOs must submit vouchers on a daily basis. The packaging and submission of the daily documents differ from those being submitted monthly. The DODFMR, Vol. 5, gives the proper way to arrange those vouchers. The distribution and packaging of required documents comprising the financial returns other DOs must submit can be found in DODFMR, Vol. 5 and the current requirements from DFAS-Cleveland on Disbursing Officer Financial Reporting Requirements for Naval Vessels and Tactical Units.

Generally packaging shall be accomplished as followed: Documents will be grouped, unfolded and flat. When it is necessary to ship more than one parcel, each one will be numbered serially (showing which box of the total shipped) and appropriately labeled as to contents. The upper left corner of each package will be marked with the name of the DO, DSSN, command name, department concerned and “Financial Reports” for month and year. Also, ensure “Official Business” is printed in the left hand corner below the return address line. Packages mailed from overseas or deployed DO’s will be prominently marked “Government Financial Reports Due in Cleveland, OH by month and year. Please Expedite” in order to avoid customs inspection delays.
TRANSMITTAL OF SUBSEQUENT INFORMATION AND OUTSTANDING VOUCHERS

Vouchers or explanation in voucher form required to complete an account, which were not available when original reports were forwarded, will be forwarded as soon as possible. Each voucher or explanation will be forwarded with a cover sheet containing a brief description of the document or explanation. The voucher number, date, DOs name, DSSN and accounting period to which it pertains will be identified on each document or explication forwarded.

AUDITING of REPORTS and RETURNS

Auditing reports and returns is an essential function in disbursing. It serves a twofold purpose. First, auditing is an internal verification system designed to assure the correctness and propriety of financial documents and the related reports and returns. Second, auditing is a management tool that enables the DO or supervisor to evaluate the performance of office personnel.

Original disbursing officer vouchers, records, associated papers and supporting documentation will be maintained for a period of 6 years and 3 months. Exceptions to extend this record retention period may be warranted on a case-by-case basis, as determined by the disbursing officer or the settlement official, when additional time is needed to complete reconciliation of payment or collection discrepancies or for other necessary purposes.

The key to successful auditing of reports and returns is consistency. You read about the importance of accuracy in financial reports and returns and the reasons these controls are so important. Failure to submit correct information causes problems for many others, as well as extra work for you and your subordinates.

SUMMARY

This chapter provided you with only a brief overview of the many facets involving financial accountability. The accountability procedures for handling U.S. Treasury checks, from the initial stage of ordering through issuance to the payee, require exercising strict internal controls. You must handle US Treasury check with the same strict controls as those for cash funds. Even after U.S. Treasury checks are issued, the DO remains constantly involved with procedures concerning check cancellations; replacements of lost, stolen, or mutilated checks; and determinations concerning checks that have not been negotiated within the limited playability time frame.

In this chapter, you read about some of the more common situations you may encounter as a senior PS. Beware that the area of financial accountability is always challenging and complex. Also, be aware that this is a constant arena for problems and disbursing discrepancies. For this reason, we strongly recommend that you always consult the DODFMR, Vol. 5, for complete instructions in any matter related to financial accountability.

Financial returns may appear to entail ability, a lot of work. Although numerous forms are required to complete the monthly financial returns, it is not really a difficult job. Establishing internal controls, checks and balances and using them throughout the month will contribute immeasurably to a smooth process for the submission of financial returns. If the cash and vouchers are properly posted, balanced and maintained throughout the month, the process of preparing the monthly returns is simple. The final document preparation and assembly can be done easily in one working day after the close of the accounting period allowed for submission.
The purpose of the information in this chapter is to provide an overview of the nature of financial returns and of the requirements and procedures that you must know to submit them properly. For additional information, we recommend that you consult the DODFMR and the NAVSUP P-485, Appendix 34.

Foreign currency transactions, although not particularly difficult, do require compliance with many regulations involving foreign governments, the U.S. Government and the DOD. The same mandatory strict accountability and security that you are required to use for U.S. currency also applies to the procurement, handling and disposal of foreign currency. One of the big differences in accounting for foreign currencies is that the value of a foreign currency may fluctuate, requiring disbursing personnel to make a revaluation of the currency on hand and to maintain the supporting documents to account for the resulting gain or loss.
CHAPTER 5

NAVY CASH

**Learning Objectives:** Upon completing this chapter, you should be able to do the following:

— Familiarize yourself with the Navy Cash program.

— Learn about the various Navy Cash cards and their functionalities.

— Discuss the different means of enrollment into the program.

— Understand the role Private Mess plays with Navy Cash.

— Learn about the responsibilities of the Ship’s Store/Vending regarding Navy Cash.

— Familiarize yourself with the Navy Cash Disbursing Application.

**Disclaimer:** The Navy Cash program and system include many detailed regulations and procedures. Therefore it is imperative you utilize the NAVSUP 727 Navy Cash Standard Operating Procedures appropriate for the Navy Cash version being operated aboard your ship.

INTRODUCTION

**Description of Navy Cash**

Navy Cash cards replace bills and coins for personal financial transactions at all retail locations on board ship. Sailors and Marines must have Navy Cash cards to pay for purchases at the ship’s store, vending machines and the post office. Cash is accepted only at these retail locations on an exception basis, e.g., from guests on board the ship for only a short time. Sailors and Marines on board ship are still able to obtain U.S. currency at the Disbursing Office.

**Letters of Authority**

Because Navy Cash is a financial system, and the handling of public and private funds is inherent, the Commanding Officer (CO) must sign a Letter of Authority to the Disbursing Officer as the Navy Cash Accountable Officer, delineating what his or her accountability includes. Subsequent letters of appointment from the Disbursing Officer to his or her agents must be maintained.

**Appointment/Termination Records**

In addition to Letters of Authority, Appointment/Termination Records (DD form 577) approved by the Commanding Officer or appointing authority must be completed and retained on file for all disbursing officers, their agents, cashiers, and custodians in accordance with the Department of Defense Financial Management Regulation (DoDFMR), Vol. 5.
TYPES OF NAVY CASH CARDS

INSTANT ISSUE NAVY CASH CARDS

Instant Issue Navy Cash cards provide access to all Navy Cash capabilities. Pre-embossed with the name as “NAVY CARDHOLDER” and a MasterCard® account number at the card manufacturing facility, a stock of instant issue cards is held on the ship by the Disbursing Officer. They are issued on the spot to individuals newly enrolling in Navy Cash and to replace lost, stolen, or damaged cards. Instant issue cards provide individuals immediate access to all Navy Cash capabilities.

EMBOSSED PERMANENT NAVY CASH CARDS

Embosed Permanent Navy Cash cards also provide access to all Navy Cash capabilities. These cards are personalized and embossed with the account-holder’s name and a MasterCard® account number at the card manufacturing facility and must be delivered to the individual after they are produced. Generally, embossed permanent Navy Cash cards are issued only as a part of bulk enrollment when Navy Cash is initially implemented on a ship.

VISITOR NAVY CASH CARDS

Visitor Navy Cash cards are chip-only cards intended only for making purchases on the ship. They do not have a magnetic strip therefore they cannot be used for purchases ashore or to access commercial ATMs off the ship. Visitor cards are reusable and should be cashed out and turned in to Disbursing when the visitor is done with the card, so they can be reissued to another visitor. Navy Cash cards shall be safeguarded in accordance with the procedures for blank Treasury checks prescribed in DODFMR, Vol. 5.

Navy Cash Enrollment

Each member of the crew is enrolled in the Navy Cash program by completing an Application for Department of the Treasury Store Valued Card (SVC) Programs, FMS Form 2887 (Figure 5-1). Each member is issued a Navy Cash card, either as part of the initial bulk enrollment prior to installation of Navy Cash on board the ship, or at the disbursing office if an individual reports to the ship after the bulk enrollment is completed. Navy Cash orientation training is provided as a part of the enrollment process.
Figure 5-1, Application for Department of the Treasury Store Valued Card (SVC) Programs, FMS Form 2887.
BULK ENROLLMENT

Prior to installing Navy Cash on board a ship, the entire crew is enrolled in the Navy Cash program and is issued embossed permanent Navy Cash cards. It is highly recommended that everyone enroll in the Navy Cash program. Crewmembers must provide personal information on special Navy Cash enrollment forms provided by the Disbursing Office and must acknowledge, by their signature, the Non-Sufficient Funds (NSF) procedures and electronic funds transfer policies. The bank or credit union account information on the enrollment form allows Navy Cash accounts to be linked to each crewmember’s checking or savings account and enables the transfer of funds to and from the Navy Cash account.

NORMAL ENROLLMENT

After the initial bulk enrollment is completed, personnel reporting to the ship can enroll in the Navy Cash program at the Disbursing Office. To enroll, personnel must fill out and sign an enrollment form and turn the form in to Disbursing. Disbursing uses the Navy Cash Disbursing Application to enter the information needed from the enrollment form.

Disbursing retains a copy of the enrollment form on board the ship and forwards the original to the Treasury Financial Agent to image and keep on file electronically. Personnel newly enrolling in Navy Cash normally are issued an instant-issue Navy Cash card. Original enrollment forms are not required to be forwarded to the Treasury Financial Agent for newly enrolled personnel who sign the agreement electronically at the Disbursing Office.

MARINE ENROLLMENT

Long-Term Deployments. Prior to embarking on a Navy Cash ship for an extended deployment, Marines should be enrolled in Marine Cash using bulk enrollment procedures. Marine Logistics Groups (MLGs) are responsible for coordinating the bulk enrollment of the entire Marine Expeditionary Unit (MEU). Marines will receive Marine Cash cards.

Short-Term Deployments. Visitor cards do not require prior enrollment and may be issued for short-term deployments, such as exercises. Visitor cards are the ship’s responsibility. The MLG and the MEU should coordinate with the ship on the schedule and the number of Marines that will be embarking, so the ship has time to order additional visitor cards if necessary.

Replacement Cards. Instant issue Navy Cash cards are available as replacements for lost, stolen, or damaged cards and for small numbers of enrollments during extended or overseas deployments. Instant issue cards are the ship’s responsibility. The MLG and the MEU should coordinate with the ship on the schedule and the number of Marines that will be embarking, so that the ship has time to order additional instant issue cards if necessary. The Navy Disbursing Officer generally will sign out a number of instant issue cards to the Marine Disbursing Officer at the beginning of the deployment. The Marine Disbursing Officer is responsible for returning any remaining instant issue cards at the end of the deployment.

VISITORS, GUESTS, AND DEPENDENTS

Navy ships frequently host guests or other visitors for a variety of reasons. Under Navy Cash, visitors, guests and dependents who are on the ship for only a few hours or for the day can buy things in the ship’s store—such as snacks, drinks, souvenirs and emblematic items, or pay for meals in the General

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Mess or Wardroom. For example, visitors, guests and dependents may use cash or checks, as they have in the past. However, cash sales should be the exception to accommodate visitors who are going to be on the ship only for a short time. The sponsor of the visitor, guest or dependent can use her or his own card to pay for services and/or purchases.

Guests who are going to be on the ship for longer periods can be issued a chip-only Visitor Navy Cash card when they check on board. These guests should go to the disbursing office to write a personal check or provide cash to convert into electronic cash on the chip on their Visitor Navy Cash cards. At the end of their stay on board, these guests must return to the disbursing office to receive cash for the value remaining on their Visitor Navy Cash cards and to turn in their cards. Industry technical representatives and other personnel who make repeated trips to ships can retain their Visitor Navy Cash cards or enroll in the Navy Cash program and receive Embossed Permanent Navy Cash cards.

Visitor cards are relatively expensive, but they are reusable, and every effort should be made to recover these cards from visitors before they leave the ship. The Navy Cash Card Issue Log shall be used to document each card issued and turned in. When a card is turned in, all value remaining on the card must be cashed out. If not cashed out any value remaining on a card after it is turned in will be transferred to Treasury and cannot be recovered.

**Hot List for Lost, Stolen, or Damaged Navy Cash Cards**

The Navy Cash card is electronic money and must be treated like cash. If it is lost or stolen, the maximum that can be lost from the chip is $25—as long as the Personal Identification Number (PIN) is protected. If other people know the PIN, all the funds on the card could be lost, as could funds in the card owner’s bank or credit union account. To limit their loss in the event of a lost or stolen card, cardholders must report lost, stolen, or damaged cards to the Disbursing Office immediately. When a cardholder is unable to contact the Disbursing office immediately, e.g., on leave away from the ship, he or she should immediately notify the Navy Cash Customer Service Center of the lost, stolen, or damaged card. A telephone call is the preferred way to notify the Customer Service Center, but e-mail notification is also acceptable. The telephone number for the Customer Service Center is printed on the back of the permanent and instant issue Navy Cash cards or can be easily retrieved from the Navy Cash website.

Navy Cash safeguards a cardholder’s electronic funds in three ways. First, a PIN, known only to the individual cardholder, is associated with each Navy Cash card. Should someone obtain a cardholder’s card and attempt to determine the PIN by trial and error, the card is “blocked” after three consecutive, unsuccessful attempts to enter the correct PIN. Once a card is blocked, it must be taken to the Disbursing office to be unblocked. Additionally, ten consecutive incorrect PIN entries results in the card being permanently blocked, at which time it must be taken to the Disbursing Office to be replaced. Second, after an individual reports his or her card lost or stolen to the Disbursing Office or the Navy Cash Customer Service Center, the card is “hot listed.” All online devices receive the hot list and start looking for the card. When the lost or stolen card is inserted, the device permanently blocks the card. This prevents anyone from using the card even if he or she has the PIN. Third, for vending machine purchases on board ship, a PIN is not required. Therefore, Navy Cash limits vending machine purchases to a total of $25 on the electronic purse before the PIN is required to reset the counter and allow continued spending. However, once a card is reported lost or stolen and the Card Accepting Device (CADs) in the vending machines has received the hot list, the CADs permanently block the card if it is inserted.

The balance that was on the chip of a lost or stolen permanent or temporary card at the close of the business day it was reported lost, stolen, or damaged is transferred automatically to the cardholder’s Navy Cash account.
To replace a lost, stolen, or damaged card, the Disbursing Office issues the crewmember a new Instant Issue card.

**Navy Cash: Store-and-Forward Affects Timing of Navy Cash Processing**

Navy Cash depends on ship-to-shore satellite communications. To keep communications demands to a minimum, Navy Cash is designed to work on a store-and-forward basis—a day’s worth of transactions are generally transmitted ashore once each day at the end of the business day. This store-and-forward design affects the time that Navy Cash transactions are processed, both on the ship and on shore.

**Home Account to Navy Cash Transfers.** If cardholders transfer money from their home bank or credit union account to their Navy Cash (strip) account at the Cashless ATM (CATM), the funds are available for use on the ship immediately, as soon as they transfer value from their Navy Cash account to the chip. The funds generally will be available ashore the next day, if the ship completes its end-of-day processing between ship and shore. For this reason, it is important to stage funds to their Navy Cash account in advance, so that the funds will be available when cardholders want to use their Navy Cash Debit MasterCard® ashore.

When cardholders transfer money from their bank or credit union account Sunday through Friday, the transaction generally will be posted to their home account within 48 hours. If cardholders transfer money on a Saturday, the transaction generally will not be posted to their home accounts until Tuesday.

**Navy Cash to Home Account Transfers.** The process outlined in the paragraph above is true if cardholders transfer money from their Navy Cash accounts back to their home bank or credit union account.

If cardholders transfer money from their chip to their Navy Cash (strip) account, the new balance in their Navy Cash account is reflected on the ship immediately. However, the funds will not be available ashore until the next end-of-day processing is completed between ship and shore. Again, it is important for cardholders to stage funds to their Navy Cash account in advance, so that the funds will be available ashore when they need them.

**Use of Navy Cash Funds Ashore.** If cardholders use their Navy Cash Debit MasterCard® feature ashore—either to get cash at an ATM or to purchase something at a restaurant or store—the new balance in their Navy Cash account is reflected ashore immediately. However, the new balance will not be reflected on the ship until the next end-of-day processing is completed between ship and shore.

**PIN Changes.** If a cardholder changes his or her PIN on the ship, the new PIN is effective on the ship immediately and generally will be effective ashore the next business day. However, this is true only if the end-of-day processing has been completed between ship and shore. In the interim, the old PIN is still valid ashore.

**Split Pay.** Split Pay is normally processed ashore and posted to the Navy Cash account the day before payday so that the funds are available on the ship on payday. Split pay funds are available for use ashore as soon as they are posted to the Navy Cash account. However, if shipboard communications are down on payday, the split pay payroll information from shore cannot be received on the ship. The Disbursing Officer has the option to run a provisional Split Pay Option (See Figure 5-2) payroll on the ship.
<table>
<thead>
<tr>
<th>Transaction Type</th>
<th>Aboard Ship</th>
<th>Ashore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds transfer from bank or credit union ashore Sunday through Friday</td>
<td>Funds available immediately.</td>
<td>Funds available next day. Transaction posted to home account within 48 hours.</td>
</tr>
<tr>
<td>Funds transfer from bank or credit union ashore Saturday</td>
<td>Funds available immediately.</td>
<td>Funds available next day. Transaction posted to home account by Tuesday.</td>
</tr>
<tr>
<td>Funds transfer to bank or credit union ashore Sunday through Friday</td>
<td>New Navy Cash account balance reflected immediately.</td>
<td>Funds available within 48 hours.</td>
</tr>
<tr>
<td>Funds transfer to bank or credit union ashore Saturday</td>
<td>New Navy Cash account balance reflected immediately.</td>
<td>Funds available by Tuesday.</td>
</tr>
<tr>
<td>Funds transfer from Navy Cash account to chip</td>
<td>Funds available on chip immediately. New Navy Cash account and chip balances reflected immediately.</td>
<td>New Navy Cash account balance reflected next day.</td>
</tr>
<tr>
<td>Funds transfer from chip to Navy Cash account</td>
<td>New Navy Cash account and chip balances reflected immediately.</td>
<td>Funds available next day.</td>
</tr>
<tr>
<td>Navy Cash Debit MasterCard® at ATM or merchant ashore</td>
<td>New Navy Cash account balance reflected next day.</td>
<td>New Navy Cash account balance reflected immediately.</td>
</tr>
<tr>
<td>PIN change</td>
<td>New PIN effective immediately.</td>
<td>New PIN effective next day. Use old PIN in interim.</td>
</tr>
<tr>
<td>Split pay Shipboard comm “up”</td>
<td>Funds available as soon as ship completes end-of-day between ship and shore.</td>
<td>Funds available as soon as split pay payroll posted.</td>
</tr>
<tr>
<td>Split pay Shipboard comm “down”</td>
<td>Ship can’t receive payroll update. Disbursing Officer has option to run provisional payroll on ship. Cardholders enrolled in SPO given “provisional credit” in amount of payroll. When comms restored, system synchronizes accounts between ship and shore and reconciles accounts on ship so they reflect correct balances.</td>
<td>Funds available as soon as split pay payroll posted.</td>
</tr>
</tbody>
</table>

Figure 5-2, The preceding table summarizes the information detailed above.

**NOTE:** Follow these instructions when dealing with Navy Cash chip transactions regarding Split Pay Option (SPO). For further instructions refer to NAVSUP Publication 727..

1. Transfer the value to the chip to use on the ship.
2. If ship completes end-of-day transactions between ship and shore, the following processing times apply: ACH transactions are processed on Sunday at 8:00 p.m. and Monday through Friday at 10:00 p.m. Eastern Time. ACH transactions are generally posted to bank and credit union accounts within 48 hours. To meet processing deadlines, the ship must complete end-of-day
transactions around 9:00 to 9:30 p.m Monday through Friday or 7:00 to 7:30 p.m. on Sunday Eastern Time. Transactions that miss the deadline are processed the next business day.

**Note:** DFAS in Cleveland, OH falls within the Eastern time zone.

3. If the ship completes end-of-day transactions between ship and shore.
4. Normally, at end-of-day completed the day before pay day, so funds are available on payday.
5. Normally, processed the day before pay day, so the funds are available on payday.

**Split Pay Option (SPO) payroll on the ship.** Even when the Navy/Marine Cash system cannot communicate with the shore side, DFAS Cleveland still sends the actual Navy split pay file to the Navy/Marine Cash back-end ashore for processing. When communications are restored, the Navy/Marine Cash system synchronizes Navy/Marine Cash accounts between ship and shore and reconciles Navy/Marine Cash accounts on the ship so that they reflect the correct balances.

**Web and Telephone Purchases Using the Navy Cash Card**

The Navy Cash Debit MasterCard® can be used to pay for things ordered over the phone or at a website. The items that are ordered can be shipped to almost any address. However, when the merchant asks for a billing address, the correct address is the ship’s mailing address because that is the billing address that was entered in the MasterCard® data base for the Navy Cash cards. To protect against the fraudulent use of lost and stolen debit and credit cards, many merchants and their financial networks compare the billing address given by the customer against the billing address registered in the database. These addresses must be the same in order for the transaction to be approved.

**PRIVATE MESS**

**Establishing the Private Mess as a Navy Cash Merchant**

- Each private mess is established as a Navy Cash merchant as part of the process of implementing Navy Cash on board the ship
- Generally, a private mess treasurer uses local bank or credit union checking accounts set up specifically for, and in the name of, the private mess to manage operating funds
- The private mess treasurer may choose to settle funds directly to the Navy Cash (strip) account or to a specified bank or credit union checking account. Generally, if most private mess payments are made by check, it is better to settle to the bank or to the credit union checking account. Generally, if most private mess payments are made by check, it is better to settle to the bank or to the credit union account. If most payments are made with the Navy Cash card, it is better to settle to the merchant Navy Cash (strip) account. Money can always be transferred between the Navy Cash chip and strip accounts and the bank or credit union checking account.
- The private mess treasurer may choose to settle on a daily or a weekly basis to help simplify the reconciliation and settlement process.
Private mess treasurers must understand that funds settled to bank or credit union accounts ashore are NOT immediately available for expenditure. Navy Cash transactions are sent to the Treasury Financial Agent (TFA) daily, but deposits are NOT made immediately. ACH transactions are processed on Sunday at 8:00 p.m. and Monday through Friday at 10:00 p.m. Eastern Time. ACH transactions are generally posted to bank and credit union accounts within 48 hours and funds are normally available the next business day after the transactions are posted. Funds settled to Navy Cash (strip) accounts are available as soon as the End of Day (EOD) round trip is completed between ship and shore.

**Settlement Reports.** Merchant settlement reports are produced for all merchants listing all Navy Cash deposits. These shore reports are generated automatically at the completion of each EOD round trip and placed into a shore reports directory by date.

**Mess Bill Collection**

Whether the subsisting mess is Private or General, the Mess Treasurer or a General Mess representative prepares a mess bill for each mess member according to existing procedure. Mess bills must be collected by the 5th day of the month following the month in which the meals were consumed. Mess members report to the private mess office to pay their mess bill with their Navy Cash cards.

**PRIVATE MESS BILL PAYMENT TO FOOD SERVICES OFFICER (FSO)**

**Private Mess**

The FSO completes the Preparation of Sales of General Mess Meals (NAVSUP (NS) 1046) based on the cost of the food consumed (transferred to the private mess from the general mess.) The FSO presents an invoice (Memorandum Cash Sales Invoice, DD Form 1149 with CO’s approval) to the mess treasurer for the amount of the food consumed by the mess in accordance with existing procedures. Whether the mess is subsisting or private, the treasurer verifies that the DD Form 1149 invoice from the FSO is correct.

**End-of-Day Procedure**

Each day, the treasurer/operator should review the daily Private Mess Navy Cash Merchant Sales Summary Report for accuracy. The report is generated at the Navy Cash workstation in the Disbursing Office.

The treasurer/operator also should receive a Private Mess Daily Transaction Detail Report for reconciliation and management purposes. Successful processing of the end of the day batch (round trip) sends a series of reports to the ship from the shore side. The Disbursing Officer can either print these reports or email an electronic copy of these reports to the treasurer who can then store and print the file on the private mess computer system. For either alternative, the treasurer must coordinate with the Disbursing Officer to receive the reports on a daily basis.

**End-of-Month Procedure**

The treasurer prepares and presents the Monthly General Mess Operating Statement NAVSUP (NS) 1359 to the Disbursing Officer. He then compares the computed recorded collections total for the month to the actual collections amount shown on the monthly Merchant Sales Summary Report, which includes any refunds liquidated that day.
SHIP’S STORE

General. In the ship’s store, the Navy Cash Point-of-Sale (POS) card reader can be operated either attached to the Resale Operations Management (ROM) cash register or separate from the ROM cash register. In the vending machines, the Card Accepting Device (CAD) replaces the bill validator. The POS and the CAD enable customers to purchase merchandise using the chip on a Navy Cash card with the same, if not more, convenience as cash. Value is subtracted from the customer’s card through the POS and CAD reader/collection devices, and receipts from sales are transmitted to the Navy Cash server automatically at the time of sale. At the end of each business day, these receipts are forwarded electronically to the Treasury Financial Agent. Then, at the end of the month, these receipts from sales are posted to the appropriate lines of accounting. The Navy Cash system produces reports and transaction journals to assist with balancing the sales operations.

Exceptions. At the discretion of the Commanding Officer, cash may be accepted for special events at the ship’s store and vending machines—e.g., visitors, tour groups, personnel riding the ship for less than 24 hours. Ship’s Sales and Services personnel will follow the procedures outlined in NAVSUP P487. Cash sales should be the exception to accommodate visitors who are going to be on the ship only for a short time.

End of Day Closeout and Reports

Closeout. The Sales Officer and Disbursing Officer will determine and agree when the ROM and Navy Cash systems will be closed out each day to complete the EOD process and reporting. At EOD, the ship’s store operator does an EOD till export from the cash register to a floppy diskette following the ROM User’s Guide. The ship’s store operator delivers the diskette to the designated assistant in the back office, who does an EOD till import into the back office computer following the ROM User’s Guide. Upon completion, an EOD report is generated from the ROM back office summarizing that day’s sales activity at the cash register.

Reports. The Sales Officer or designated assistant must compare the ROM e-cash receipts EOD report with the Navy Cash Merchant Sales Summary Report printed from the Navy Cash workstation in the Sales Office or disbursing office. The Merchant Sales Summary Report can be generated by entering the correct start and end dates in the “View Reports” link in the Navy Cash application. The more detailed Non-Vending Sales Report, MSO Summary Report, and MSO Detail Report can be generated in the same way. All totals for electronic sales in the ship’s store must match. Any differences must be investigated. Once verification has been made, the sales total received from the register will be entered and posted by the designated assistant into the ROM back office. The designated assistant will print out the ROM over and short report.

The Sales Officer or designated assistant is also responsible for comparing the Navy Cash Daily Transaction Detail Reports from shore with the ROM daily transaction reports to verify accuracy. The shore reports are generated automatically by the Navy Cash EOD process and sent to the ship when the EOD round trip is completed. When the shore reports are received, the Navy Cash system places them into a shore reports directory by date, with one sub-directory for each report date. All reports must be signed by the Sales Officer, and filed in the RK CO2/CO3/CO4 file.

End of Month (EOM)

Prior to initiating an EOM inventory and closeout each month, the Sales Officer and Disbursing Officer will coordinate specific start and end dates when Sales and Navy Cash activities will be closed out. In
order to make certain that the Disbursing Officer’s Statement of Accountability (SF 1219) is prepared and submitted on time at the end of each month, the Navy Cash EOM process must start early. The EOM process generally begins in the sales office with the EOM for vending machines and ship’s store five days before the actual end of the month.

Disbursing and the Navy Cash Application

Navy Cash Card Limits

e. Individual Cardholders

(1) A $400 daily ACH maximum limit has been pre-set on funds transfers from an individual’s bank or credit union account to his/her Navy/Marine Cash account or chip account.

(2) No more than $1,000 can be loaded on or debited from the chip.

f. Merchant Cardholders

(1) For merchants who settle to bank or credit union accounts, a $5,000 daily ACH maximum limit has been pre-set on funds transfers from the bank or credit union account to the Navy/Marine Cash account or chip account.

(2) On CVNs, LHAs, and LHDs, the maximum chip load and debit limits are $50,000 for the Disbursing Officer, MWR Officers, and Wardroom Mess Treasurers, and $10,000 for all other accountable officials. For all other ships, the maximum chip load and debit limits are $10,000 for all accountable officials. This pre-set limit may prevent large purchases on the ship in a single payment. In a situation like this, the shipboard merchant can elect to make more than one payment with the organization’s Navy Cash merchant card.

(3) The standard transfer limit between the Navy Cash account and chip is $50,000 for accountable official cards issued to MWR Officers and Wardroom Mess Treasurers and $5,000 for all other accountable officials on CVNs, LHAs, and LHDs. The standard transfer limit for on all other ships is $10,000 for accountable official cards issued to MWR Officers and Wardroom Mess Treasurers and $2,500 for all other accountable officials.

g. Modifying Navy Cash Card Limits

(1) These individual and merchant cardholder limits can be modified for particular accounts by the Disbursing Officer as follows:

- Through the Disbursing Navy Cash application (effective immediately)
- By contacting the Navy Cash Central Support Unit (CSU). (This does not go into effect on board the ship until the CSU receives the information, processes the request, and a round trip is completed.)

(2) Reducing the maximum amount that can be transferred from a bank or credit union account ashore and/or reducing the maximum amount that can be loaded on the chip are options available to discipline a cardholder who continues to have problems with negative account balances or with other personal financial responsibilities.
Navy Cash Card Expiration

Navy Cash cards expire five years from the initial date of issue. The actual expiration date is the last day of the month indicated in the “Valid Thru” date embossed on the front of Navy Cash permanent and Instant Issue cards and the date printed on the back of the Navy Cash visitor cards. When a card expires, the chip on the card no longer functions.

a. Permanent or Instant Issue Cards. When a permanent or instant issue card expires, any funds remaining on the chip are transferred automatically to the Navy Cash (strip) account associated with the card. If there has been no activity on the card (strip and chip) in the previous six months, the account is considered dormant, and the card is cancelled and is not reissued. As a part of the process, any remaining balance is transferred automatically to the linked bank or credit union account, if the linked account is still valid. In addition, the Navy Cash account is suspended and Navy Cash access to the bank or credit union account is blocked automatically. If there is no linked bank or credit union account or the account information is not valid, the funds will remain in the Navy Cash (strip) account. If at all possible, the individual cardholder should be contacted and asked to provide a bank or credit union account number, ABA routing number, and his or her name as it appears on the account, so that the positive balance can be pushed back to that account.
b. Visitor Cards. When a visitor card expires, the chip can no longer be read on the ship, so any value remaining on the card cannot be returned directly.

The Disbursing Officer must contact the CSU to change the status of an expired visitor card and restore any remaining value.

c. Dormant Accounts. A Navy Cash account (chip and strip) with no activity for six months after the expiration date of the Navy Cash card is a dormant account. To avoid having dormant accounts on the ship’s Navy Cash roster, the Disbursing Officer should keep the transfer date in each cardholder’s member profile up to date. The transfer date is used to pull accounts of cardholders who leave the ship off the ship’s Navy Cash roster automatically and transfer these accounts to a “shore” command and to suspend Navy Cash accounts and block Navy Cash ACH access to bank and credit union accounts.

Any accounts transferred to the shore command will continue to be monitored through a standard set of reports, including the daily Negative Balance Report and Returned Items Detail Report, so any account activity can be monitored ashore and any negative account balances can continue to be pursued.

Internal Procedures and Controls

To facilitate effective management and administration of Navy Cash operations, each ship should develop a ship’s instruction delineating specific internal procedures and controls for Navy Cash. Each calendar quarter, the Cash Verification Team will generate card reports for all Navy Cash Disbursing Application users to verify that no unauthorized deposits were made to their accounts since the last quarterly cash verification. The ship’s internal procedures and controls for Navy Cash must include the proper handling and safeguarding of Personally Identifiable Information (PII) to ensure the security and confidentiality of that information.

Custody of Spare POS devices and CADs

The Disbursing Officer is responsible for control of all spare POS devices held in ready reserve for periodic functions.
When a POS device has been used in the offline mode and transactions have been recorded (stored) but have not yet been downloaded to the Navy Cash server, it should be kept in a safe—for example, in the Disbursing Officer’s or Sales Officer’s safe. POS devices that do not have transactions stored on them should be kept in a safe or in a secure storeroom or space on the ship that is locked when not occupied and that has limited access, for example, the Disbursing Office. Spare POS devices not being held in reserve for periodic functions (and without transactions stored on them) should be maintained as stock items in a secure storeroom. The Sales Officer is responsible for all spare CADs held in ready reserve and follow the same regulations as the POS devices with or without stored transactions.

NAVY CASH DISBURSING APPLICATION

Funds Transfer

Using the Disbursing Application, funds can be transferred to and from the electronic purse on the chip and directly to the Navy Cash (strip) account. Each individual transaction must be recorded on the Daily Cash Transaction Ledger as shown in Figure 5-3. This will be closed out daily.

Funds Transfer to Chip

A cardholder can “plus-up” the electronic value on his or her Navy Cash card at the Disbursing Office with a check or cash or from an existing Navy/Marine Cash account.

Funds Transfer from Chip

To convert electronic value on the chip to cash or to transfer value to a retail merchant account, the Disbursing Officer clicks on the “Funds Transfer from Chip” link in the funds transfer options window.
**Figure 5-3, Navy Cash® Daily Cash Transaction Ledger Sheet.**

<table>
<thead>
<tr>
<th>DATE</th>
<th>CHIP TO CHIP</th>
<th>CHIP TO CASH</th>
<th>CHIP TO STRIP</th>
<th>PRINT CARDHOLDER NAME</th>
<th>CARDHOLDER SIGNATURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/01/02</td>
<td>100.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/01/02</td>
<td>60.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/01/02</td>
<td>50.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/01/02</td>
<td>50.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/01/02</td>
<td></td>
<td>50.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/01/02</td>
<td></td>
<td></td>
<td>40.00</td>
<td></td>
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<td>100.00</td>
<td></td>
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<td></td>
<td>40.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/01/02</td>
<td></td>
<td></td>
<td>20.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>260.00</strong></td>
<td><strong>90.00</strong></td>
<td><strong>160.00</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL CHIPS TO CHIP</th>
<th>TOTAL CHIPS TO CASH</th>
<th>TOTAL CHIPS TO STRIP</th>
<th>NET SUM FOR CASH TRANSACTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$260.00</td>
<td>$90.00</td>
<td>$160.00</td>
<td>$330.00</td>
</tr>
</tbody>
</table>
 Deposit Cash to Strip

A cardholder can “plus up” or deposit value directly to his or her Navy Cash (strip) account at the disbursing office with a check or cash. For a cardholder with a negative balance, a funds transfer directly to his or her strip (Navy Cash) account provides an additional option to clear the negative balance. For each individual transaction, the Daily Cash Transaction Ledger is completed.

Cardholder Deceased, Injured, or Unauthorized Absentee.

The Disbursing Officer converts the electronic value on the chip to cash and prepares an ex-cash check in the cardholder’s name. Any amount residing on the strip (Navy Cash) account should be pushed back to the cardholder’s home bank or credit union by sending a request to the Navy Cash Customer Support Unit (CSU).

Cash Out Visitor Cards. Navy Cash visitor cards are reusable. When a cardholder no longer needs a visitor card, the card should be turned in to the Disbursing Office, and any value remaining on the chip must be cashed out and returned to the cardholder. Even if a visitor card is turned in after hours or “under the door” or after the visitor has left the ship, the card must still be cashed out, and the Disbursing Officer must make every reasonable effort to return any remaining value to the cardholder.

The Disbursing Application is designed to handle electronic value transfers from the chip to the various Navy Cash accounts held by retail merchants on the ship for retail sales—for example, Wardroom, Chief’s Mess, ship’s store. Because these transactions represent electronic merchant retail sales, they are handled completely within the Disbursing Application and do not affect the Disbursing Officer’s accountability or other responsibilities for funds.

Individual Refund-Chip Purchase Refund

When an individual cardholder desires a refund from a merchant on the ship (for example, ship’s store, MWR, General Mess), he or she must first obtain authorization (for example, Disbursing Officer, Sales Officer, MWR Officer, FSO, or designated representative) on a standard, serialized, Navy Cash Refund Chit. In addition, the approving merchant must record the refund on the Navy Cash Merchant Refund Log. The cardholder then takes the refund chit to the Disbursing Officer and presents it to the Disbursing Officer or Deputy. On ships with a separate Sales Officer, refunds for Ship’s Store and vending are taken care of at the sales office by the Sales Officer or Deputy. If the ship does not have a separate Sales Officer, then the Disbursing Officer will handle all refunds.

Chip Purchase Refund option allows the Disbursing Officer (Sales Officer) to select a single specific purchase transaction for the refund from a list of the cardholder’s purchases to include multiple-item purchases. Miscellaneous Refund option allows the Disbursing Officer (Sales Officer) to specify a transfer amount for the refund and to select a Navy Cash merchant from which the refund should originate e.g., five items were purchased at the Ship’s Store but only one item is returned.

Chip-to-Chip Corrections

If for any reason a chip-to-chip transaction is interrupted before it is completed, such as a power failure at the Cashless ATM (CATM) or time expiring before the process is completed, the result of the transaction is stored in the escrow account on the Navy Cash server as an unmatched transaction. Unmatched chip-to-chip transactions must be corrected to return the value to the sending card. Navy
Cash can correct any unmatched electronic value transfers in two ways: manually through the Disbursing Application, or automatically.

Manual correction can be used to correct an unmatched chip-to-chip transaction on the spot, rather than waiting for the next automatic correction process. Automatic Chip-to-Chip Correction occurs once every 24 hours when the Navy Cash server will scan the escrow account for unmatched chip-to-chip transactions. For each unmatched transaction detected, the automatic correction process will first determine the type of the sending card. If the sending card was an instant issue or embossed permanent card, the electronic value will be returned to the cardholder’s Navy Cash (strip) account automatically. If the sending card was a visitor card, the electronic value will be transferred to the Navy Disbursing Office merchant card strip account.

**Resetting or Changing the PIN**

Cardholders who elect to reset or change the PIN associated with their Navy Cash cards would normally use the CATM but may do so at the Disbursing Office in the Disbursing Application.

**Change Card Status**

The “Change Card Status” screen can be used to “activate” a new permanent Navy Cash card that has been delivered to the ship and to report a card that has been lost, stolen, or damaged, or needs to be canceled.

**Unblock Card**

If a cardholder’s Navy Cash card becomes blocked because they entered their PIN incorrectly more than three times, he or she must report to the Disbursing Officer so that the card can be unblocked.

**Account Enrollment**

To open a Navy Cash account, a person must be enrolled in the program. To enroll, he or she must fill out and sign FMS Form 2887 and turn in to the Disbursing Office. The Disbursing Officer shall verify the ABA or routing number and the account number recorded on the form either by referring to the Direct Deposit account in the Master Military Pay Account (MMPA) or the Magnetic Ink Character Recognition (MICR) line at the bottom of a personal check or deposit slip. The original hardcopy enrollment form, signed by the individual, must be sent via traceable means to the TFA and a copy must be retained on board ship. Original enrollment forms are not required to be forwarded to the TFA for newly enrolled personnel who sign the agreement electronically at the Disbursing Office. Refer to NAVSUP 727 for exact procedures.

**Account Information Update**

The DO can update a member’s account information. For example, if the member needs to change to a new bank or to update the transfer date, the DO can update the account information. The member can also update their account information by logging on to the Navy Cash website.

**Indicate End of Day (IEOD)**

Completing the IEOD function starts automatic system back-ups and begins a “round-trip” process that runs the batch file, connects through ship’s communications systems to Navy Cash shore facility, transfers all ship transactions to shore, generates and retrieves shore reports, retrieves updates from
shore and updates account data on ship and shore. The IEOD function has three components: Manual, Automatic, and Automatic Interim Round Trips.

**View Reports**

The Disbursing Officer can click on the “View Reports” link on the Disbursing Application to select the report menu and display the reports that can be generated as needed on the ship. See Figure 5-4 to view the various reports and their descriptions.

**Safe Bank Transactions**

The “Safe Bank Transactions” functionality enables the Disbursing Officer to adjust the cash amount in the Disbursing Accountability Summary Report (DASR) in order to change the balance reported by the Disbursing Application. This functionality is used primarily during the “End-of-Month” process to reset the DASR to a zero balance. In addition, this functionality can be used to create adjustments to the DASR when an out-of-balance condition exists. This action should be used as a last resort and only as a temporary fix to continue with the “End-of-Day” process when the out-of-balance condition cannot be rectified. The Disbursing Officer should go back and complete all required actions for an out of balance condition, as stated in DoDFMR, Vol. 5.

**Vending and Ship’s Store—Vending Maintenance and End of Month**

The “Vending and Ship’s Store” link in the Disbursing Application is used to add, change, or remove a CAD or a vending machine or to modify the description of a vending machine. In addition, it is used to close out the vending machines and the ship’s store at the end of the month or at the end of a specified period.

**Event Maintenance**

Event maintenance allows the Disbursing Officer to establish and update event processing for any merchant on the ship. Event processing allows a merchant to make sales collections for specific events, report transactions by event, and request a refund through the Disbursing Officer for everyone who purchased the event if a bulk refund should become necessary.

**Access Editor—Access Control for Disbursing Application**

The Disbursing Officer must control who has access to the various functions within the Disbursing Application. Individual operators are assigned to one of six “User Groups.” These user groups essentially represent six levels of access rights. The access rights for each user group are initially set to default settings, a sample of which is shown in Figure 5-5. The Disbursing Officer can tailor the access rights for an individual operator by either adding or deleting specific access rights.
Figure 5-5, Default settings for access rights to the Disbursing Application.
Transient Merchants—Vendors and Foreign Concessionaires

Transient merchants are generally used when Navy Cash transactions must be settled on an as-needed basis to pay a vendor or concessionaire without delay for goods or services provided. The transient merchants usually are needed only for a short time and are commonly settled to a different vendor each time they are used. Transient merchants are designed to settle to the Disbursing Office merchant Navy Cash (strip) account on a daily basis and not to a bank or credit union account. The Disbursing Officer then provides an ex-cash-remittance check or cash to the vendor in the amount of the Navy Cash transactions collected by the vendor. Within Navy Cash, the standard transient merchants are: Husbanding Agent, Foreign Concessionaire, College Courses, College Books and Miscellaneous Events. While the other transient merchants were set up for fairly specific purposes, “Miscellaneous Events” was established to handle fundraising and other events, like a Navy Wives’ bake sale or a Chief’s Mess special function.

NEGATIVE NAVY CASH AND MARINE CASH ACCOUNT BALANCES

Negative Balances

Navy Cash lets cardholders transfer value to their Navy Cash cards from their bank or credit union accounts and to spend that money on board ship immediately—before the funds are actually transferred from their accounts ashore into the Navy Cash funds pool. This immediate availability of funds is like the cashing of personal checks that Navy Cash serves to replace. Potentially a cardholder can request a transfer at the CATM from her or his bank or credit union account ashore without having the funds to back the request or from an account that has been closed or inaccurately identified, for instance, identified by an incorrect account number. If a transfer request is returned for Non-Sufficient Funds (NSF) or for any other reason, Navy Cash reverses the credit to the Navy Cash (strip) account. If any of the funds have been moved from the strip to the chip in the meantime, a negative Navy Cash account balance generally results. The amount of any negative balance represents a debt to the U.S. Treasury’s Navy Cash funds pool, and, on the ship, the Disbursing Officer is responsible for collecting on that debt.

Commanding Officer’s Responsibilities

The Commanding Officer will be responsible for establishing a Navy Cash policy for the command that identifies the limits on size, number, suspension of a cardholder’s card for misuse, and disciplinary repercussions associated with NSF or other returned transactions.

COLLECTING ON NEGATIVE BALANCES

Treasury Financial Agent Action

The TFA will put a block on the cardholder’s Navy Cash access to the bank or credit union account to prevent additional transactions from being requested, dishonored, and returned prior to clearing the negative balance. Once the transaction is cleared, access to the bank or credit union account will be restored.

Negative Balance Reporting

Negative accounts are added to the Daily Negative Balance Report and Returned Items Detail Report, which are sent to Disbursing on a daily basis.
Automatic Representment

With automatic representment, if a cardholder’s ACH transfer request at the CATM is returned for NSF and is $5.00 or greater, the ACH transaction will be presented automatically up to two more times on successive pay days.

Collect on Negative Balance

For each negative balance listed on the Daily Negative Balance Report with no representations pending, the Disbursing Officer will initiate collection action for the amount of the negative balance within 10 working days after receipt of the pertinent Negative Balance Report. Appropriate means of collections are cash, split pay option, and, as a last resort, pay checkage (DS01). If a member leaves the service before settling a negative account balance, DFAS, Directorate of Debt and Claims Management, and the Department of the Treasury, Financial Management Service, are responsible for collecting delinquent debts owed the government by former military members.

Blocking and Unblocking Access to Home Accounts

An authorized Disbursing Officer or Disbursing Clerk can block or unblock a cardholder’s ACH access to their home bank or credit union account through either the Disbursing Application or the Navy Cash Disbursing Web site, or by sending a request to the CSU by phone or by e-mail. See Figure 5-6.

<table>
<thead>
<tr>
<th>Code</th>
<th>Reason</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>0,1,2,3</td>
<td>Number of returns for NSF</td>
<td>Allow unblock</td>
</tr>
<tr>
<td>90,91</td>
<td>Blocked on transfer</td>
<td>Allow unblock</td>
</tr>
<tr>
<td>92,93</td>
<td>Previous value 0,1,2,3</td>
<td>Allow unblock</td>
</tr>
<tr>
<td>95</td>
<td>No linked account information provided during enrollment</td>
<td>Allow unblock if bank or credit union account and ABA numbers updated</td>
</tr>
<tr>
<td>96</td>
<td>Unacceptable NFCU account provided</td>
<td>Allow unblock if account number updated</td>
</tr>
<tr>
<td>97</td>
<td>Technical error processing account</td>
<td>Allow unblock if error corrected</td>
</tr>
<tr>
<td>98</td>
<td>Return other than NSF, e.g., invalid account number</td>
<td>Allow unblock if bank or credit union account and ABA numbers updated</td>
</tr>
<tr>
<td>99</td>
<td>Manually blocked by disbursing</td>
<td>Allow unblock</td>
</tr>
</tbody>
</table>

Figure 5-6, Summary of ACH Decline Counts.

EOM RECONCILIATION and REPORTING of EFunds in DISBURSING OFFICER’S SAFE

EOM Reporting

At the EOM, the Disbursing Officer is responsible for coordinating all Navy Cash collections that must be registered to a Line of Accounting (LOA) through the SF 1219 Statement of Accountability. This includes the sale of meals in the general mess, the sale of merchandise in the ship’s store and vending machines, and Navy Cash activity in Navy Disbursing and Marine Cash activity in Marine Disbursing (when embarked). Refer to NAVSUP 727 for specific procedures on End of Month processing.
Prepare and Submit Reports on Time

The Disbursing Officer’s Statement of Accountability (SF 1219) must be prepared and submitted NLT 1000 EDST on the first calendar day of the following month or if the first falls on a weekend or on a holiday, on the last business day of the month. In order ensure that the SF 1219 is submitted on time, Navy Cash must be closed out prior to 2100Z on the 27th of each month or if the 27th falls on a weekend or on a holiday, on the business day prior. The Disbursing Officer, Sales Officer, Food Service Officer, and Marine Disbursing Officer (when embarked) should coordinate to establish a closeout date each month. Successful processing of the IEOD round trip at EOM sends the EOM shore reports and automated EOM spreadsheet files to the ship. To reset the Safe Bank Transactions functionality for the next month’s reports, the Disbursing Officer will zero out the total amount being carried on the DASR at the end of the month.

Close Out Line-of-Accounting Merchants

The Sales Officer will use the shore report numbers in the Ship’s Store, Vending Schedule of Deposit Activity (SODA), Vending Store Items and Hangar Bay Sales Monthly Transaction Detail Reports to enter the Navy Cash numbers for the month into the ROM system and prepare the DD form 1149 in accordance with existing procedures. The FSO uses the shore report numbers in the General Mess and General Mess Surcharges Monthly Transaction Detail Reports to include the Navy Cash numbers for the month in the (NAVSUP 1359) in accordance with existing procedures. The DD form 1149 and NAVSUP 1359 MUST match Navy Cash totals.

Automated EOM Spreadsheet

Once the spreadsheet files are retrieved and processed on the ship, the EOM spreadsheet is updated automatically with the shore totals; the deposit ticket (SF 215) numbers, dates and amounts; and the debit voucher (SF 5515) numbers, dates and amounts. The Disbursing Officer then enters the Navy Cash shore report numbers the ship will be reporting on the SF 1219 on the ship side of the EOM spreadsheet and any variances already agreed upon on the shore side of the spreadsheet. If there is a difference between the ship and shore totals, it must be resolved before the last day of the month. If the difference is not resolved, then the Disbursing Officer must report the Navy Cash shore totals as received from JPMC on the 1219. The EOM spreadsheet containing ship totals, shore totals, any variances agreed upon, and the SF 215/5515 information will then be emailed to JPMC to the Settlement Group. If variances are not included on the EOM spreadsheet, JPMC will enter any previous variances already agreed upon on the shore side of the spreadsheet. JPMC then sends the final EOM spreadsheet to Navy for approval. Once the EOM spreadsheet is approved, JPMC and Navy close EOM. Figures 5-7 and 5-8 show a sample End-of-Month Spreadsheet Part 1 and Part 2.

Do not hold up the SF 1219 message/e-mail reports because of Navy Cash. Any difference must be resolved and any adjustment necessary made in the next month’s business.

Rev. AUG 2015
Post-Navy Cash Numbers on Daily Statement of Accountability (DD 2657) for Day

The Disbursing Officer uses the EOM spreadsheet and the shore report numbers to verify the Navy Cash numbers on the DD form 1149 and NAVSUP 1359 and to prepare SF 215s as appropriate. The Disbursing Officer uses the EOM spreadsheet and the shore report numbers to report the Navy Cash Disbursing numbers and to prepare either an SF 5515 or an SF 215 as appropriate. Generally, the merchant activity will be larger than the disbursing activity, and both an SF 215 and an SF 5515 will be prepared. If the disbursing activity is larger than the merchant activity, only an SF 5515 will be prepared for the difference. The deposit ticket and debit voucher numbers generated by the automated EOM spreadsheet must be reflected on the Disbursing Officer’s DD form 2657 for the day.

Once the DD form 2657 has been closed out for month end reconciliation and the Schedule of Deposit Activity (SODA) has been updated, the SF 1219 can be closed out, all in accordance with NAVSUP 727.
Public Funds

All funds collected, disbursed, or maintained by the Disbursing Officer, Deputies and Agents are to be considered public funds. Therefore, responsible individuals will be required to show auditable proof for the disposition of those funds. Any accountable items, to include cash, checks, Navy Cash card stock and the like, will be verified in the same manner as prescribed within the DoDFMR, Vol. 5.

Navy Cash Card Stock

All blank Navy Cash card stock shall be verified by count against the Bulk Card Log and the audit will be documented as the next entry in the Bulk Card Log.

Navy Cash Equipment Checklist

This checklist must be tailored for each ship to reflect the equipment that is actually installed as a part of the Navy Cash installation. The checklist provides an aid to assist in troubleshooting any equipment or software problems and also should be used to review the status of all the ship’s Navy Cash devices on a periodic basis.

SUMMARY

The Navy Cash card combines chip technology and a magnetic strip to virtually eliminate the need for Sailors and Marines to carry cash. On board ship, Navy Cash cards can be used at cashless ATMs 24 hours a day, seven days a week to access bank or credit union accounts electronically and to transfer money as needed into Navy Cash accounts. The chip-based electronic purse is used for all purchases on board ship. On liberty ashore, the magnetic strip can be used for pre-paid debit access to Navy Cash accounts at 23 million MasterCard acceptance locations and more than 1,000,000 ATMs in over 210 countries and territories worldwide.
CHAPTER 6

SEPARATIONS, AND DEATH GRATUITIES

Learning Objective: Upon completion of this chapter, you should be able to do the following:

— Describe some of the basic procedures used throughout Department of the Navy (DON) personnel offices for processing officer and enlisted discharges, separations, and retirements.

— Identify the basic requirements for death gratuities.

INTRODUCTION

Every service member eventually reaches the point at which he or she will be separated, discharged, or retired. To ensure that these transitions are as smooth as possible for all concerned, Personnel Specialists (PSs) are required to follow specific procedures. As a senior PS, you must see that these procedures are carried out as accurately and smoothly as possible. Service members transitioning have many items to which they must attend. They do not need the added burden of problems caused by untimely or sloppy processing of their pay and benefits.

Processing a separation, discharge, or retirement involves a large amount of coordination and paperwork. Written procedures are established by the MILPERSMAN 1900 series, BUPERSINST 1900.8 (series), DJMS Procedures Training Guide (PTG), DODFMR, Vol. 7A, local command instructions and set forth guidance for the timely notification of service members who are being separated (including members who are transferring to another activity for separation). They provide the personnel office with a basic timeline to process all administrative and pay procedures, including the following steps:

- Stopping allotments the month before the member’s separation
- Performing the required precertification procedures in case the member is entitled to additional bonuses
- Getting recoupment rates, if they are needed.

As a senior PS, you are expected to know and to understand the procedures involved in processing service members who are transitioning out of active service. This chapter provides an overview of some of these procedures. After studying the information in this chapter, you should be able to describe some of the basic procedures used throughout Department of the Navy (DoN) personnel offices for processing officer and enlisted discharges, separations and retirements. Also, you should be able to identify the basic requirements and procedures for processing death gratuities. Keep in mind that the scope of this chapter is limited to an overview of these operations. Do not use this chapter or any other part of this training manual as a procedural operations manual. For official guidelines, consult the references provided above. As a senior PS, you are expected to know how to perform your command’s procedures efficiently and effectively. Most importantly, the DoN depends on you to train junior personnel to carry out these important responsibilities.
ENLISTED PROCESSING

As a senior PS, you may be assigned to execute or supervise some of these functions. You must be able to identify, obtain and process required documents. In the following paragraphs, we describe some of these documents, the sources you may need to contact to obtain them, and the procedures you might use to process them.

INITIAL ACTION BY DFAS—CLEVELAND CENTER

For a member who is separating from active service, the Defense Finance and Accounting Service—Cleveland Center (DFAS—CL) is the initial source of documentation. Based on an enlisted member’s Expiration Term of Service (ETS) date, DFAS—CL forecasts payments due the member upon his or her discharge. This information is printed on the member’s Leave and Earnings Statement (LES) in the Remarks section. It will first appear four months before the member’s ETS date and is repeated monthly through the month of discharge.

DOCUMENTS REQUIRED FROM THE PERSONNEL OFFICE

The personnel office is required to prepare the following documents for processing:

- Detaching (Departing) Endorsement to Orders
- DD 214, Report of Separation from Active Duty
- Separation Travel Orders.

COMPUTATIONS OF FINAL PAYMENT REQUIRED FROM THE PERSONNEL OFFICE

The personnel office is responsible for making the final computation of pay due. Before you can compute a member’s final pay, you must complete certain preliminary actions.

Steps for Processing Separations

Upon notification of discharge the following steps should be taken:

- Verify that all allotments have been stopped
- Verify the Master Military Pay Account (MMPA) for the Forecast Separation Pay Computation (FSPC). If no access to MMPA, create FSPC manually.

Follow additional procedures outlined in the PTG.

FINAL ACTION BY DFAS—CLEVELAND CENTER

Within 90 days following the member’s separation, DFAS—CL balances the MMPA and determines the amount owed to the member or payable by the member. If the member was underpaid, an attempt is made to make an electronic payment to a member’s bank account. If rejected a check is sent to the member’s home address as shown on the detaching endorsement. If the member was overpaid, action is taken to collect the overpayment. In either case, the MMPA will be closed.
As a part of the closing of the MMPA, DFAS—CL prepares a final Leave and Earning Statement (LES) and an IRS W-2 Form showing the member’s tax status for the current year through the date of discharge. The final LES and IRS W-2 are mailed to the member’s home address.

**OFFICER PROCESSING**

Most of the procedures for officer processing are the same as those for enlisted processing with exception to the beginning of the process. Since an officer does not have an Expiration of Active Obligated Service (EAOS), Navy Personnel Command (NPC) must notify DFAS—CL of the officer’s pending release, resignation, or discharge. This notification includes the actual or approximate date of discharge or release from active duty and authorization for any separation payments due. Upon receipt of the notification from NPC, DFAS—CL notes the information in the Remarks section of the LES.

The required documents, disbursing, processing, and document distribution procedures are the same as those described for enlisted members.

**RETIREMENT OR TRANSFER TO THE FLEET RESERVE**

When service members retire or transfer to the Fleet Reserve, the processing procedure includes additional steps for separations and discharges with variances in lead time, documentation and processing. The following paragraphs, explain some of the requirements.

**REQUESTS FROM MEMBERS**

A member requesting retirement or transfer to the Fleet Reserve should forward the request to NPC. Upon approval, NPC notifies DFAS—CL of the prospective date of the member’s release from active duty. The notice is posted to the MMPA and the necessary separation information reflects in the Remarks section of the LES four months prior to the member’s transfer to the Fleet Reserve.

**DOCUMENTS REQUIRED**

- DD Form 2656
- Fleet Reserve Transfer Authorization
- Detaching endorsement
- DD Form 214,
- Retirement orders

Fleet Reserve Transfer Authorization is released by PERS-836 no later than 120 days prior to Fleet Reserve Transfer date via Naval message

**Data for Payment of Retired Personnel**

Commands must ensure that pre-retirement counseling is provided to prospective retirees at least 60 days prior to their prospective retirement date. During this counseling period, the member should complete a DD Form 2656. This form is used to make the designation of beneficiaries for unpaid retired
pay, establish rates for federal and state withholding taxes, certify dependents, and elect the level of Survivor Benefit Plan (SBP) participation.

The original DD Form 2656 is forwarded to the personnel office along with any correspondence from the member relating to the SBP. The personnel office mails the DD Form 2656 to DFAS—CL no later than 45 days prior to the effective date of the member’s retirement or release from active duty.

ALLOTMENTS

When a member retires or transfers to the Fleet Reserve, the personnel office must know how to handle the member’s allotments. All non-discretionary allotments, such as Class C allotments, must be discontinued. Discretionary allotments may be deducted from the member’s retainer checks upon request by the member.

Because of this, a member who is retiring or transferring to the Fleet Reserve must be interviewed to determine which, if any, allotments will be continued. This interview should take place in time for the member to establish any new allotments he or she desires before retirement.

DISPOSITION OF RETIRED/ RETAINER PAYMENTS

In conjunction with the allotment counseling, the member also must be counseled regarding the mandatory Electronic Funds Transfer (EFT) of the retired/retainer payments to a bank, credit union, or other financial institution.

DOCUMENT DISTRIBUTION

Documents associated with a member’s retirement or transfers to the Fleet Reserve are distributed basically in the same way as the documents associated with a separation or discharge.

DEATH GRATUITY

For a service member who dies, a death gratuity in the amount of $100,000 is paid to the eligible beneficiaries. The death gratuity is paid regardless of whether the member’s death occurred in the line of duty or was the result of the member’s misconduct.

OFFICIAL GUIDELINES

The Department of Defense Financial Management Regulations (DODFMR), Vol. 7A, covers completely the requirements and laws governing the payment of a death gratuity.

Eligible Members

Any person, who is appointed, enlisted, or inducted into a branch of the military service, including the Reserve components, and cadets or midshipmen of the service academies, is considered to be a member of the military service. If the member dies, a death gratuity is payable to the eligible beneficiaries under current laws and policies. Examples of members for whom death gratuities are payable include those in the following categories:

- A member who dies while on active duty or while traveling to or from such duty
• A member or former member who dies during the 120-day period beginning on the day following the date of discharge or release, under honorable conditions, from active duty (including retirement for either disability or length of service). In this case, the Administrator of Veterans Affairs must determine that the death resulted from disease or injury incurred or aggravated while the member was on active duty or in an authorized travel status to or from such duty.

• Any person who dies while traveling to or from a place for final acceptance into the military service or who dies at the place for entry upon active duty (other than for training) in the military service, as long as the person has been ordered or directed to go to that place, and has been provisionally accepted for that duty.

• A member whose death is determined by administrative finding under the Missing Persons Act.

• A reservist who dies while traveling directly to or from active duty for training or inactive training.

• A member or former member who dies during the 120-day period beginning on the day following the date of discharge or release, under honorable conditions, from active duty (including retirement for either disability or length of service). In this case, the Administrator of Veterans Affairs must determine that the death resulted from disease or injury incurred or aggravated while the member was on active duty or in an authorized travel status to or from such duty.

Eligible Beneficiaries

When the CO is officially notified that a member of the command has died, the CO maintaining the member’s personnel or service records determines if an eligible death gratuity beneficiary exists. Legal assistance officers can help in cases involving questions of law. Figure 6-1 is to be filled out upon death of a service member.

Effective July 1, 2008, a member may designate one or more persons to receive all or a portion of the death gratuity.

If a member does not make a designation in accordance with DODFMR Vol. 7A or designates only a portion of the amount payable, then the remaining amount of the death gratuity not covered by a designation will be paid as follows:

• Lawful spouse
• Child, or children, in equal shares (without regard to age or marital status)
• Member’s relatives, consisting of parents, brothers, sisters, or any combination thereof as designated by the member
• Surviving parents in equal shares
• Surviving brothers and sisters in equal shares.

If there is none of the above:
• Duly-appointed executor or administrator of the estate of the member
- Other next of kin of the member entitled under the laws of domicile of the member at the
  \( \text{go } \text{g'qf} \text{y } \text{g'o go dtluf gcv j} \) \\

For clarification, we will look closely at each of these categories.

**Lawful Spouse**

A lawful spouse is a man or woman who is legally married to the member at the time of the member’s death. This is determined by entitlement to Basic Allowance for Housing (BAH) or evidence of assignment of government quarters to a member and spouse. In the absence of such proof, documentary evidence of marriage and proof of termination of any prior marriage of either the beneficiary or decedent may be used.

**Child or Children**

If the descendant is survived by a child or children, but no spouse, the death gratuity will be paid to the child or children.

**GENERAL ELIGIBILITY CRITERIA.**—An eligible child can be a legitimate child; a legally adopted child; a stepchild, if the child was a member of the decedent’s household; or an illegitimate child. Generally, you use any of the following documentation to establish a child’s eligibility status:

- Documentary evidence showing termination of any marriage, including a certified copy of the certificate, divorce, or annulment decree
- Entitlement to BAH for a child or children, or evidence of occupation of government quarters by the child’s or children’s mother or legal guardian
- Documentary proof of the relationship, including the original or certified copy of the original birth certificate or a certified court order of adoption
- A certified copy of the appointment paper if a guardian of a minor child, or children, has been appointed by a court (as distinguished from being awarded physical custody).

**ILLEGITIMATE CHILD.**—In the case of an illegitimate child, the child’s eligibility must be confirmed by evidence provided by or associated with the deceased service member. When the deceased service member is the child’s father, you can use any of the following documentation to establish the child’s eligibility:

- A statement, written and signed by the member, acknowledging and identifying the child as his own
- Certificates for the death of the child’s mother, if any
- Various other evidence indicating the child’s relationship to the deceased service member

When the deceased member is the mother, the child’s eligibility can be established by a birth certificate or other satisfactory evidence that the member was the mother of the child.

**STEPCHILD.**—The relationship between a member and a stepchild may survive the end of the marriage from which it arose if close family ties have continued. If such a relationship ended by the member’s death, the relationship continues in the absence of evidence to the contrary. If the marriage
ended by divorce (as distinguished from death), the relationship ends unless clear and convincing evidence is furnished showing continuance of close family ties and the intention to continue the prior relationship.

**Designated Beneficiaries**

If the decedent is not survived by a spouse or child and has officially designated a father, mother, brother, or sister to receive the death gratuity, no further evidence is necessary.

This is true except in cases of in loco parentis. The DOD defines in loco parentis as a person who stood in place of a parent to the service member 24 hours a day for a period of at least five years before the service member became 21 years old or entered military service. The beneficiary, however, must furnish the following documentation:

- Documentary evidence that any marriage entered into by the decedent has been terminated
- A statement, witnessed by two individuals, that there are no living children. For in loco parentis cases, entitlement to BAH for that person is sufficient evidence. If this relationship has not been established, DFAS CL makes the determination.

**DETERMINATIONS AFFECTING ENTITLEMENT**

Several determinations place additional restrictions on the payment of a death gratuity.

**Death as Lawful Punishment**

Death gratuity is not payable in the case of a member whose death is the result of a lawful punishment for a crime or military offense. This does not apply when the death is inflicted by any hostile force with which the armed forces of the United States had engaged in armed conflict.

**Member Killed by Beneficiary**

Death gratuity is not payable to a beneficial or survivor who kills a member, unless there is evidence that clearly absolves such beneficiary or survivor of any felonious intent.
Figure 6-1, Claim Certification and Voucher for Death Gratuity/ DD form 397.

Unauthorized Absence or Desertion

Death gratuity is payable in the case of a member whose death occurred while the member was in Unauthorized Absence (UA), or absence over leave status. That includes an absence that resulted from
the member’s being in the custody of civil authorities, provided the date of death occurred before the normal expiration of contracted duty.

A death gratuity is not payable in the case of a member declared a deserter at the time of death, unless it is found later that the declaration was in error.

**PAYMENT PROCEDURES**

Payment procedures for death gratuities are discussed in Chapter 9 of the PS Basic Rate Training Manual.

**SUMMARY**

Processing separations, discharges and retirements is not really difficult; but the processing involves considerable coordination, timing, and paper work. Everyone must work together to ensure that all documents are properly prepared in time to allow for orderly processing. All documents are received and processed before the final payments are made.

Inadequate documentation, bad timing and sloppy processing result in overpayments, underpayments, and accounts that are out of balance. Imagine yourself as a service member being separated or discharged. The member in this position is trying to handle a lot. The DON counts on you to help ease the strain. Members transitioning from active duty are entitled to adequate support from the personnel office. The member should not have to work with problems in his or her pay and benefits. The death gratuity requires special sensitivity along with quick and accurate action on the part of all concerned. Coordination and attention to detail are the keys to handling these procedures effectively.
CHAPTER 7

TUITION ASSISTANCE
AND ENLISTED ADVANCEMENT SYSTEM

**Learning Objective:** Upon completion of this chapter, you should be able to do the following:

— Identify the components of the Tuition Assistance (TA) program.

— Identify the procedures for ordering Navy-wide Advancement Exams.

— Understand the preparations for administering the Navy-wide Advancement Exam.

— Understand the accountability and responsibilities of handling Advancement Exam materials.

— Identify the Education Service Officer (ESO) procedures upon receipt of Advancement Exam results.

— Understand the administrative procedures for the Command Advancement Program.

**INTRODUCTION**

This chapter discusses the Tuition Assistance (TA) program and the process of the Navy-wide examination. In addition, this chapter includes information concerning schedule of examinations, duplicate use of examinations, administration of examinations and the Command Advancement Program.

**TUITION ASSISTANCE PROGRAM**

Tuition Assistance (TA) is an in-service support program. It provides funds to assist in payment of tuition costs for courses taken in an off-duty status at a college, university or vocational/technical institution, whose regional or national accreditation is recognized by the U.S. Department of Education supporting completions of a high school diploma; or an associates, bachelor’s, master’s or doctoral degree.

Navy TA pays up-front the tuition and specific fees charged by educational institutions for course enrollments. Navy TA pays 100% of tuition costs for courses applicable to the completion of a high school diploma or equivalency certificate. For other education levels, there is a fiscal year credit limit of 16 Semester Hours, or 24 Quarter Hours or 240 Clock Hours (or a combination of) per individual.

Payment for tuition and fees will not exceed the following caps:

- $250.00 per semester hour.
- $166.67 per quarter hour.
- $16.67 per clock hour.

Payment caps for tuition and fees are subject to change. Refer to OPNAVINST 1560.9 (series).
ELIGIBLE PERSONNEL

TA is available to both Naval Officers and Enlisted active duty personnel and to Navy Reservists on continuous active duty. In addition, it is available to enlisted Navy Reservists ordered to active duty 120 days and to Navy Reservist Officers ordered to active duty for 2 years or more.

To qualify, the following requirements must apply:

- Advancement eligible Sailors must have taken and passed the most recent advancement exam. Commanding Officers/Officers in Charge may grant waivers for Sailors unable to take the most recent advancement exam due to legitimate reasons such as working outside their rating, operational commitments, or other command-sanctioned circumstances
- Sailors must have passed the most recent physical fitness assessment
- Sailors must be recommended for promotion or advancement on their most recent evaluation/fitness report
- Sailors in initial skills training must have completed "A" school or be in a status of "awaiting instruction" long enough to complete the academic course before the commencement of training
- Sailors must be on active duty for the whole length of the course
- Officers must agree in writing to serve on active duty for a period of 2 years following completion of or withdrawal from the supported education
- Sailors must receive counseling from a Navy College Office (NCO) or Virtual Education Center counselor.

LIMITATIONS

Sailors may not be authorized TA in the following instances:

- Navy TA may not be authorized when participating in a Navy education program such as, but not limited to, Graduate Education Voucher (GEV), Advanced Education Voucher (AEV) and Scholarship.
- When enrolled in an officer accession program involving full-time instruction at a civilian institution. TA is not authorized for service members in a Duty Under Instruction (DUINS) status.
- When convicted at a special or general court-martial and sentenced to a punitive discharge or confinement
- When found guilty at a summary court martial or awarded non-judicial punishment in the previous six months
- When on appellate leave
- When pending administrative separation.
WITHDRAWALS, FAILURES, REIMBURSEMENTS AND INCOMPLETES

Sailors who voluntarily withdraw from or fail a course funded by TA must reimburse the government. No further funding will be provided until the debt has been repaid. Sailors may request a waiver for reimbursement, via their chain of command to the local NCO, when withdrawal was involuntary due to operational commitments or military directed actions, such as Temporary Duty (TDY), emergency leave, or medical leave.

In the case of Sailors who accumulate an average of less than "C" (or a 2.0 on a 4.0 scale) over 12 semester hours (or equivalent) of course credit which has been funded by TA, no additional TA will be processed until that Sailor is counseled by a Navy College Office professional and a new education plan is developed.

Regardless of college policy, Sailors who have received a grade of "I" (incomplete) in a course funded by TA will be given no more than six months from the term ending date to complete course requirements and earn a grade. Members shall reimburse the government if they fail to convert an "I" into a passing grade within six months.

Additional information on Tuition Assistance eligibility is contained in OPNAVINST 1560.9 (series), for information on application procedures visit the Navy College Web site.

ENLISTED ADVANCEMENT SYSTEM

The enlisted advancement system provides qualified enlisted personnel an orderly progression to higher levels of responsibility throughout their naval career.

ADVANCEMENT IN THE NAVY

Advancement in rate or change in rating is based on the following: demonstrated proficiency in assigned duties; on the performance evaluation and the recommendation of the CO; and on written examinations. All eligible personnel compete for advancement or change in rating to fill vacancies in the total Navy/Navy Reserve allowances.

Both the candidate for advancement and the command have advancement responsibilities. For example, each member must ensure that his or her advancement requirements are completed accurately and on time. The command must ensure that only personnel eligible in all respects are recommended for advancement. The ultimate responsibility of making recommendations for advancement and for withdrawing recommendations for advancement belongs to the CO.

A distribution listing of eligibility status of personnel recommended for advancement comes from the command, or commands, as appropriate that orders and administers examinations to all departments. This listing should include all personnel from those departments or commands eligible in all respects and recommended for advancement. Commands are responsible for ensuring that all eligibility requirements are met.

TOTAL ACTIVE FEDERAL MILITARY SERVICE

Total Active Federal Military Service (TAFMS) is the sum of total active naval service and other active service. The DOD prescribes the minimum TAFMS an advancement candidate must accrue to compete as a regular candidate for advancement as shown in Figure 7-1.
MINIMUM TAFMS FOR A REGULAR CANDIDATE

<table>
<thead>
<tr>
<th>PAYGRADE</th>
<th>DOD TAFMS</th>
<th>PAYGRADE</th>
<th>DOD TAFMS</th>
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<tbody>
<tr>
<td>E2</td>
<td>6 months</td>
<td>E6</td>
<td>7 years</td>
</tr>
<tr>
<td>E3</td>
<td>1 year</td>
<td>E7</td>
<td>11 years</td>
</tr>
<tr>
<td>E4</td>
<td>2 years</td>
<td>E8</td>
<td>16 years</td>
</tr>
<tr>
<td>E5</td>
<td>3 years</td>
<td>E9</td>
<td>19 years</td>
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</tbody>
</table>

Figure 7-1, TAFMS Requirements for Advancement.

Candidates who meet the Time in Rate (TIR) and other advancement requirements may compete for advancement whether or not they have accrued the DOD prescribed TAFMS. The number of advancement quotas that may be filled by early candidates is determined by DOD manning restrictions to a maximum of 10 percent of the total enlisted forces in each pay-grade E-7 through E-9.

REGULAR AND EARLY ADVANCEMENT CANDIDATES

Regular advancement candidates are members whose TAFMS equals or exceeds the DOD TAFMS by the end of the fiscal year in which the Terminal Eligibility Date (TED) is computed. Early advancement candidates are members whose TAFMS falls short of the DOD TAFMS by the end of the fiscal year in which the TED is computed. The number of months remaining in the fiscal year following the TED is automatically considered in determining early/regular status. For example, a candidate for advancement to E-6 who participates in a September examination with accrued TAFMS of 6 years and 4 months computed to the TED of 1 January has the remaining months of the fiscal year (January through September) automatically considered as part of his or her accrued TAFMS, making the member a regular candidate with 7 years and 1 month TAFMS even though the candidate's examination answer sheet shows only 6 years and 4 months' total active service (TAS). BUPERSINST 1430.16 (series), Figure 7-2 contains a table that shows the number of months automatically added to the computed TAFMS.

<table>
<thead>
<tr>
<th>EXAMINATIONS OR NOMINATION MONTHS</th>
<th>CANDIDATES FOR ADVANCEMENT TO</th>
<th>TAFMS COMPUTED TO TED OF</th>
<th>AUTOMATICALLY ADDED TO TAFMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>E7</td>
<td>1 January</td>
<td>9 months</td>
</tr>
<tr>
<td>March</td>
<td>E4 through E6</td>
<td>1 July</td>
<td>3 months</td>
</tr>
<tr>
<td>September</td>
<td>E4 through E6</td>
<td>1 January</td>
<td>9 months</td>
</tr>
<tr>
<td>November</td>
<td>E8 and E9</td>
<td>1 October</td>
<td>1 year</td>
</tr>
</tbody>
</table>

Figure 7-2, TAFMS Computation. HIGH-YEAR TENURE
The High Year Tenure (HYT) Program is a vital and effective force shaping tool to properly size and shape the active and Reserve Navy. This is a total force policy which establishes standardized length-of-service (LOS) gates by pay grade balanced with a waiver process that allows Navy to retain the right Sailor. As one of the Navy’s key enlisted force shaping tools, the HYT Program enables viable career paths and advancement opportunity across all pay grades and LOS spectrums. The Standardized HYT gates are established to allow Sailors the greatest flexibility to stay Navy in a stabilized force. Through this process, Navy enhances quality throughout continuum of service.

Unless HYT waiver approval is authorized by Navy Personnel Command (NAVPERSCOM), Active Duty (ACDU) and FTS personnel may only reenlist or extend up to their HYT date for their current pay grade. Personnel who have been selected for advancement to the next higher pay grade may reenlist or extend up to the HYT date of their prospective pay grade. MILPERSMAN 1160 (series), Figure 7-3 & 7-4 contains tables that show HYT dates for active and reserve member’s.
### ACDU (Including FTS)

<table>
<thead>
<tr>
<th>Grade</th>
<th>Years</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-1 thru E-2</td>
<td>4</td>
<td>May not reenlist or extend unless approval is granted via NAVPERSCOM, Career Progression Division (PERS-8)</td>
</tr>
<tr>
<td>E-3</td>
<td>5</td>
<td>E-3 who “Passed Not Advanced” a Navy Wide Advancement Exam prior to March 2012 (Cycle 215) retain HYT gate of 8 years.</td>
</tr>
<tr>
<td>E-4</td>
<td>8</td>
<td>E-5 HYT gate was modified to 14 years for Sailors with less than 10 years of total active military service as of 1 July 1995. E-5 Sailors with 10 or more years of total active military service as of 1 July 2005 retain their HYT gate of 20 years (those Sailors whose ADSD is on or before 30 June 1995).</td>
</tr>
<tr>
<td>E-5</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>E-6</td>
<td>20</td>
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<td>E-7</td>
<td>24</td>
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<td>E-8</td>
<td>26</td>
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<td>E-9</td>
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</tr>
</tbody>
</table>

**Figure 7-3, ACDU HYT**

### SELRES

<table>
<thead>
<tr>
<th>Grade</th>
<th>Years</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-1 thru E-2</td>
<td>6</td>
<td>Not Eligible for HYT Waiver</td>
</tr>
<tr>
<td>E-3</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>E-4</td>
<td>12</td>
<td></td>
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<tr>
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**Figure 7-4, SELRES HYT**
NAVY-WIDE ADVANCEMENT EXAMINATIONS

As we mentioned earlier, all eligible personnel compete for advancement or change in rating to fill vacancies in the total Navy/Navy Reserve allowances. Candidates compete for these vacancies by taking a Navy-wide advancement examination.

Naval Education and Training Professional Development and Technology Center (NETPDTC), develops examinations for pay-grades E-4 through E-7 for all Navy ratings. Examinations contain 175 questions supported by the Occupational Standards (OCCSTDs) for each rate and rating. OCCSTDs express the Navy’s minimum requirement for enlisted occupational skills established by manpower and personnel managers. They form the basis for implementing and supporting actions for personnel training, advancement and distribution. The exam writers use the OCCSTDs to support advancement exams. The training manual writers also base their training manuals on OCCSTDs.

NETPDTC scores and processes examination sheets. Examination grades are then combined with other factors to determine the advancement status of qualified personnel. Eligible personnel are advanced to PO3 through PO1 to fill Navy-wide vacancies on the basis of their Final Multiple Scores (examination scores plus performance factors).

Advancement to E-8 or E-9 does not require an examination. Advancement to Chief Petty Officer (CPO), Senior Chief Petty Officer (SCPO) and Master Chief Petty Officer (MCPO) requires selection-board action. Boards are convened annually by the Navy Personnel Center (NPC), CPO, SCPO and MCPO candidates who qualify for selection board consideration and are designated Selection Board Eligible (SBE) by NETPDTC. The total number selected is based on Navy-wide vacancies. CPO candidates are designated SBE on the basis of their FMSs. SCPO and MCPO candidates are designated SBE based on the recommendation of their CO.

ORDERING EXAMINATIONS

Ordering via Internet TIR Listing is the preferred method. Ordering dates for regular and supplemental examination orders using the Internet method are published in the applicable examination cycle NAVADMIN and front page of the NEASOS web site. Additionally, examinations ordering open and closed dates are published on the Navy Enlisted Advancement Ordering System (NEASOS). NEASOS will open initially for regular examination orders by pay-grade. After the regular examination order closed dates have passed, NEASOS will re-open for supplemental (which are regular examinations) examination orders. Always check the applicable NAVADMIN and Web site for exact ordering dates.

Commands that maintain the electronic service records for other activities are responsible for ordering examinations for those activities. Examinations for activities serviced by a Personnel Support Detachment (PSD) are shipped to that PSD, with the exception of afloat activities (examinations are shipped directly to the command).

The alternate method is to order examinations by message. This method should be used only when ordering substitute examinations, or when a command is unable to use the TIR listing due to Internet unavailability. When ordering, list examinations in alphabetical order by rating, using the format in BUPERSINT 1430.16 (series). When using the message format, ensure that candidates who are receiving TIR waivers for early promote evaluations or Limited Duty Officer (LDO) participation are identified.
Commands with upcoming deployments shall submit examination orders via message with explanation giving deadline delivery date.

Canvasser Recruiters (CANREC) serving on active duty for cumulative periods of 1 year or more takes active duty examinations. Personnel on Active Duty for Special Work (ADSW), One-Year Recall (OYR), Annual Training (AT) or on special Active Duty Training (ADT) orders of any duration take an inactive Reserve examination.

SUBSTITUTE EXAMINATIONS

Substitute examinations are administered to individual candidates E-4 through E-6 who, through no fault of their own, were unable to participate in the examination at the regularly scheduled time. Substitute examination requests may only be submitted by message as shown in BUPERINST 1430.16 (series).

CRITERIA FOR SUBSTITUTE EXAMINATION REQUESTS

Requests for substitute examinations often result from administrative errors or from poor planning on the part of individual commands. Supplies of examinations used for that purpose are extremely limited.

Commands should anticipate requirements for substitute examinations, when possible, before the regular examination dates. The need for substitute examinations can normally be determined before or within a day or two after the scheduled Navy-wide advancement examination. Each late request for substitute examinations must contain valid justification based on the following criteria and other criteria in BUPERSINST 1430.16 (series):

- The candidate(s) concerned must have been recommended and eligible for participation in the regularly scheduled examination
- The candidate's absence from the regularly scheduled examination must have been through no fault of an individual, for example, the result of emergency leave.

REQUEST FOR SUBSTITUTE EXAMINATIONS

NETPDTC will normally approve requests for substitute examinations submitted with appropriate justification and within the scheduled dates announced in the current examination cycle NAVADMIN.

Examination requests received by NETPDTC after the deadline will not be honored. Instruct candidates in this case to participate in the next scheduled examination cycle. If selectee status is attained, advise the selectee to use DD Form 149 to submit a request to the Board for Correction of Naval Records (BCNR) for a backdate of the advancement date.

HANDLING, STORAGE AND ACCOUNTABILITY OF EXAMINATIONS

Each individual activity is responsible for the handling, storage and accountability of Navy-wide examinations.

The integrity of NEAS is dependent on the security of the examinations and is of paramount importance to equitable advancement opportunity. All levels of command must be alert to the possibility of compromise by the disclosure of the content of Navy-wide examinations. All commands and activities
must initiate and monitor local custodial procedures to assure maximum safeguard and accountability of examinations and all related examination material at all times.

All examinations and completed answer sheets shall be in the custody of a U.S. Naval Officer, or designated Master Chief, Senior Chief, Chief Petty Officer, or civilian as identified in BUPERSINST 1430.16 (series). If an examination is transferred to another activity, it must be carried by one of the above persons with custody authorization, or transmitted by U.S. registered mail or the current holder of the GSA contract for overnight delivery as available. Special handling instructions for particular examination series shall have precedence over any conflicting handling instructions contained in BUPERSINST 1430.16 (series).

ACCOUNTABILITY OF EXAMINATIONS BEFORE ADMINISTRATION

Examinations shipped by NETPDTC are listed on the packing list in alphanumerical order within each pay-grade. Totals are indicated for each pay-grade with a grand total indicated at the end of the packing list.

ESOs must account for all examinations received from NETPDTC or from other activities, transferred to other activities and total examinations destroyed.

RECEIPT OF EXAMINATIONS FROM NETPDTC

Upon receipt of the examinations from NETPDTC, the package(s) must be immediately delivered to the person authorized to receive and maintain custody of Navy-wide examinations such as the ESO. That person must inspect the package(s) for evidence of tampering.

Authorized personnel open the package immediately upon receipt and check the individual examinations against the packing list(s) provided with the shipment. Verify that the examinations ordered were the examinations received. After verify the contents of the package against the packing list, sign and date the packing list, maintain the original in command and retain the files for a period of 2 years. Do not send the signed packing list to NETPDTC.

REPORTING MISSING, LOST, OR COMPROMISED EXAMINATIONS

Both upon receipt and the day before administration inspect all examination envelopes for evidence of tampering. In the case of missing examinations, evidence of tampering, or any other discrepancies, submit a detailed message or letter report to NPC (PERS-811/812), copy to NETPDTC (N321), immediately.

STORAGE OF EXAMINATIONS AND RELATED MATERIALS

Store examination booklets separately from other documents and publications to preclude loss or misplacement. The border color on the cover identifies the classification of examinations: SECRET - RED; CONFIDENTIAL - BLUE; and FOR OFFICIAL USE ONLY (FOUO) - BLACK. Both upon receipt and before administration inspect all examination envelopes for evidence of tampering. Stow examinations and completed answer sheets in a safe, vault, or other securely locked space fastened with a three-tumbler combination lock accessible only to an official who meets the requirements.
RECOMMENDATION FOR ADVANCEMENT IN RATE OR CHANGE OF RATING (WORKSHEET)

A Recommendation for Advancement in Rate or Change of Rating (worksheet), NETPDTC 1430-3, must be prepared for each candidate participating in a Navy-wide advancement cycle. Worksheets are available utilizing Navy Standard Integrated Personnel System (NSIPS). This includes members in paygrade E-6 who are participating for the limited duty officer program. ESOs and candidates use the form as a check-off sheet and for transferring information to the answer sheet. After the Navy-wide examination, or participation for advancement, handle worksheets according to instructions contained in BUPERSINST 1430.16 (series).

The worksheet contains data and factors relating to the candidate’s eligibility for advancement or change of rating. The ESO is responsible for reviewing all worksheets for accuracy and completeness before candidates verify and sign. All entries must be checked thoroughly to avoid errors. Inaccurate information creates inequities to the candidates and could prevent a fully qualified candidate from being advanced.

ESOs and personnel office supervisors must make sure worksheets are prepared at least one month before the scheduled examination date to decrease the chance for errors. Each candidate must review, verify and sign the worksheet before the examination date.

PREPARATION FOR ADMINISTRATION

ESOs and personnel office supervisors must make sure that the following task is accomplished approximately ten days before the scheduled date of examination:

- Review the worksheet for each candidate in accordance with BUPERSINST 1430.16 (series)
- Candidates must verify and sign the worksheets prior to taking the examination.

Make sure an examination is available for each candidate with a worksheet. If necessary, obtain an excess examination from a local command. If that is not possible, consider splitting an examination booklet with a candidate taking the same examination. If the ESO is not able to obtain an excess examination or a split one, a substitute examination must be ordered in accordance with BUPERSINST 1430.16 (series).

- Check for loss or compromise of examinations
- Prepare a seating arrangement that will provide maximum comfort consistent with available facilities. Make sure candidates taking examinations in the same rating are not seated next to or across from one another.

REQUIRED MATERIALS

Before the administration of the examination, candidates will be provided the following materials that may not be applicable to all candidates:

- Completed NETPDTC 1430/3 (worksheet) for each candidate
- One unopened examination for the appropriate rating and paygrade
- One answer sheet. Only the NETPDC 1430/2 red answer sheet is authorized
- Scratch paper
- Two lead pencils. Candidates must use a Number 2 or electrographic black lead pencil
- Any other material designated in the NAVADMIN for the current examination cycle. Certain ratings require specialized materials for examination administration (i.e., Bearing Rate Computer for Fire Technician and Sonar Technician Submarine (STS) ratings). A listing of materials is contained in the designated cycle NAVADMIN and supplemental guidance. If these materials are not readily available at the examination site, the ESO should contact examinees prior to the examination date to ensure they bring required materials with them on examination day.

Candidates may use log tables and slide rules. Musicians are not authorized to use musical slide rules.

Battery-operated electronic calculators (with any number of keys) of the nonprogrammable variety can be used by all candidates.

No other examining material or instruments can be brought into the examining room by the candidates.

**CANDIDATES WITHOUT WORKSHEETS**

Candidates without worksheets cannot participate in the examination. ESOs must order substitute examinations if the candidates are fully eligible.

**SCHEDULE OF EXAMINATION**

Navy-wide examinations for advancement or change in rating are administered according to the schedule announced in the designated cycle NAVADMIN.

All Full-Time Support (FTS) and CANREC personnel on continuous active duty for 1 year or more will take the active duty examination but compete within their respective competitive category.

ADSW/OYR and ADT/AT personnel regardless of length of continuous active duty will take the inactive duty examination and compete within their respective competitive category.

**ADMINISTRATION DAYS**

Active duty examinations ordinarily are administered as shown in Figure 7-5 and in BUPERSINST 1430.16 (series).

E-4 through E-6 selected Reserve examinations are administered the months of February and August as shown in Figure 7-6. The E-7 selected Reserve examination is administered in the month of February only. All selected Reserve examinations are administered as announced in the respective NAVADMIN.
DEVIATIONS FROM SCHEDULED ADMINISTRATION DATE

Deviations from scheduled administration dates may be made only in special circumstances as outlined in the following paragraphs and in BUPERSINST 1430.16 (series). Such deviations apply to all examinations for a given paygrade for the unit involved. When deviations from the schedule are necessary in the case of individual candidates, ESOs must request substitute examinations.

An operational commander may authorize a delay of no more than 10 days in the administration of examinations for seagoing or aviation units operating in company or based outside the continental United States (OCONUS). This may be authorized provided candidates have no means of communicating with personnel who take the examination in the interim.

COs of ships proceeding independently may administer examinations as soon as possible but not more than 10 days past the regularly scheduled examination date, provided members of the crew had no means of communicating with personnel who participated in the examination in the interim.

Navy-wide examinations must never be administered before the scheduled date unless specifically authorized by NPC.

ADMINISTRATION DAYS FOR SUBSTITUTE EXAMINATIONS

Substitute examinations must be administered as soon as possible after receipt but not before the regular scheduled date.

SPLITTING EXAMINATIONS

If there is an eligible candidate without an examination, an examination cannot be obtained locally and another candidate is taking the same examination, the examination booklet may be split and shared with the candidate without an examination. A proctor separates the examination booklet into two equal parts, giving each candidate one-half of the booklet. To split an examination, that examination must be administered simultaneously to each candidate. When both candidates have finished their respective halves, a proctor will exchange the halves, examine each part and remove any markings made by the
first user. There is no time limit for completion of the first half, but the overall three hour time limit must be observed. Each candidate should be allowed a three hour testing period. In recording the examination serial number on the answer sheet, each candidate uses the same examination number. No more than two candidates may use the same examination booklet.

Duplicate use is authorized only if the examination can be administered to both candidates on the scheduled date of administration.

ADMINISTRATION OF EXAMINATIONS

Each examining room will be under the direct, continuous supervision of at least one member designated by the CO/OIC to administer examinations. Assign proctors to assist in sufficient number to achieve a ratio of not less than one proctor to each 25 candidates. Proctors for Navy-wide examinations may be officers, E7/8/9, or designated civilians.

Proctors may explain the meaning of the instructions on the face of the examination booklet, but they may not interpret examination questions, engage in a discussion about questions, or assist in any way in their solution. Proctors must never read examination questions to candidates.

Candidates will not leave before completing their examination, except for emergency reasons and if accompanied by a proctor. A proctor assumes possession of all examining material during the candidate’s absence. Any candidate leaving without the permission of a proctor will be disqualified. Forward a message requesting invalidation and report circumstances to NETPDTC (N321) separately.

Ensure that procedures are set up in case of an emergency (fire alarm and so forth) to minimize the possibility of compromise. Also, ensure that candidates are briefed on these procedures and their responsibilities.

After each candidate completes the examination, a proctor collects all examination material, ensures that the answer sheet is complete and all worksheet items circled by the candidate are clearly understood so that corrections or additions may be made by the ESO.

Prior to forwarding answer sheets, the ESO reviews all answer sheets for accuracy and completeness. The ESO resolves all items circled by the candidate on the worksheet and checks each entry and blackened circle for accuracy with the exception of the answer portion of the answer sheets. Turn verified answer sheets over to the person designated to prepare the transmittal letter for forwarding to NETPDTC (N321). Only officers designated E7/8/9 and designated civilian employees may handle the answer sheets until they are deposited as registered mail in the U.S. Postal System (USPS) or to the GSA contract for overnight delivery. Give completed answer sheets the same handling and stowage afforded FOR OFFICIAL USE ONLY (FOUO) documents.

FORWARDING ADVANCEMENT EXAMINATION RETURNS

After verifying all answer sheets for accuracy and completeness, prepare a letter of transmittal using the format in BUPERSINST 1430.15 (series). Package the original transmittal letter and answer sheets in an envelope, using a cardboard stiffener. Do not bend, fold or staple the answer sheets. For CONUS installations, ships in port CONUS and overseas shore commands, mail to NETPDTC (N322), 6490 Saufley Field Road, Pensacola, FL 32509-5126 utilizing the mail procedures outlined in BUPERSINST 1430.16 (series). Prepare a separate letter of transmittal for each paygrade, with the exception of E8/9 candidates, Selective Reservist (SELRES) candidates and E4/5/6 candidates administered substitute
examinations subsequent to regularly scheduled administration dates. When personnel from more than one activity have been examined, group the candidates’ names by activity. Activities that have candidates consolidated into alphabetical computerized listings may use these listings as enclosure 2 to the transmittal letter. However, each candidate’s parent command UIC must be included in a separate column.

Forward examination returns for each paygrade to NETPDTC (N322) by close of business the day after administration of each examination.

RECEIPT AND ADMINISTRATION OF SUBSTITUTE EXAMINATIONS

Substitute examinations are administered according to the date announced in the NAVADMIN published before the regular examination cycle. The letter of transmittal and answer sheets must be sent to NETPDTC within one working day of administration of examination. All paygrades E-4 through E-6 are included on one letter of transmittal.

ACCOUNTABILITY OF EXAMINATIONS AFTER ADMINISTRATION

The CO/OIC is solely responsible for ensuring that all examination booklets and related testing materials are accurately accounted for and destroyed. After administering examinations, destroy all examination booklets, used and unused and scratch paper by burning or shredding per SECNAV M-5510.36 (series) in the presence of at least two personnel designated by the CO/OIC to handle examinations. After examination destruction, prepare a report of destruction. List all examinations, used, unused, or transferred, on the destruction report indicating rate abbreviation, examination series and examination serial number. Examinations reported destroyed or transferred must match the total number in the accountability summary. If regular series examinations are received, from other commands after the initial destruction report is complete, the examinations must be destroyed and a separate destruction letter must be completed. The report of destruction must be signed by the CO/OIC and cannot be delegated. Do not send the report of destruction to NETPDTC. Copies of reports of destruction and receipts for transfer of examinations shall be maintained locally at the command for two years.

Unused SELRES examinations should be destroyed within five days after the last drill weekend of the examination month, unless authority is received from NETPDTC to retain examinations for later administration.

RESULTS OF NAVY-WIDE ADVANCEMENT EXAMINATIONS

The Navy-wide advancement examination results for personnel on active duty, including FTS and CANREC personnel, are issued as follows.

E4 through E6

NETPDTC issues examination results by Internet posting of Examination Status Verification Report (ESVR), Rating Change Authorization (RCA) and Profile Sheet. After receipt of the results of examination and final check to confirm that all requirements are met and that all information is correct, the CO is vested with independent authority to advance members to paygrades E-4 through E-6.
E7, E8 and E9

For E-7 candidates, NETPDTC provides examination results via Internet posting of ESVR announcing selection board eligible, selection board ineligible, fail, or discrepancy status as soon as possible after processing returns. For E-8 and E-9 candidates, NETPDTC (N321) provides selection board eligibility status via Internet posting of ESVR, listing candidates as SELECTION BOARD ELIGIBLE or DISCREPANCY upon completion of the validation process. Upon conclusion of the selection board, an official list of personnel selected for advancement is disseminated by CHNAVPERS via NAVADMIN. Another ESVR is issued identifying members in a SELECTEE or NON-SELECTEE status. Advancements are issued on RCA and Profile Sheets.

Publication and Verification of Navy-wide Advancement Examination Results

After initial publication of examination results, straggler returns, correction to discrepancies and so on, ESO or authorized personnel are required to access the NEASOS on a monthly basis to obtain supplemental RCA/ESVR. Under special conditions, advancement notifications are issued by message or letter.

COMMAND ACTION ON RECEIPT OF EXAMINATION RESULTS

On receipt of the examination results from NETPDTC, activities must first review the eligibility of all personnel listed and verify all multiple factors of all candidates. After review of eligibility, actions listed in the following paragraphs and in BUPERSINST 1430.16 (series) should be taken.

Personnel Not Known by the Activity

Report the names of personnel not known by the activity to NETPDTC by message or letter.

Examination Results Not Provided

Commands receiving personnel who are advancement candidates in any current advancement cycle must communicate with the member’s previous duty station when entries or proper documentation required is not in the member’s service record.

When requesting status on candidates whose names do not appear on the RCAs or ESVR, NETPDTC should be provided with the following information:

- Ecpf lk cvglu"hnri"pco g
- Last four of Social Security number
- Present rate
- Examination rate
- Examination serial number
- Examination activity
- Date examination was administered
- Date and serial of the letter of transmittal
• Registered mail/tracking number under which examination answer sheet was mailed
• UIC noted on worksheet
• UIC of present duty station.

Results for candidates administered late substitute examinations and results for activities forwarding late returns are normally published on the NEASOS.

Withdrawal of Recommendation/Recommended in Error/Declination of Advancement/Previously Advanced

On receipt of examination results, the names of all personnel whose advancement recommendations were withdrawn, members who were recommended in error, members who decline advancement and members who previously advanced under the provision of Selective Training and Reenlistment (STAR), Selective Conversion and Reenlistment (SCORE), Command Advancement Program (CAP), or from previous advancement cycles must be deleted. To delete these members submit a message to NETPDTC requesting invalidation of the examination, cancellation of advancement authority, or removal from selection board eligible status, as appropriate, along with an explanation.

Examination Profile

NETPDTC publishes an examination profile form for all E-4 through E-7 candidates following each Navy-wide examination on the NEASOS.

Examination profile forms are available for download to ESO, authorized personnel and individual candidates from the Navy Advancement Center’s Web site.

The Examination Profile Information Form provides the candidate with information on how well he or she performed on the examination as compared with other candidates who took the same examination.

In addition to subject matter tested, profile information forms report the candidate’s exam Standard Score (SS); Performance Mark Average, (PMA); Service in paygrade (SIPG); awards; Passed Not Advanced (PNA) points; Final Multiple Score (FMS); and minimum multiple required.

After each exam, candidates are able to see score breakdown by section. The title of each section is listed, followed by the number of questions in that section and the member’s score and percentile.

MERITORIOUS ADVANCEMENT PROGRAM

The Meritorious Advancement Program (MAP) is intended to reward sustained superior performance, providing command triads the opportunity to advance their top Sailors.

As part of our performance-based initiative and to better align the MAP with advancement cycles, the following changes have been made effective for active component (AC) and reserve component (RC) commands Navy-wide. An Annual MAP NAVADMIN will be released listing eligible command UICs and maximum quotas. Quota limitations are outlined in BUPERSINST 1430.16(series).
MAP VALIDATION

Commands will forward their MAP certification letter (copy to ISIC) to Enlisted Career Administration/Enlisted Boards (PERS-81) with their MAP selects listed in accordance with SUPERSINST 1430.16(series) PERS-81 will review the record(s) of the selected Sailor(s) and validate the MAP letter. If there are no discrepancies PERS-81 will inform the command that the MAP quota(s) are executable.

If discrepancies are discovered, PERS-81 will invalidate the MAP letter and notify the command of the reason(s) for invalidation. Commands would then be able to correct the discrepancy or identify new MAP candidates(s).

EFFECTIVE DATES

The effective date of validated MAP candidates will be as follows: Time-in-rate (TIR): 1 July (of current year) rate-of-rate (DOR): Fcvg"qEOLu"uki pcwgtq MAP certification letter between 1 July - 30 September (of current year). MAPs will not be executed until the CO has received authorization from PERS-81 (DOR will be retroactive to the CO's signature on MAP certification letter, but no earlier than 1 July). If operational commitments preclude a command from submitting their MAP certification prior to the deadline, the command shall forward the MAP certification letter with justification to their ISIC for endorsement and further processing through PERS-81. Pay, Personnel and Benefits Branch (PERS-2) will be the sole source to effect validated MAP advancements based on PERS:- 3lu validation.

Navy-wide advancement exam will be invalidated. COs may waive up to 12 months of the required TIR for E5 Sailors who have received a promotion recommendation of "Early Promote" on the most recent observed periodic evaluation. All ratings/paygrades (E3-E5) are eligible for MAP. Future MAP NAVADMINs may close ratings for MAP consideration due to the health of the community as directed by the Chief of Naval Personnel (CNP).

SUMMARY

This chapter identified the components of the Tuition Assistance program, clarifies eligibility for applicants, and describes the instances in which TA would not be authorized. In addition, you read an in-depth procedure for preparing, obtaining, and administrating the advancement examination. As a PS, you should understand the purpose and responsibilities of the ESO.
CHAPTER 8

PAY AND PERSONNEL ENTITLEMENTS

Learning Objectives: After reading this chapter, you should be able to do the following:

— Describe the purpose of these pay entitlements.
— Identify and use some terms associated with them.
— Discuss required documentation.

INTRODUCTION

You read about military pay and allowances in the Personnel Specialist (PS) Basic, Chapter 10 and 11. This advanced manual discusses pay entitlement areas that may cause more problems than any other entitlements-overseas station allowances and housing allowances.

OVERSEAS STATION ALLOWANCES

The overseas station allowance helps defray additional costs members incur in conjunction with being assigned to an overseas area. In this section, we discuss three of these allowances: (1) Overseas Housing Allowance (OHA), (2) Cost of Living Allowance (COLA), and (3) Temporary Lodging Allowance (TLA). The OHA allows a member assigned to an overseas location to defray significant amounts of the housing cost associated with that duty station. COLA's purpose is to help members maintain purchasing power whenever they are assigned to a duty station in a high-cost overseas area. TLA's purpose is to allow members to be partially reimbursed for the "more than normal" expenses associated with temporary lodgings and meals.

TERMINOLOGY

We need to define a few terms before discussing these entitlements in depth. In discussing overseas station allowances, the terms associated with these entitlements will be used consistently throughout this chapter according to the following.

ENTITLEMENT AND PAYABILITY REQUIREMENTS

OHAs and COLAs are payable under the same general conditions except COLA requires dependents to be command sponsored. Entitlement and payability requirements for TLAs are based on the overseas command and may vary. Next, we discuss the general conditions under which the allowances begin and end. Later in the chapter, we discuss each entitlement in detail and look at the more specific eligibility and payability requirements.

Commencement

Entitlement to OHA and COLA for a member begins on the day the member reports to the new Overseas Permanent Duty Station (PDS).
The allowances begin the day after the day on which the member reports to the new PDS under the following circumstances:

- The member reports without dependents and is entitled to a Monetary Allowance in Lieu of Transportation Plus Per Diem (MALT PLUS) allowance or TLA
- The member reports with dependents and is entitled to a MALT PLUS for the member and a TLA for the dependents or is entitled to a TLA for both the member and dependents.

Commencement of entitlement also may vary based on the location of the old duty station. For a member with dependents, commencement of entitlement may differ according to the vicinity wherein the dependents resided during the member’s tour at the old PDS before the member received orders to the new PDS. In some cases, the entitlement can begin before the member’s arrival at the new PDS. A common example of this is when the dependents precede the member to the new PDS. In these cases, however, the member’s old PDS must be Outside the Continental United States (OCONUS) and the dependents must have resided in the vicinity of the old PDS before the orders to the new PDS were issued. If the member’s old duty station is inside the continental United States (CONUS), the commencement of entitlement must begin when the dependents arrive on or after the effective date of the member’s orders or the day the member departs CONUS, whichever is later. However, the dependent station allowances (including TLA) may be authorized at an earlier date provided the member was approved, in advance, via the Secretarial process.

Termination

Entitlement to OHA and COLA generally ends on the day before the member departs in compliance with Permanent Change of Station (PCS) orders. If dependents remain after the member departs because of reasons beyond the control of the member or dependents, the allowances may continue up to 60 days after the effective date of the member’s orders. Some examples of qualifying reasons are illness or hospitalization of dependents; completion of school term; lack of acceptable housing at the new PDS; and difficulties related to transportation of dependents, shipment of household goods, or exigencies of the service.

In the following sections, we discuss each of these allowances in detail. Notice how entitlement and pay ability conditions vary, depending on the type of allowance.

Annual recertification

It is important to maintain a tickler so you can track those that are living off-base and receiving OHA. An annual recertification of their lease is required on the anniversary month of their entitlement. You can talk with the local housing office to get a list of personnel at your command that are receiving OHA. If member fails to recertify they may lose their OHA entitlements.

OVERSEAS HOUSING ALLOWANCE

The OHA system provides an allowance to personnel assigned to overseas locations to help defray a significant amount of the housing costs associated with overseas duty stations. All members authorized to live in privately leased or owned quarters can be entitled to OHA. Figure 8-1 is an example of the Individual OHA Report.
Two types of housing allowances are paid under the OHA system: (1) an up-front, lump-sum move-in housing allowance (MIHA) to those who qualify and (2) a monthly allowance. The monthly allowance is discussed first.

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Figure 8-1, Individual Overseas Housing Allowance (OHA) Report, DD Form 2367.
Figure 8-1, Individual Overseas Housing Allowance (OHA) Report, DD Form 2367.
Move-In Housing Allowance

The purpose of the MIHA is to defray costs associated with a member’s occupancy of privately leased/owned quarters covered by the OHA program. To be entitled to MIHA, a member must be eligible for OHA.

TYPES OF MIHA’S.— Their are three different types of MIHAs: 1. MIHA/Miscellaneous, 2. MIHA/Rent, and 3. MIHA/Security. The requirements and documentation differ among the three types.

- **MIHA/Miscellaneous.**— Is an up-front, lump sum payment that reflects average expenditures to make dwellings habitable (e.g., transformers, supplemental heating equipment, wardrobes, electricity connection). Members with and without dependents receive the full allowance with their first OHA rental payment. This allowance does not cover any moving-out costs. The amount payable is found in the Joint Travel Regulations (JTR). The amount is determined from members’ actual expenses reported to the Per Diem, Travel and Transportation Allowance Committee (PDTATAC) each year. All members entitled to MIHA receive MIHA/miscellaneous. It is paid based on the DD Form 2367 completed for OHA entitlement. Only one payment is authorized at a duty station unless a government-funded local move occurs and the member occupies another dwelling covered by OHA.

- **MIHA/Rent.**— Is an actual dollar-for-dollar reimbursement made in the field for customary or legally required up-front rent-related expenses, such as rental agents' fees, redecoration fees, and one-time lease taxes. Advance rental payments or refundable deposits are not covered. Recurring costs also are excluded. Any expenditure considered unreasonable by the authorizing/approving official must be disallowed in part or total. Those members who qualify must complete a MIHA claim, DD Form 2556. This form is shown in Figure 8-2. Appropriate receipts/documents must be provided to support the claimed amounts.

- **MIHA/Security.**— Is a dollar-for-dollar reimbursement made for security related enhancement to the physical dwelling when quarters must be modified to minimize exposure to terrorist or criminal threat. Locations must be designated MIHA Security locations for these payments to be authorized. Qualifying areas are listed in JTR. Examples of permissible items are security doors, bars, locks, lights and alarm systems. The DD Form 2556 is used to claim MIHA/Security allowances. Appropriate receipts/documents also are required to support these expenses.

Updates based on New Cost Data Allowances are reviewed and updated:

- **Rental Allowance:** Actual rents provide through local finance offices; consolidated data provided by duty station from the Defense Manpower Data Center. Rental allowance normally reviewed and adjusted every six months.

- **Utility/Recurring Maintenance Allowance:** Updated annually through a survey provided to members receiving OHA and paying utilities separately from rent.

- **MIHA/Miscellaneous:** Updated once every three years through a survey provided to members overseas receiving OHA.

- **MIHA/Rent and MIHA/Security:** Actual, dollar-for-dollar payments made in the field.

Updated based on Currency Fluctuations:
Allowances paid in U.S dollars but rent, utilities, and move-in are items typically paid in local currency. The goal is to maintain purchasing power in local currency over time.

Figure 8-2, Move in Allowance Claim Form, DD Form 2556.
Advance Payment of OHA

When allowed by regulations, a member’s Commanding Officer (CO), the CO designated representative, or another official so designated may authorize an advance payment of OHA and BAH. Details of these advances were discussed in the PS Basic, Chapter 10 and 11.

COST OF LIVING ALLOWANCE (COLA)

**Purpose.** COLA is authorized to assist a member in maintaining the purchasing power of the discretionary portion of spendable income while assigned to an OCONUS PDS. COLA is derived by comparing the OCONUS cost-of-living with the CONUS cost-of-living. An allowance to cover entertainment expenses is not authorized by 37 USC §405 and is not included in JTR.

**Allowances Payable.** The COLA index for each OCONUS location is shown in JTR. COLA rates are based on the member’s PDS except when the ship’s homeport is the PDS for COLA purposes. When a dependent resides at a location other than the PDS In Connection With (ICW) an unaccompanied assignment, or when a dependent is evacuated.

**COLA Calculation.** COLA is prescribed as a daily rate. It is computed by using the member’s annual income (as determined by the member’s grade, years of service, and dependency status) to identify the member’s annual spendable income (as determined by the number of command sponsored dependents) which, when multiplied by the authorized COLA index determines the annual COLA. For detail computation steps, refer to the JTR.

**COLA Unique Expenses.** In some OCONUS locations, members incur expenses for items that are not incurred in CONUS. Reimbursement may be authorized for specific locations and specific types of expenses.

COST-OF-LIVING ALLOWANCE FOR MEMBERS ASSIGNED TO CONUS HIGH-COST AREAS (CONUS COLA)

**High Cost Area.** A location is determined to be a high-cost area by the uniformed services each fiscal year for CONUS COLA purposes when the area’s cost of living exceeds the average CONUS cost of living. The term “base period,” with respect to a fiscal year, means the 12-month period ending on 30 June of the year in which such fiscal year begins. The “base period” cost of living must exceed the average cost of living by at least the threshold percentage. The Secretary of Defense (SECDEF) in consultation with the other Administering Secretaries establishes the threshold percentage, except that the threshold percentage by statute law may not be less than 8 percent.

The Administering Secretaries must prescribe a higher threshold percentage to be applied for a fiscal year when it is necessary to do so to ensure the total amount of CONUS COLA payments, made to Uniformed Services’ members under this part for such fiscal year, does not exceed the total amount available to all Uniformed Services for that fiscal year for paying CONUS COLA.

COLA START/STOP

**Start.** COLA generally starts on the day that a member reports to a new PDS or the day a dependent arrives prior to the sponsor. COLA starts on the day after the member’s reporting day if, on the reporting
day, a member is authorized "MALT-Plus’ per diem. As stated above, COLA may be authorized at an earlier date provided the member was approved, in advance, via the Secretarial process.

**Stop.** COLA stops on one of the following:

1. The day before the member departs in compliance with a PCS order, or

2. The day before the homeport change effective date (from OCONUS) of the ship or unit to which the member is assigned (item 3 below for the exception),

Unless the following apply:

- An extension is authorized through the Secretarial Process.

- COLA is authorized during a PCS between PDSs in close proximity, or Member without Dependent Undergoing a Home Port Change. Ordinarily COLA based on the rate for the old homeport stops on the day before the homeport change effective date and COLA based on the rate for the new homeport begins on the homeport change effective date. However, if a member without dependent is undergoing a home port change and the ship delays at the old home port after the home port change effective date (i.e., does not depart from the old home port before/on the home port change effective date) and QTRS on board the ship are not available (e.g., ship dry docked) a member without dependent is authorized COLA based on the old home port until the day the member moves back aboard the ship.

**COLA FOR A MEMBER WITHOUT DEPENDENT**

- Reduced COLA. A reduced COLA is paid to a member when both GOV’T QTRS and a GOV’T dining facility/mess are available. It is a reduced percentage rate (rounded to the closest penny) of the COLA rate computed per JTR for a member with 0 dependents living in private sector housing. The rate for Reduced COLA is currently 63% of the "Without dependent rate”.

**Computation**

To manually compute a member’s COLA, you must consult two of the appendixes in the JTR:

- Appendix J to find the index for the location
- Appendix L for the tables used to determine annual compensation and annual spendable income.

To determine the COLA to which a member is entitled, you need the following information about the member:

- Current pay grade
- Years of service
- Annual compensation (JTR)
- Number of dependents
- Station allowance computation
TEMPORARY LODGING ALLOWANCE

TLA is an allowance intended to partially pay members for the more than normal expenses incurred while occupying temporary lodgings OCONUS.

- Upon initial arrival (reporting) at an OCONUS PDS includes reporting for TDY at an activity
- Y j gp"dcufj "qy g"QEQPWU"VNC"cwj qtln( üy tkwp"i wî cpeq."j g"cr r tqr tlcv"q"tlhelcš
- f qvqto cpgw"j cvq"tcuq"dg( qpf "j g"o go dgtlu"eqptq"f qgu"pqv\perm g"c"uj k "pg"tpi "cp( "r g"
of maintenance availability), it is necessary for a member, once established in permanent GOV'T QTRS/private sector housing/privatized housing or waiting to reoccupy the vacated permanent GOV'T QTRS/private sector housing/privatized housing
- Y j qg"ugntpi "r gto cpgpw" QXIV'SVTU\tlcv"ugeq" allow a TDY period when a member without-f gr gpf gnu"xcecmg( "r gto cpgpw" QXIV'SVTU\tlcv"ugeq" housing before a TDY assignment of 90 or more days. While house-hunting after the member arrives at the new PDS and reports for duty in accordance with a PCS
- Immediately preceding PCS departure from an OCONUS PDS includes reporting for TDY at a location within the old OCONUS PDS limits (B-42: 962.53"Lcpwct{ "3: 5"chgt\ QXIV'SVTU\tke vate sector housing is vacated ICW a PCS authorization/order
- Fwšpi "c\o go dgt Is hospitalization period while en route between PDSs when dependents are required to use OCONUS temporary lodgings during the hospitalization period.

NOTE 1: A member who retires/separates, stays in the PDS area, and then moves at a later date, or moves to an OCONUS Home of Record (HOR/Home of Section (HOS) location selected by the member, is not eligible for TLA.

NOTE 2: TLA is not intended, and must not be allowed to be used, for the personal enrichment of a member by providing TLA for other than the purpose intended. Disciplinary actions are address in the JTR when TLA is provided for inappropriate reasons. The actions shall be for willful violations and may be in the form of counseling (oral/written), non-judicial action, or other appropriate means. Action must not be through refusal to reimburse unless it is otherwise supported within the JTR that an entitlement does NOT exist. Each Sailor and command/unit is expected to take appropriate disciplinary action when a member and/or AO fail to follow the JTR

NOTE 3: See JTR regarding authorizing/approving TLA in accordance with dependents’ advance arrival and/or delayed departure travel.

TLA Authorization Determination

- The OCONUS TLA authority causes the determination to be made whether or not it is necessary for the member and/or dependent(s) to occupy temporary lodgings when they first arrive at, or immediately before they leave, an OCONUS PDS
- If occupancy of temporary lodgings is necessary, the requirements of JTR must be met before TLA payment

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• If GOV'T QTRS are not available, the member should be prepared to provide written certification to support any voucher documentation submitted if required by finance regulations.

• When GOV'T QTRS are available and other lodgings are used, lodging reimbursement is limited to the GOV'T QTRS' cost per JTR. TLA is authorized as partial reimbursement for the more than normal expenses that a member will incur during his or her occupancy of temporary lodgings. In addition, it is used to help reimburse a member for the expense of meals that he or she will incur as a direct result of using a temporary lodging facility outside CONUS that does not have facilities for preparing and consuming meals.

General Entitlement Conditions

The following situations are examples of the circumstances under which a member may be entitled to a TLA:

• Upon initial arrival at (reporting to) a PDS outside CONUS and pending assignment of government quarters, or pending completion of arrangements for other permanent living accommodations when government quarters are not available, the member is entitled to a TLA.

• When a member without dependents vacates permanent housing because of a temporary duty assignment of 90 days or more, the member is entitled to a TLA while seeking permanent housing following the temporary duty.

• Immediately preceding departure on PCS orders from outside CONUS after vacating government quarters in connection with these orders or after surrender of other permanent living accommodations, a member is entitled to a TLA.

• While en route between PDSs, a member is hospitalized and the dependents are required to use temporary lodgings during the member's period of hospitalization. The member is entitled to TLA for the dependents.

• In the following sections, we discuss some conditions under which TLA entitlements may begin and end.

INITIAL ASSIGNMENT.— Generally, entitlement to TLA begins on the same date that a member is authorized for the commencement of COLA or OHA. The period of entitlement upon assignment to a PDS outside CONUS requiring a change of residence will not normally exceed 60 days. Since the senior commander in each country is required to issue regulations covering the administration of TLA for that country, a shorter period may apply based on local conditions. In addition, the regulations will designate those individuals who are authorized to approve the payment of TLA and set forth guidelines for the review of the necessity of TLA and for the economical administration of TLA payments. This will include a review of member's expenses and diligence in seeking permanent housing at the end of each 10- to 15- day period, as determined by local instructions.
PERIODS IN EXCESS OF 60 DAYS. — The OCONUS TLA Authority’s authorizing/approving official(s) under the JTR may authorize/approve a period in addition to the initial 60-day maximum which may follow immediately after the initial period or begin at some later date after expiration of the 60-day period. The additional period may be authorize/approve when any of the following occur:

- Non-arrival of household goods
- Delay in availability of or assignment to government quarters because of exigencies of the Service
- Acts of God, fire, flood, earthquake, riot, civil unrest, or other disturbances that make normally available or anticipated housing temporarily or permanently uninhabitable or unavailable
- Withdrawal of housing from the market by a landlord
- Inability of member to secure housing considered by the housing officer to be suitable to the member's needs, in an acceptable location, and comparable to and within the price range of housing currently being used by other members in the area
- Hospitalization of member or dependent(s); or curtailment of opportunities to arrange for permanent living accommodations because the nature of the member's assigned duties require the member to be away from the PDS (homeport, if attached to a vessel).

TLA STOP

- Unless TLA is terminated sooner for one of the reasons stated above, TLA authority upon initial arrival stops on the day before a member occupies permanent GOV'T QTRS or private sector housing.
- Note: In any case, TLA must stop the day HHG are delivered.

MEMBER AND DEPENDENTS ENTITLED TO MALT PLUS. — When a member and/or dependents is/are entitled to a MALT plus a flat per diem (MALT PLUS) on the day of reporting to a new PDS, no entitlement to TLA for the member or dependents, as applicable, exists for that day.

MEMBER ENTITLED TO PER DIEM FOR TRAVEL STATUS. — In some circumstances, a member and/or dependents may be entitled to per diem based on a travel status on the first day of reporting or after reporting to the new PDS. As indicated in the following examples, the entitlement to TLA will vary according to the circumstances.

Day of First Reporting to New PDS. — When a member and/or dependents occupy temporary lodgings on the day of first reporting to the new PDS, the member is entitled to TLA for self and/or dependents. Lodging costs incurred after termination of travel status on the day of first reporting will be included as TLA expenses.

Period While Awaiting Arrival of Ship. — When a member is in a per diem status while at the OCONUS home port awaiting arrival of the ship to which he or she is assigned, TLA on behalf of the member is not payable during the waiting period. This period will begin with the day of arrival at the homeport and will extend through the day before the member actually reports aboard the ship. Except on the day of reporting to the ship, lodging costs for quarters jointly occupied by a member and dependents will be apportioned 50 percent for the member and 50 percent for the dependents (regardless of the number of family members). However, on the day the member actually reports aboard the ship, the
lodging costs will not be apportioned and the entire lodging costs will be included as a TLA expense. The number of dependents occupying temporary quarters, in the area of the PDS or the homeport of the ship, will determine the rate payable for the days that the member is entitled to per diem.

Period of temporary duty or deployment while away from new PDS. — A member receiving TLA who is ordered on temporary duty after arrival at the new PDS or who is ordered on deployment from the homeport may continue to receive TLA on the member’s behalf. The TLA expense may include the member’s share of the temporary lodging cost. This allowance applies when the member’s military assignment requires that the temporary quarters be retained at the PDS or homeport. The member’s claim must be annotated with or have attached certification ascertaining that the reason the member retained those quarters was because of military necessity and not because of personal choice or convenience.

TLA WHEN MEMBER ARRIVES BEFORE DEPENDENTS.—When a member arrives at an OCONUS PDS before the dependents, the member may be authorized TLA if the necessary conditions are met. Upon arrival of the dependents, TLA may also be authorized or approved for the member and/or the dependents for the period they are required to use temporary lodgings. If the dependents arrive after the initial 60-day period expires, an additional period of entitlement may be authorized if any of the specific conditions set forth for additional entitlements are met.

If one or more of the dependents should remain in the vicinity of the old PDS after the member is subsequently assigned to other than a restricted or unaccompanied tour, the period of entitlement will not exceed the last 10 days preceding the day the last dependent departs. The departure must be no later than 60 days after the effective date of the PCS orders to the new PDS. The period of entitlement, based on the member’s assignment to a restricted or unaccompanied tour, must be approved by proper authority.

Special Entitlement Conditions

The period of entitlement for TLA may vary depending on a variety of factors, including local directives.

MEMBER AND DEPENDENTS REQUIRED TO VACATE PERMANENT QUARTERS. — When a member and/or dependents are required to vacate the established permanent quarters for reasons beyond the member’s control, the period of entitlement will be for the entire period that temporary lodgings are required, as long as this period is approved by the authorizing official. TLA will begin on the first day temporary lodgings are used and end on the day before permanent lodgings are reoccupied or on which the authorizing official determines that the allowance is no longer justified.

MEMBER’S DEPARTURE TO NEW PDS. — The period of entitlement upon a member’s departure to a new PDS will not exceed the last 10 days preceding the day the member departs from the old PDS in compliance with PCS orders. Like almost all other things in the disbursing world, there are exceptions. The following conditions are the exceptions to the “last 10 days” rule:

- If one or more of the dependents should remain after the member departs, the period of entitlement will not exceed the last 10 days after the day the last dependent departs. However, the departure must be no later than 60 days after the effective date of the PCS orders
If one or more of the dependents should remain in the vicinity of the old PDS, the period of entitlement will not exceed the last 10 days after the day the last dependent departs, without regard to the effective date of PCS orders or official alert notice, as applicable. The period of entitlement, based on the member’s assignment to a restricted or unaccompanied tour, must be approved by proper authority.

If the member faces a delayed departure or early termination of permanent housing, a longer period of entitlement may be authorized. (We will discuss these conditions later in this chapter.)

If the member or dependents are hospitalized or if the nature of the member’s assigned duties requires that the member be away from the PDS or homeport, a longer period of entitlement may be authorized.

DEPENDENTS DEPART BEFORE MEMBER. — When dependents depart an overseas PDS before the member, TLA is authorized for the member and dependents, provided they meet the other requirements for entitlement to TLA. The period of entitlement incident to the dependents’ departure will not exceed the last 10 days before the last dependent departs and will not begin earlier than the issue date of the PCS orders or official alert notice, as applicable. Upon departure of the member later, TLA may again be authorized or approved for the member.

DELAYED DEPARTURE. — When the period of entitlement authorized begins and actual departure is delayed through no fault of the member or dependents, additional entitlement may be authorized or approved. The entitlement will be in increments of 10 days or less for the entire period that temporary lodgings must be used.

EARLY TERMINATION OF PERMANENT HOUSING.— When, for reasons beyond the control of the member and/or dependents, permanent housing is required to be relinquished more than 10 days before the estimated date of departure, the approving authority may authorize TLA beginning the day such housing is relinquished. An example of this is when the lease, custom, or law requires the housing to be surrendered at fixed dates more than 10 days before scheduled departure. TLA will be authorized only for the number of days needed to prevent undue hardship to the member during the period involved.

MEMBER DETACHES FROM A SHIP AWAY FROM HOME PORT. — While a ship home-ported outside CONUS is away from the homeport, a member who detaches on PCS orders from the ship to the homeport is entitled to TLA in his or her own behalf unless he or she is entitled to per diem. If the member is entitled to per diem at the homeport, no entitlement to TLA exists for the member. Only the dependents occupying temporary lodgings at the homeport are considered for TLA purposes.

Computation of TLA Entitlement

The computation of TLA is the same whether the member and/or dependents are arriving or departing. The computations ordinarily are done in 10-day increments (15 days when determined to be appropriate by the TLA approving authority) or less when TLA entitlement ceases to exist before the end of that period.

NOTE: These figures are for illustrative purposes only and may not contain the specifically correct Basic Allowance for Housing (BAH), Basic Allowance for Subsistence (BAS), or per diem rates you should use. The information in these figures is designed to help you learn how to compute TLA entitlements. Please consult the most recent authoritative publications for the currently correct rates.
Restrictions on Concurrent Payments of Overseas Station Allowances

As a senior PS, be aware that concurrent payments of the overseas station allowances we discussed have certain restrictions.

Normally, OHAs and COLAS are not payable during a period in which a member is entitled to TLA for himself or herself and/or dependents. However, some exceptions to this rule apply when concurrent payments of overseas allowances are payable. The following situations are some examples of exceptions to this restriction. In these examples, concurrent allowances would be payable:

- C'o go dtgl u'il gr gpw'ctg"cwj qtkj gl "q"tg o clp"cvj gkt'rcg"q'tesidence after the member departs as long as the dependents are in compliance with the conditions we discussed earlier governing enwgo gpvq"fc"o go dtgl u'il gr gpw to overseas station allowances
- C'o go dtgl u'il gr gpw'y tgeqf g"vj g"o go dtgl"qvj g"pgy "RF U"cpf the member is receiving allowances as a member without dependents at the old duty station
- A member once established in permanent quarters is required to vacate those quarters temporarily. (OHA is not paid when housing cost is not incurred for permanent quarters).

Station allowances are authorized for dependents at a designated place outside CONUS while the member serves an overseas-restricted tour.

After reading about the pay ability requirements and possible exceptions to these requirements, you may find yourself feeling somewhat overwhelmed by the technicalities involving payment of overseas station allowances. There are certainly many different rules concerning these entitlements. As a senior PS, you will discover that once you begin to work with these entitlements, the rules and computations will become second nature. We have covered the general rules. For particular or unusual situations, always consult the JTR.

BASIC ALLOWANCE FOR HOUSING

Effective January 1, 1998, in general, BAH provides members a monthly allowance for housing. This allowance is authorized for members with and without dependents. Basic allowance for housing is intended to pay only a portion of housing costs. Basic allowance for housing will consist of BAH, BAH-II, BAH difference (BAH-DIFF), partial BAH, OHA and Family Separation Housing (FSH). Basic allowance for housing also consists of the former allowances known as basic allowance for quarters and variable housing allowance. Basic allowance for housing DIFF is the difference between the "with and without dependents" BAH rates as of December 31, 1997. Family separation housing is the former allowance known as Family Separation Allowance Type I. Housing rates can be viewed on the Defense Travel website.

Basic allowance for housing is payable to members on active duty and will vary according to the grade in which serving or appointed for basic pay purposes, dependency status and the PDS assigned. Refer to JTR, OPNAVINST 7220.12 (series) and current NAVADMIN messages when engaging in determining a Sailor’s BAH entitlement.

Permanent Duty Station

A member’s old PDS is the PDS for BAH purposes from the day the member departs the old PDS through the day before the member reports to the new PDS in compliance with PCS orders (if the
member had been residing in government quarters at the old PDS, the member is entitled to BAH the date of termination of government quarters). Refer to current governing directives for further guidance.

Basic Allowance for Housing Rates

The SECDEF determines the costs of adequate housing in a Military Housing Area (MHA) for all members of the Uniformed Services entitled to BAH by location. The determination for housing allowances is based upon the costs of adequate rental housing for civilians with comparable income levels in the same area.

An adjustment in the rates of BAH because of the SECDEF’s redetermination of housing costs in a MHA shall take effect with the pay raise each year.

The amount paid for BAH the preceding year is adjusted to reflect changes during the year. This process accounts for the number of members, grade distribution, geographic distribution, base closures, unit/command movements and the dependency status of members of the uniformed services entitled to the allowance from the number of such members during the preceding year.

Advance of Housing Allowances.

Entitlement. Effective April 20, 1999, when allowed by Service regulations, a member’s CO, the CO’s designated representative, or another designated official may authorize an advance payment of BAH to pay advance rent, security deposits and/or initial expenses incident to occupying other than government housing. The advance may be made at any time during a member’s tour at the station concerned. It also may be authorized when a member has relocated housing incident to PCS orders.

Normally, the advance shall not be disbursed more than 3 working days before the date payment under the lease or rental agreement must be made. Officers listed herein may authorize disbursement, in extenuating circumstances, more than 3 working days before the date payment must be made. The member must request the advance payment within 30 days after incurring the expense(s). Housing expenses will be documented to include copies of the lease, utility company statement and any other pertinent documentation available. Expenses identified by a member that will be used in the purchase of any real estate or living accommodations shall not be considered as a basis for authorizing or determining the amount of the advance.

The amount to be advanced is determined based on the member’s current prescribed BAH rate. The member’s ability to repay the advance, considering other advances of pay which may have been made and any recurring pay deductions, are considered in determining the amount of the advance. In no case shall the advance payment of BAH exceed a total of 3 months BAH expected to be accrued by the member.
SUMMARY

Overseas station allowances and BAHs, OHA and COLA all are designed to help offset additional costs that may be incurred by a member based on the PDS. Rates payable are set by the PDTATAC and are based upon surveys of member-incurred actual expenses. Each member’s entitlement is based upon pay grade and income. These factors are taken into account in computing the member’s entitlement. Computations for these allowances may seem difficult. However, once you compute the entitlements a few times, doing so will seem quite simple. Many additional aspects concerning overseas station allowances and BAHs could not be covered within the scope of this chapter. For complete regulations concerning these entitlements, refer to the JTR.
Assignment 1

Textbook Assignment: "Office Occupations and Management“, Chapter 1; “Manpower Management”, Chapter 2.

1-1. Training your personnel must be one of your primary concerns wherever you are. The quality of the work performed by your personnel reflects on you and eventually on your command.

1. True
2. False

1-2. What instruction outlines the guidance on the Pay/Personnel Administrative Support System (PASS) program?

1. COMNAVRESFORINST 1001.5 (series)
2. NAVPERS 15878
3. OPNAVINST 1000.23 (series)
4. BUPERSINST 1001.39 (series)

1-3. Which of the following ratings is not a customer service rating?

1. PS
2. YN
3. SW
4. NC

1-4. What instruction outlines the guidance on the handling and preparation of correspondence?

1. SECNAVINST M-5216.5 (series)
2. NAVPERS 15878
3. OPNAVINST 1000.23 (series)
4. BUPERSINST 1001.39 (series)

1-5. What instruction outlines the guidance on the handling and preparation of notices and instructions?

1. SECNAVINST M-5216.5 (series)
2. SECNAVINST M-5215.1 (series)
3. OPNAVINST 1000.23 (series)
4. BUPERSINST 1001.39 (series)

1-6. Recommendations for a personal decoration is prepared on what form?

1. OPNAV Form 1650/3
2. NAVPERS 1070/613
3. SF 1219
4. DD Form 93

1-7. Instructions are directives that contain authority or information of continuing reference value, or requiring continuing action. Instructions remain in effect until superseded or canceled by the originator or higher authority.

1. True
2. False

1-8. What instruction outlines the guidance on the preparation of personal naval awards?

1. SECNAVINST 1650.1 (series)
2. SECNAVINST 5215.1 (series)
3. OPNAVINST M-1000.23 (series)
4. BUPERSINST 1001.39 (series)
The Navy Standard Integrated Personnel System (NSIPS) is the Navy's single, field entry, electronic pay and personnel system and data repository for all Active-duty and Reserve Sailors.

1-9. The Navy Standard Integrated Personnel System (NSIPS) is the Navy's single, field entry, electronic pay and personnel system and data repository for all Active-duty and Reserve Sailors.

1. True
2. False

1-10. What is the role of the CPC (Command Personnel/Pay Administrative Support System (PASS) Coordinator)

1. Manage various support services for the command such as NFAAS, DTS and FLTMPS.
2. Train junior PS and review command manning requirements only.
3. Produce CAC and dependent ID cards.
4. To work closely with their customers and PSD to ensure that all facets of pay and personnel support are provided.

1-11. The supervisor's primary responsibility in NSIPS is the accuracy and release (if authorized) of events from the event file to central files.

1. True
2. False

1-12. Notices are directives of a one-time or brief nature that have a self-canceling provision. They have the same force and effect as instructions. Notices usually remain in effect for less than 6 months, but are not permitted to remain in effect for longer than 2 years.

1. True
2. False

1-13. The NSIPS Supervisor's primary responsibility is the accuracy and release (if authorized) of events from the field to NPC or DFAS.

1. True
2. False

1-14. Common Access Card (CAC) is a United States Department of Defense (DOD) smart card issued as standard identification. Which of the following personnel listed below are not eligible for a common access card issuance?

1. Military dependents
2. Active-duty military personnel
3. Reserve personnel
4. Contractor personnel

1-15. What instruction contains specific guidance on the issuance of the DD Form 1934 identification card?

1. SECNAVINST 1650.1 (series)
2. MILPERSMAN
3. BUPERSINST 7040.6 (series)
4. DODI 1000.1 (series)

1-16. What authority is responsible for the issuance of permanent change of station transfer orders (PCS)?

1. NPC
2. OPNAV
3. BUMED
4. DFAS
1-17. Commanding Officers have the authorization to write command/field-generated PCS orders allocating CNPC appropriated funds outside?

1. True
2. False

1-18. What instruction contains specific guidance on the preparation and transmitting of naval message?

1. BUPERSINST 7040.7 (series)
2. OPNAVINST 1000.23 (series)
3. BUPERSINST 7040.6 (series)
4. NTP 3 (series)

1-19. How many types of classified and unclassified narrative messages are there in the naval message system?

1. One
2. Two
3. Three
4. Four

1-20. What type of message has only one addressees either in the action (TO) or information (INFO) line?

1. Single address message
2. Multiple address message
3. Book message
4. General message

1-21. What messages are designed to meet recurring requirements to send out information to a wide, predetermined standard distribution?

1. General message
2. Book message
3. Multiple address message
4. Single address message

1-22. What instruction contains specific guidance on reports management?

1. SECNAVINST 1650.1 (series)
2. MILPERSMAN
3. BUPERSINST 7040.6 (series)
4. SECNAVINST M-5214.1 (series)

1-23. What instruction provides guidance on how a command may dispose of obsolete records and files.

1. SECNAVINST 1650.1 (series)
2. MILPERSMAN
3. OPNAVINST 1160.8 (series)
4. SECNAVINST M-5214.1 (series)

1-24. A Disbursing Officer (DO) who activates a new disbursing office, reactivates a disbursing office that has been temporarily closed, or relieves another DO must forward a memorandum through the requesting activity's chain of command to the Director, DFAS ATTN: DFAS-NPD/IN and to the supporting DFAS site.

1. True
2. False
1-25. The transfer between DOs may take place at any time, based on operational commitments or other considerations. What form is used to document the transfer?

1. SF 1219
2. FMS Form 5583
3. FMS Form 3023
4. DD Form 2674

1-26. A deputy to a DO is appointed by the supply officer and acts under a formal letter of appointment. Any officer, senior enlisted member, or civilian employee satisfactory to the DO and who is a U.S. citizen may be appointed to the position of deputy.

1. True
2. False

1-27. Generally, a Deputy Disbursing Officer is authorized to perform any and all acts relating to the receipt, disbursement, custody accounting for public funds in the name of and for the account of the appointing DO.

1. True
2. False

1-28. What authority is the termination of appointment memorandum forwarded to for a deputy officer being relieved of their duties?

1. NPC
2. OPNAV
3. DFAS
4. NETC

1-29. Who is responsible for collect account for cash perform other duties as required concerning the receipt, custody, safeguarding and preparation of checks?

1. Agent cashier
2. Paying agent
3. Postal agent
4. Collection agent

1-30. What individual is designated to perform duties relating to the collection of official funds?

1. Agent cashier
2. Paying agent
3. Postal agent
4. Collection agent

1-31. Disbursing personnel are not eligible for appointment as collection agents.

1. True
2. False

1-32. What instruction describes how the Navy determines, forecasts and programs manpower for ships, aviation squadrons, shore activities, staffs and new developments?

1. OPNAVINST 1000.16 (series)
2. MILPERSMAN
3. BUPERSINST 1001.40 (series)
4. DOD FMR Vol. 7A
1-33. Manpower requirements define the number of personnel required to perform the Navy’s work and deliver the specified capability.

1. True
2. False

1-34. What authority is responsible for determining the fleet manpower requirements?

1. OPNAV
2. NPC
3. NAVMAC
4. CNO

1-35. Which of the following is NOT the primary factor considered in developing fleet manpower requirements?

1. True Navy Maintenance and Material Management (3-M) Systems
2. Warfare publications
3. Maintenance requirements
4. Qualification and advancement requirements

1-36. What manpower document displays quantitative and qualitative manpower requirements of a sea duty activity or a sea duty activity with shore duty components that are operationally dependent upon one another?

1. SEAOPDET Manpower Document
2. Squadron Manpower Document
3. Fleet Manpower Document
4. Ship Manpower Document

1-37. What manpower document is in direct support of an aircraft carrier’s Aircraft Intermediate Maintenance Depot’s (AIMD) when the air wing is embarked?

1. SEOPDET
2. Squadron
3. Fleet
4. Ship

1-38. What manpower document displays quantitative and qualitative manpower requirements for an individual ship or class of ships and the rationale for determination of the requirements?

1. SEOPDET Manpower Document
2. Squadron Manpower Document
3. Fleet Manpower Document
4. Ship Manpower Document

1-39. What manpower document is responsible for an individual aviation squadron or a class of squadrons and the rationale for the determination of the manpower requirements?

1. SEAOPDET Manpower Document
2. Squadron Manpower Document
3. Fleet Manpower Document
4. Ship Manpower Document

1-40. Shore manpower requirements will be based on valid, approved workload drivers. The primary driver of shore workload is the Mission, Functions and Tasks (MFT) statement of the activity.

1. True
2. False
1-41. Total Force Manpower Management System is the single, authoritative database for the total force manpower requirements of active duty military personnel, Navy/Reserve Personnel, Navy (MPN/RPN) manpower authorizations and end strength.

1. True
2. False

1-42. What authority is responsible for providing CNO a total force manpower program that maximizes Navy war-fighting capability within allocated resources?

1. OPNAV
2. NPC
3. NAVMAC
4. CNO (N1)

1-43. War-fighting Enterprises and what authority are charged with coordinating the efforts of component elements spanning multiple Echelon 2 commands and/or BSOs to maximize war-fighting capability?

1. Commander, Naval Personnel Command
2. U.S. Fleet Forces Command
3. Chief of Naval Operations
4. Chief of Naval Personnel

1-44. Enablers are charged with supporting the War-fighting Enterprises by coordinating the efforts of component elements spanning multiple Echelon 2 commands and/or BSO’s.

1. True
2. False

1-45. Who is responsible for close monitoring and management of the health and welfare of enlisted rating communities?

1. ECM
2. MCPON
3. CMDCM
4. SEA

1-46. The Enlisted Community Manager (ECM) is not responsible for which of the following tasks?

1. Approve Fleet Reserve
2. Set advancement quotas
3. Ensures rating occupational Standards (OCCSTDS) are valid and current
4. Establishes and monitors sea/shore flow

1-47. The Officer Subspecialty System is a non-integrated manpower and personnel classification and control system that establishes criteria and procedures for identifying officer requirements for advanced education, functional training and significant experience in various fields and disciplines.

1. True
2. False

1-48. What instruction delineates the procedures to establish, change, modify or delete a subspecialty code or curriculum through the Navy Officer Occupational Classification Standards?

1. OPNAVINST 1000.16 (series)
2. MILPERSMAN
3. BUPERSINST 1001.40 (series)
4. NAVPERS 158391 Vol. 1
1-49. Continuous management of authorized priority manning is necessary to ensure mission accomplishment and to provide the order of importance for which activities will be priority manned while undermanning other activities.

1. True
2. False

1-50. Ships and activities whose mission success is deemed vital to the highest national interest and that require some degree of priority manning for an indefinite period of time may be authorized which priority manning?

1. Priority 1 Manning
2. Priority 2 Manning
3. Priority 3 Manning
4. Unauthorized Priority Manning

1-51. Ships and activities whose mission success is deemed essential to the national interests and that have specific needs for increased manning for a specified period of time in order to carry out their mission may be authorized what priority manning?

1. Priority 1 Manning
2. Priority 2 Manning
3. Priority 3 Manning
4. Unauthorized Priority Manning

1-52. Ships and activities that have a specific need for increased manning above the normal manning level for specific mission accomplishment may be authorized Priority 3 Manning by their respective MCA.

1. True
2. False

1-53. What authority establishes manning level within their area of responsibility to the authorized priority manning requirements in order of priority and provides manning levels for their remaining activities?

1. ECM
2. CHNAVPERS
3. MCA
4. CNO

1-54 What document serves as a single source document that provides the quantitative and qualitative Total Force (military, civilian and contractor) manpower requirements and authorizations allocated to a Naval activity to perform the assigned ROC/POE or MFT statement?

1. Shore Manpower Document
2. SEAOPDET Manpower Document
3. Squadron Manpower Document
4. Activity Manning Document
## Assignment 2

### Textbook Assignment:

"Personnel Casualty Reports", Chapter 3; "Financial Accountability", Chapter 4.

#### 2-1. If a casualty occurs to a member while away from member’s command, the local Navy activity apprised of the circumstances shall verify the casualty and notify the member’s command and Navy Personnel Command (NPC), Primary Casualty Response Branch (PERS-13).

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<thead>
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<tbody>
<tr>
<td>1.</td>
<td>True</td>
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<tr>
<td>2.</td>
<td>False</td>
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</table>

#### 2-2. What document contains specific guidance on the preparation of personnel casualty reports?

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1.</td>
<td>OPNAVINST 1000.16 (series)</td>
</tr>
<tr>
<td>2.</td>
<td>MILPERSMAN</td>
</tr>
<tr>
<td>3.</td>
<td>BUPERSINST 1001.40 (series)</td>
</tr>
<tr>
<td>4.</td>
<td>NAVPERS 158391 Vol. 1</td>
</tr>
</tbody>
</table>

#### 2-3. In cases where the deceased member’s command is unknown, the local Naval activity that is apprised of the circumstances shall inform NPC of the death.

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<tbody>
<tr>
<td>1.</td>
<td>True</td>
</tr>
<tr>
<td>2.</td>
<td>False</td>
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</tbody>
</table>

#### 2-4. The PCR shall be via which system?

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1.</td>
<td>Fleet Management Planning System</td>
</tr>
<tr>
<td>2.</td>
<td>Electronic Safety and Management System</td>
</tr>
<tr>
<td>4.</td>
<td>Defense Casualty Information Processing System</td>
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</tbody>
</table>

#### 2-5. PCRs are submitted for Active Duty Military Personnel only.

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<thead>
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<tbody>
<tr>
<td>1.</td>
<td>True</td>
</tr>
<tr>
<td>2.</td>
<td>False</td>
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</tbody>
</table>

#### 2-6. Commands are required to submit personnel casualty reports (PCR) within what maximum time frame?

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<table>
<thead>
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<tbody>
<tr>
<td>1.</td>
<td>One hour</td>
</tr>
<tr>
<td>2.</td>
<td>Two hours</td>
</tr>
<tr>
<td>3.</td>
<td>Three hours</td>
</tr>
<tr>
<td>4.</td>
<td>Four hours</td>
</tr>
</tbody>
</table>

#### 2-7. Category One is classified as very seriously ill or very seriously injured (imminent danger of loss of life). A casualty whose illness or injury is of such severity that the member is not medically expected to survive the immediate 24 hours or whose death is presumed to occur within 2 weeks.

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<tbody>
<tr>
<td>1.</td>
<td>True</td>
</tr>
<tr>
<td>2.</td>
<td>False</td>
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</tbody>
</table>

#### 2-8. Category two is classified as seriously ill or seriously injured. A casualty whose illness or injury is of such severity that there is cause for immediate concern but there is no imminent danger of loss of life.

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<tbody>
<tr>
<td>1.</td>
<td>True</td>
</tr>
<tr>
<td>2.</td>
<td>False</td>
</tr>
</tbody>
</table>
2-9. A naval disaster or accident is defined as a loss of life or injury to what specific number of personnel at a specific location?

   1. 60
   2. 40
   3. 20
   4. 10

2-10. A joint service disaster exists whenever casualties occur in a disaster or accident involving personnel of more than one service.

   1. True
   2. False

2-11. The CACO should be what minimum rank?

   1. E5
   2. E6
   3. E7
   4. O3

2-12. In all cases of casualties to Naval personnel involving death, “DUSTWUN”, or missing classifications, the next of kin will be promptly notified in person by a responsible uniformed Navy representative between the hours of 0800 and 2200 hours.

   1. True
   2. False

2-13. Under no circumstances will notification of death be made by telephone. There is no exception to this policy.

   1. True
   2. False

2-14. CO’s will write a letter of condolence to the next of kin within what time frame of an active duty service member’s death?

   1. 24 hours
   2. 48 hours
   3. 72 hours
   4. 96 hours

2-15. Funded Round trip transportation is authorized for what maximum number of family members to visit a seriously ill or injured active duty member, hospitalized in or outside the United States, if any?

   1. Not authorized
   2. One
   3. Two
   4. Three

2-16. What instruction provides information to afloat/ashore command on the handling and shipping of personal effects?

   1. OPNAVINST 1000.16 (series)
   2. MILPERSMAN
   3. NAVSUP P-485
   4. NAVPERS 158391 Vol. 1

2-17. What is the maximum time for the shipping of personal effects after a casualty occurs?

   1. 180 days
   2. 30 days
   3. 21 days
   4. 14 days
2-18. The CO and base security police must be notified when any person leaves the ship or disbursement activity for the purpose of transporting or picking up official cash funds in excess of what amount?

1. $10,000
2. $25,000
3. $50,000
4. $75,000

2-19. The safeguarding of funds is a command responsibility, the CO of the activity requesting that funds be made available must make the security provisions. The decision of whether or not to have an armed escort, how many armed guards are required, or the type of transportation to be used is all part of the requesting command’s responsibility.

1. True
2. False

2-20. What form is used by the DO to record the receipts of deposits and withdrawal of safekeeping funds?

1. DD form 1173
2. DD form 2674
3. DD form 2657
4. DD form 1081

2-22. DOs shall separate cash (i.e., personal checks, money orders, traveler's checks) from checks and U.S. Treasury checks and prepare what voucher separately?

1. DD Form 1173
2. DD Form 2674
3. SF 215
4. SF 219

2-23. Upon the relief of a DO, all funds— including those in the hands of deputies and other accountable assistants—must be transferred to the relieving DO. What voucher is utilized when this process occurs?

1. DD form 1173
2. DD form 2674
3. SF 215
4. SF 1219

2-24. Deposits shall be made at a time of day before the depository's specified cut-off time, but as late as possible to maximize daily deposit amounts. Receipts of $4,000 or more shall be deposited on the same day if received before the depository cut-off time.

1. True
2. False

2-25. What voucher is used when a bank has a valid charge against a disbursing symbol number?

1. DD form 1173
2. SF 5515
3. SF 215
4. SF 219
<table>
<thead>
<tr>
<th>Question</th>
<th>Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-26. All orders for U.S. Treasury checks shall be made using what</td>
<td>1. Form 2431</td>
</tr>
<tr>
<td>Government Printing Office (GPO) form?</td>
<td>2. SF 5515</td>
</tr>
<tr>
<td></td>
<td>3. SF 215</td>
</tr>
<tr>
<td></td>
<td>4. SF 219</td>
</tr>
<tr>
<td>2-27. What is the order and shipping time for the treasury checks?</td>
<td>1. 180 days</td>
</tr>
<tr>
<td></td>
<td>2. 120 days</td>
</tr>
<tr>
<td></td>
<td>3. 90 days</td>
</tr>
<tr>
<td></td>
<td>4. 60 days</td>
</tr>
<tr>
<td>2-28. DOs keep a record of undeliverable checks using what form?</td>
<td>1. DD form 1173</td>
</tr>
<tr>
<td></td>
<td>2. DD form 2674</td>
</tr>
<tr>
<td></td>
<td>3. SF 215</td>
</tr>
<tr>
<td></td>
<td>4. DD form 2658</td>
</tr>
<tr>
<td>2-29. A check that is not delivered to the payee within 45 days after the</td>
<td>1. True</td>
</tr>
<tr>
<td>month of issue is considered an undeliverable check.</td>
<td>2. False</td>
</tr>
<tr>
<td>2-30. Deposits should be sent to the Federal Reserve Bank (FRB) not later</td>
<td>1. 5th</td>
</tr>
<tr>
<td>than what day of the month of receipt?</td>
<td>2. 10th</td>
</tr>
<tr>
<td></td>
<td>3. 15th</td>
</tr>
<tr>
<td></td>
<td>4. 25th</td>
</tr>
<tr>
<td>2-31. A recertified check is a check issued to replace an unavailable</td>
<td>1. True</td>
</tr>
<tr>
<td>canceled check. Recertified checks can be issued for checks less than</td>
<td>2. False</td>
</tr>
<tr>
<td>12 months old, that have been canceled as unavailable U.S. Treasury</td>
<td></td>
</tr>
<tr>
<td>checks and reported to the DO as lost, stolen, mutilated, or not received</td>
<td></td>
</tr>
<tr>
<td>by the payee.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. DD form 1173</td>
</tr>
<tr>
<td></td>
<td>2. DD form 2660</td>
</tr>
<tr>
<td></td>
<td>3. DD form 2657</td>
</tr>
<tr>
<td></td>
<td>4. DD form 1081</td>
</tr>
<tr>
<td>2-32. When a payee reports the loss, theft, mutilation, or non-receipt</td>
<td>1. DD form 1173</td>
</tr>
<tr>
<td>of a U.S. Treasury check, the DO obtains a written statement from the</td>
<td>2. DD form 2660</td>
</tr>
<tr>
<td>payee using?</td>
<td>3. DD form 2657</td>
</tr>
<tr>
<td></td>
<td>4. DD form 1081</td>
</tr>
<tr>
<td>2-33. To assure the necessary cross-reference and control over unavailable</td>
<td>1. DD form 1173</td>
</tr>
<tr>
<td>check cancellations, the DO will maintain which form?</td>
<td>2. DD form 2660</td>
</tr>
<tr>
<td></td>
<td>3. DD form 2662</td>
</tr>
<tr>
<td></td>
<td>4. DD form 1081</td>
</tr>
<tr>
<td>2-34. The Department of the Treasury uses what form to notify DOs of</td>
<td>1. DD form 1173</td>
</tr>
<tr>
<td>check issue discrepancies?</td>
<td>2. FMS form 5206</td>
</tr>
<tr>
<td></td>
<td>3. SF 215</td>
</tr>
<tr>
<td></td>
<td>4. SF 219</td>
</tr>
</tbody>
</table>
2-35. A check issue overdraft occurs when the amount printed on a check and paid by the Department of the Treasury is greater than the issue amount of that check as reported by a disbursing officer (DO) on the check issue report.

1. True
2. False

2-36. What instruction sets forth complete and explicit instructions for the procurement, use and disposition of foreign currencies?

1. DODFMR, Vol. 5
2. JTR Vol. 1
3. DODFMR Vol. 7A
4. Navy PTG

2-37. What voucher is used to document foreign currency gains?

1. OF-1017G
2. SF-215
3. SF-219
4. FMS form 5206

2-38. Vouched foreign currency gains will be documented using what form?

1. DD form 1173
2. DD form 2660
3. DD form 1131
4. DD form 1081

2-39. What voucher is used if a loss of foreign currency occurs due to a revaluation of foreign currency?

1. OF-1017G
2. SF-215
3. SF-219
4. SF 1034

2-40. Certifying Officers and accountable officials must be appointed using form?

1. DD form 577
2. DD form 2660
3. DD form 1131
4. DD form 1081

2-41. What form is maintained daily for each disbursement voucher received or prepared in the disbursing office?

1. DD form 2659
2. DD form 2660
3. DD form 1131
4. DD form 1081

2-42. What form is prepared as a summary of cash transactions and receipt for cash and vouchers on hand between DOs and their agent officers (deputies, agents, cashiers and paying and collection agents)?

1. DD form 2659
2. DD form 2660
3. DD form 1131
4. DD form 1081

2-43. What form serves as a payroll for personal services-certification and summary?

1. DD form 2659
2. DD form 592
3. DD form 1131
4. DD form 1081
### Assignment 3

**Textbook Assignment:** "Navy Cash", Chapter 5; “Separations, Discharges and Retirements”, Chapter 6.

#### 3-1. Navy Cash cards replace bills and coins for personal financial transactions at all retail locations on board ship. Sailors and Marines must have Navy Cash cards to pay for purchases at the ship’s store, vending machines and the post office.

1. True
2. False

#### 3-2. What form is used for enrollment in the Navy Cash program?

1. FMS Form 2887
2. FMS Form 5583
3. FMS Form 3023
4. DD Form 2674

#### 3-3. What instruction contains specific guidance on the Navy Cash program?

1. NAVSUP P-486
2. NAVSUP P-727
3. OPNAVINST 1000.23 (series)
4. BUPERSINST 1001.39 (series)

#### 3-4. What is the maximum amount of funds that can be lost from the chip as long as the Personal Identification Number (PIN) is protected.

1. $100.00
2. $75.00
3. $50.00
4. $25.00

#### 3-5. Navy Cash limits vending machine purchases to what amount on the electronic purse before the PIN is required to reset?

1. $25.00
2. $50.00
3. $75.00
4. $100.00

#### 3-6. To keep communications demands to a minimum, Navy Cash is designed to work on a store-and-forward basis—a day’s worth of transactions are generally transmitted ashore once each day at the end of the business day.

1. True
2. False

#### 3-7. What form does the FSO present to the mess treasurer for the amount of the food consumed by the mess?

1. DD Form 2887
2. FMS Form 5583
3. DD Form 1149
4. DD Form 2674

#### 3-8. What form does the treasurer prepare and presents to the Disbursing Officer for monthly merchant sales?

1. DD Form 2887
2. FMS Form 5583
3. DD Form 1149
4. NAVSUP 1359
3-9. What publication contains specific instructions on operations of ship’s stores sales and services afloat?

1. NAVSUP P-486
2. NAVSUP P-727
3. NAVSUP P-487
4. BUPERSINST 1001.39 (series)

3-10. What form is used to process Navy Cash end of month transaction?

1. SF 1219
2. FMS Form 5583
3. FMS Form 3023
4. DD Form 2674

3-11. What is the daily maximum limit on funds transfers from an individual’s bank account to their Navy/Marine Cash account?

1. $200.00
2. $400.00
3. $600.00
4. $800.00

3-12. For merchants who settle to bank or credit union accounts, what daily maximum limit has been pre-set on funds transfers from the bank or credit union account to the Navy/Marine Cash account?

1. $5,000.00
2. $10,000.00
3. $15,000.00
4. $20,000.00

3-13. Who is responsible for control of all spare K22 Point-of-Sale (POS) devices held in ready reserve for periodic functions?

1. Deputy agent
2. Sales officer
3. Disbursing officer
4. Supply officer

3-14. Who is responsible for control of all spare Card Access Devices (CADs)?

1. Deputy agent
2. Sales officer
3. Disbursing officer
4. Supply officer

3-15. Chip Purchase Refund option allows the Disbursing Officer (Sales Officer) to select a single specific purchase transaction for the refund from a list of the cardholder’s purchases to include multiple-item purchases.

1. True
2. False

3-16. Unmatched chip-to-chip transactions must be corrected to return the value to the sending card. Navy cash can correct any unmatched electronic value transfers in two ways: manually, through the Disbursing Application, or automatically.

1. True
2. False
3-17. What publication provides guidance on the Disbursing Accountability Summary Report (DASR)?

1. BUPERSINST 7040.7 (series)
2. Navy PTG
3. JTR
4. DODFMR, Vol. 5

3-18. Navy Cash lets cardholders transfer value to their Navy Cash cards from their bank or credit union accounts and to spend that money on board ship immediately—before the funds are actually transferred from their accounts ashore into the Navy Cash funds pool.

1. True
2. False

3-19. The Disbursing Officer will be responsible for establishing a Navy Cash policy for the command that identifies the limits on size, number, suspension of a cardholder’s card for misuse, and disciplinary repercussions associated with NSF or other returned transactions.

1. True
2. False

3-20. Who is responsible for collecting negative balance debts on afloat units?

1. Deputy agent
2. Sales officer
3. Disbursing Officer
4. Supply Officer

3-21. Collection action for the amount of the negative balance after receipt of the pertinent Negative Balance Report should being within what time frame?

1. 30 working days
2. 15 working days
3. 10 working days
4. 5 working days

3-22. All funds collected, disbursed, or maintained by the Disbursing Officer, Deputies and Agents are to be considered public funds. Therefore, responsible individuals will be required to show auditable proof for the disposition of those funds.

1. True
2. False

3-23. For a member who is separating from active service, the Defense Finance and Accounting Service—Cleveland Center (DFAS—CL) is the initial source of documentation. Based on an enlisted member’s Expiration Term of Service (ETS) date, DFAS—CL forecasts payments due the member upon his or her discharge.

1. True
2. False

3-24. Within 60 days following the member’s separation, DFAS—CL balances the MMPA and determines the amount owed to the member or by the member, whichever the case may be.

1. True
2. False
3-25. Commands must ensure that pre-retirement counseling is provided to prospective retirees how many days before their prospective retirement date?

1. 30 days  
2. 60 days  
3. 90 days  
4. 120 days

3-30. Members or former members who die during the 120-day period beginning on the day following the date of discharge or release, under honorable conditions, from active duty are entitled to death gratuity pay.

1. True  
2. False

3-26. What is the form used for Survivor Benefit Plan (SBP) participation?

1. DD Form 2887  
2. DD Form 2656  
3. DD Form 1149  
4. DD Form 2674

3-31. The DOD defines in loco parentis as a person who stood in place of a parent to the service member 24 hours a day for a period of at least 5 years before the service member became 21 years old or entered military service.

1. True  
2. False

3-27. What authority authorizes transfer to the Fleet Reserve?

1. NPC  
2. OPNAV  
3. CNO  
4. NETC

3-32. Which of the following members would NOT be entitled to death gratuity?

1. A member whose death is determined by administrative finding under the Missing Persons Act.  
2. A reservist who dies while traveling directly to or from active duty for training or inactive training  
3. A member who dies while on active duty or while traveling to or from such duty  
4. A member who was in an Unauthorized Absence status during the time of their death..

3-28. What is the death gratuity for a service member who dies?

1. $100,000  
2. $250,000  
3. $400,000  
4. $450,000

3-33. What form is utilized for certification and voucher for death gratuity payment?

1. DD Form 2887  
2. DD Form 397  
3. DD Form 1149  
4. DD Form 2674

3-29. What publication completely covers the requirements and laws governing the payment of a death gratuity?

1. NAVSUP P-486  
2. JTR  
3. DODFMR, Vol. 7A  
4. DODFMR, Vol. 5
Assignment 4


4-1. Navy TA pays up-front the tuition and fees charged by educational institutions for course enrollments. Navy TA pays 75% of tuition costs for courses applicable to the completion of a high school diploma or equivalency certificate.

1. True
2. False

4-2. For other education levels, there is a fiscal year credit limit of 16 Semester Hours, or 24 Quarter Hours per individual.

1. True
2. False

4-3. What instruction contains specific guidance on the Navy’s tuition assistance program?

1. OPNAVINST 1420.1 (series)
2. OPNAVINST 1560.9 (series)
3. MILPERSMAN
4. BUPERSINST 1430.16 (series)

4-4. The enlisted advancement system provides qualified enlisted personnel an orderly progression to higher levels of responsibility throughout their Naval career.

1. True
2. False

4-5. What is the DOD prescribed minimum TAFMS for a Master Chief Petty Officer?

1. 7 years
2. 11 years
3. 16 years
4. 19 years

4-6. What is the DOD prescribed minimum TAFMS for a Senior Chief Petty Officer?

1. 7 years
2. 11 years
3. 16 years
4. 19 years

4-7. What is the high year tenure for a Senior Chief Petty Officer?

1. 20 years
2. 24 years
3. 26 years
4. 30 years

4-8. What is the high year tenure for a Chief Petty Officer?

1. 20 years
2. 24 years
3. 26 years
4. 30 years
4-9. Information on high year tenure can be found in what document?

1. OPNAVINST 1420.1 (series)
2. OPNAVINST 1560.9 (series)
3. MILPERSMAN 1160 (series)
4. BUPERSINST 1430.16 (series)

4-10. Which authority is responsible for the production and development of Navy examinations for paygrades E-4 through E-7 for all Navy ratings?

1. NETPDTC
2. NETC
3. NPC
4. OPNAV

4-11. Information on the DOD total active federal military service can be found in what document?

1. OPNAVINST 1420.1 (series)
2. OPNAVINST 1560.9 (series)
3. MILPERSMAN
4. BUPERSINST 1430.16 (series)

4-12. Advancement to E-8 and E-9 requires an examination.

1. True
2. False

4-13. Ordering dates for regular and supplemental examination orders using the Internet method are published in the applicable examination cycle NAVADMIN and front page of the NEASOS web site.

1. True
2. False

4-14. The preferred method for ordering examinations is via verification of a time in rate eligibility listing (TIR listing) on NEASOS website.

1. True
2. False

4-15. What document contains specific guidance on the ordering of examinations?

1. OPNAVINST 1420.1 (series)
2. OPNAVINST 1560.9 (series)
3. MILPERSMAN
4. BUPERSINST 1430.16 (series)

4-16. What form is used to request Board for the Correction of Naval Records (BCNR) for a backdate of advancement date?

1. DD form 2887
2. DD form 149
3. DD form 1149
4. DD form 2674

4-17. All examinations and completed answer sheets shall be in the custody of a U.S. Naval Officer, or designated Master Chief, Senior Chief, Chief Petty Officer, Petty Officer First Class or civilian.

1. True
2. False

4-18. What form number is used to identify the recommendation for advancement in rate or change of rating (worksheet)?

1. DD form 2887
2. DD form 149
3. DD form 1149
4. NETPDTC 1430-3
4-19. What month is the E-7 selected reserve examination administered?

1. January
2. February
3. March
4. September

4-20. An operational commander may authorize a delay of no more than 14 days in the administration of examinations for seagoing or aviation units operating in company or based outside the continental United States.

1. True
2. False

4-21. COs of ships proceeding independently may administer examinations as soon as possible but not more than 10 days past the regularly scheduled examination date, provided members of the crew had no means of communicating with personnel who participated in the examination in the interim.

1. True
2. False

4-22. When splitting an Advancement Exam, each candidate should be allowed a two hour testing period, for each half of the exam.

1. True
2. False

4-23. What is the assigned ratio of proctor to candidate for Navy-wide examinations?

1. 1/25
2. 2/35
3. 3/65
4. 1/28

4-24. What document contains specific guidance on the destruction of examination?

1. OPNAVINST 1420.1 (series)
2. OPNAVINST 1560.9 (series)
3. SECNAV M-5510.36 (series)
4. BUPERSINST 1430.16 (series)

4-25. PERS-2 is the sole source to effect validated CAP advancements based on PERS-81’s validation.

1. True
2. False

4-26. COLA’s purpose is to help members maintain purchasing power whenever they are assigned to a duty station in a high-cost overseas area.

1. True
2. False

4-27. What is utilized for Individual Overseas Housing Allowance (OHA) Report

1. DD form 2887
2. DD form 2367
3. DD form 1149
4. DD form 2674
**4-28.** Those members who qualify must complete a MIHA claim, utilizing what form?

1. DD form 2887
2. DD form 2367
3. DD form 2556
4. DD form 2674

**4-29.** If dependents remain after the member departs because of reasons beyond the control of the member or dependents, the allowances may continue up to how many days after the effective date of the member’s orders?

1. 30 days
2. 60 days
3. 90 days
4. 120 days

**4-30.** MIHA/Miscellaneous entitlement reflects the average expenditures made by members to make their dwellings habitable.

1. True
2. False

**4-31.** What publication contains detailed instructions on cost of living allowance?

1. DODFMR Vol. 9
2. DODFMR Vol. 7A
3. JTR
4. Navy PTG

**4-32.** TLA is authorized as fully reimbursement for the more than normal expenses that a member will incur during his or her occupancy of temporary lodgings.

1. True
2. False

**4-33.** If one or more of the dependents should remain in the vicinity of the old PDS after the member is subsequently assigned to other than a restricted or unaccompanied tour, the period of entitlement will not exceed the last 10 days preceding the day the last dependent departs.

1. True
2. False

**4-34.** Who is responsible for determining the costs of adequate housing in a Military Housing Area (MHA) for all members of the Uniformed Services entitled to BAH by location?

1. SECDEF
2. SECNAV
3. CNO
4. CO

**4-35.** Which of the following is NOT used to determine the COLA to which a member is entitled?

1. Sea/Shore Rotation
2. Current pay grade
3. Years of service
4. Number of dependents
4-36. When a member without dependents vacates permanent housing because of a temporary duty assignment of 90 days or more the member is entitled to a TLA while seeking permanent housing following the temporary duty.

1. True
2. False
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