

Navy Cash® Update

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We begin this article with a short look back. In April, 2001 NAVSUP partnered with the U.S. Department of the Treasury and the Fleet to prototype the first Navy Cash system on USS RENTZ (FFG 46). This prototype marked the beginning of the revolution in how the Navy processes monetary transactions aboard ship. By combining electronic chip and magnetic strip technologies on a debit card, Navy Cash virtually eliminates the need for Service Members to carry cash aboard ship, provides them with 24/7 access to funds, and allows them to use the card at ATM machines and merchants worldwide. Navy Cash is currently installed on 126 ships, and rollout continues on schedule for completion in 2009. As one mark of the success of Navy Cash, ships are carrying about 75% less cash on deployments, and many ships are returning with more than 80% of that cash remaining.

As with any program, understanding customer feedback is critical to success. This is particularly true of Navy Cash where customer feedback has brought focus on three areas for improvement. These include need for enhanced sustainment training and improvements to the processes concerning End of Month variances and negative balances. Quick overviews in each of these areas follow.



Point of Sale Device (K22) used in ship store and other places.



To begin we'll address Navy Cash training. Initially training was provided as part of the installation process followed by quarterly refresher sessions. While this was successful early on, the need for robust follow-on training has become evident by the Fleet.

To meet the needs several training efforts are underway.

- First, a Navy Cash training module has been incorporated into the SC Officer BQC at Athens. This includes hands-on training in a lab environment with a full system mock up of a Navy Cash system. Here students deal with "real life" exercises in managing and operating a Navy Cash system.

- Second, we have partnered with Center for Service Support (CSS) and are on track to complete development of an Integrated Learning Environment (ILE) Computer-Based Training (CBT) module this fall. Similar to the above, this CBT will maximize trainee interaction through the use of simulation and real-life examples. The CBT will be available to anyone needing refresher or turnover training. Additionally, Navy Cash training at the "A" schools and "C" schools will be augmented to include this CBT.

- Third, Navy Cash instruction and hands-on training was introduced into the 2905 "C" Schools in the Fall 2007, and the Navy Cash Fleet Support Groups (FSGs) are providing monthly water front training sessions and are available to provide one-on-one assistance. ▶



ATM-like machine without cash in it is used to transfer money from a bank account to the Navy Cash card.



Card acceptance device (CAD) is loaded in vending machines to allow Navy Cash card to be used.

In summary, we are hopeful the above actions will bridge the training gap for Navy Cash operators. We will continue to work with the Fleet to monitor training requirements and develop or refine training as needed.

Next we'll address the End of Month (EOM) Variance challenge. For those not familiar, an EOM variance occurs when the EOM figures reported by the ship for disbursing, ships store, food service transactions differ from those reported by the supporting shore site. EOM variances can occur for a variety of reasons, but whatever the reason reconciliation can be a time consuming action for the disbursing office. To address the challenge a working group of stakeholder representatives was formed. The working group analyzed historical EOM data and patterns, isolated root causes and developed streamlined EOM procedures. The new procedures were successfully prototyped last summer and are now implemented on all Navy Cash ships. The next step is to automate these EOM procedures. Work is already underway, and we expect a fully automated EOM process to be in place next year.

Lastly we'll address the challenge of negative balances. As you may know Navy Cash operates in an environment where communication off ship is not always available. Therefore, Navy Cash was designed as a "store-and-forward" system. This means there is a gap between when the cardholder makes the transaction aboard ship and when the transaction is settled with their home bank or credit union. This is similar but much faster, days vs. weeks, to the traditional checking cashing procedures where there is a gap between the time the check is submitted and clears.

Furthermore, just like the days of checkbooks, cardholders can get a non-sufficient funds (NSF) notice from their bank or credit union. While Navy Cash NSF rates are roughly half of what is experienced commercially,

they never the less create additional workload for the Disbursing Officer who is responsible to clear the negative balances. Navy Cash has a significant improvement under development to reduce this workload. Planned for release later this year, Navy Cash will automatically resubmit NSF transfer requests on the next payday. This will reduce the number of NSF occurrences, reduce the workload associated with clearing negative balances, as well as reduce number of NSF charges for cardholders. Similar programs, such as the Army's Eagle Cash program, experience more than a 90% reduction in negative balances with this automated solution.

New Resource for Navy Cash Help. The Treasury recently launched a new web site that includes Navy Cash training materials, procedures, and reference guides, as well as points of contact and FAQs. The site also includes a more in-depth discussion on the solutions presented here. Please check it out at <http://fms.treas.gov/navycash/>.

A special thanks to Jim Stansfield, LMI for key contributions and edits to this article. Also, thanks to USS *Theodore Roosevelt* Supply Department for the pictures used in the article. ❁

Dan Olson has 14 years of civilian service with the Army and Navy. He received the Meritorious Civilian Service Award for recent improvements made to the Navy Cash Program. Now working on his dissertation on GAO's impact on Public Management, Dan graduated with a B.A. in Economics from the University of Minnesota and an M.S. in Business Administration from Texas A&M.

Bob Romanoski joined the NAVSUP Team in 1996 coming from the Naval Sea Systems Command where he was involved in a number of programs improving the quality of life and safety of service members. He has a B.S. degree in Mechanical Engineering Technology from Penn State University.



Navy Cash provides a disbursing application used by the disbursing officer on a laptop.