

# Chapter 4

## Private Messes

<b>4.1</b>	<b>Background.....</b>	<b>4-2</b>
<b>4.2</b>	<b>Planned Maintenance System.....</b>	<b>4-3</b>
<b>4.3</b>	<b>Establishing the Private Mess as a Navy Cash Merchant .....</b>	<b>4-3</b>
<b>4.4</b>	<b>Sale of Meals .....</b>	<b>4-4</b>
4.4.1	For Mess Members .....	4-5
4.4.2	For Guests Without Navy Cash Card .....	4-5
4.4.3	For Guests With Navy Cash Card .....	4-6
4.4.4	For Large Groups .....	4-6
<b>4.5</b>	<b>Mess Bill Collection.....</b>	<b>4-6</b>
<b>4.6</b>	<b>Commuted Ration Credit to a Private Mess.....</b>	<b>4-7</b>
<b>4.7</b>	<b>Refunds.....</b>	<b>4-7</b>
<b>4.8</b>	<b>Payment of Mess Expenses (flowers, gifts, etc.).....</b>	<b>4-9</b>
4.8.1	On Board Ship.....	4-9
4.8.2	Ashore .....	4-9
4.8.3	Record of Expenditures .....	4-9
<b>4.9</b>	<b>Transfer Funds Between Mess Checking Account and Navy Cash Account .....</b>	<b>4-9</b>
<b>4.10</b>	<b>Private Mess Bill Payment to FSO.....</b>	<b>4-9</b>
4.10.1	Subsisting From General Mess.....	4-9
4.10.2	Private Mess .....	4-10
4.10.3	Mess Bill \$10,000 or Greater. ....	4-10
4.10.4	Mess Bill Less Than \$10,000.....	4-10
<b>4.11</b>	<b>Handling of Official Representation Funds (ORF) .....</b>	<b>4-10</b>

<b>4.12</b>	<b>End-of-Day Procedure .....</b>	<b>4-11</b>
<b>4.13</b>	<b>Daily Reconciliation of Navy Cash.....</b>	<b>4-11</b>
<b>4.14</b>	<b>End-of-Month Reconciliation Procedure .....</b>	<b>4-13</b>
<b>4.15</b>	<b>Navy Cash Effect on the Monthly Financial Operating Statement, NS 1367 ....</b>	<b>4-14</b>
4.15.1	Receipts .....	4-14
4.15.2	Expenditures .....	4-14
4.15.3	Cash Brought Forward (Cash on Hand) .....	4-14
<b>4.16</b>	<b>Contingency Operations .....</b>	<b>4-14</b>
<b>4.17</b>	<b>Private Mess Reports and Forms (examples) .....</b>	<b>4-16</b>
4.17.1	Daily Merchant Sales Summary Report.....	4-16
4.17.2	Monthly Merchant Sales Summary Report.....	4-17
4.17.3	Daily Transaction Detail Report.....	4-18
4.17.4	Monthly Transaction Detail Report.....	4-19
4.17.5	Merchant Settlement Report.....	4-20
4.17.6	Daily/Monthly Reconciliation Worksheet.....	4-21

## **4.1 Background**

This chapter of the SOP describes Navy Cash procedures for selected operations in the wardroom, CO, unit commander (flag), CPO, and any other private messes:

### *NOTES:*

- 1. The term treasurer used in this chapter refers not only to the private mess treasurer but also individuals that have been properly authorized and appointed as his/her agents.*
- 2. A private mess is considered “subsisting” from the general mess when meals consumed in the mess are accounted for and billed to the mess at standard meal prices by the general mess in accordance with NAVSUP Publication 486, Volume 1, Food Service Management – General Messes.*
- 3. A private mess is considered “private” when the general mess is reimbursed for the cost of the stores (food) consumed by the private mess on a monthly basis.*
- 4. When a private mess collects or expends Navy Cash funds (for any reason) ‘NC’ will be noted in parenthesis in the purpose field on the Record of Collections or Record of Expenditures to denote that the collection/expenditure was made in Navy Cash. This*

*notation is required to distinguish Navy Cash collections/expenditures from actual cash (currency) collections/expenditures for the day during the daily reconciliation process described below.*

5. *The Navy Cash card e-purse (chip) sets a maximum load and debit (payment) limit of \$50,000 for merchant cards issued after 24 September 2008 and \$9,999.99 for merchant cards issued before 24 September 2008. This monetary limit may prevent private messes, MWR, or other merchants from using Navy Cash cards to make larger purchases on board the ship in a single payment. For example, a CVN wardroom treasurer pays a monthly food invoice to the general mess that can be as much as \$30,000 or more. In these situations, the private mess treasurer can elect to make more than one payment with the organization's Navy Cash card or simply pay by check.*
6. *In Navy Cash, all dates and times are recorded and reported in Greenwich Mean Time (GMT) (Coordinated Universal Time (UTC)).*

## **4.2 Planned Maintenance System**

Preventive maintenance for the Navy Cash Financial System is covered through the Planned Maintenance System (PMS). PMS information for Navy Cash is available from the ship's Maintenance and Material Management (3-M) Coordinator. Maintenance Index Page (MIP) number 6541/080-14 applies to Navy Cash. In particular, proper cleaning of the card readers can significantly reduce the incidence of card readers failing to read the Navy Cash card.

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

- a. Each private mess is established as a Navy Cash merchant as a part of the process of implementing Navy Cash on board the ship.
- b. 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 mess treasurer provides the Treasury Financial Agent, JPMorgan Chase, with the mess fund checking account numbers and ABA Routing numbers, the account name printed on the checks (e.g., USS Neversail CPO Mess Dues), and whether the checking account is a business or consumer account. For example, the Chiefs Mess is generally established with just a "dues" Navy Cash merchant account, and the Wardroom, with both "food" and "dues" accounts. In the case of the Chiefs Mess, a "food" account can always be requested and set up later. It is possible to establish one or both private mess Navy Cash merchant accounts without a corresponding checking account. In that case, funds would be transferred directly to the Navy Cash (strip) account.

(1) Food rations (BAS - Basic Allowance for Subsistence) for enlisted personnel assigned to duty in a private mess are commuted (credited) to the mess (known as commuted rations). In the case of the Chiefs Mess, rations for every Chief Petty Officer assigned to the ship/mess are also commuted (credited to the mess). Law expressly forbids using commuted rations for purposes other than purchasing food. Commingling of commuted rations with funds used for non-food purchases, such as, private mess flower and gift funds, is also against regulations.

(2) To accommodate this requirement and to maintain separation of funds, two merchant Navy Cash accounts, each with a unique Navy Cash card, can be established for each

private mess, one for food purchases (the “food” account) and the other for dues collection and non-food expenses (the “dues” account). When conducting financial transactions using Navy Cash, the mess treasurer must be certain to use the appropriate “food” or “dues” Navy Cash card.

c. The private mess treasurer may choose to settle to the bank or credit union checking account specified when the private mess Navy Cash merchant account was established or to the Navy Cash (strip) account. Generally, if most private mess payments are made by check, it is probably better to settle to the bank or credit union account; if most payments are made with the Navy Cash card, it is probably better to settle to the merchant Navy Cash (strip) account. Money can always be transferred among the Navy Cash chip and strip accounts and the bank or credit union checking account.

d. The private mess treasurer may also choose to settle on a daily or a weekly basis. The Wardroom Mess merchants (dues and food) have been set up to settle on a daily basis to help simplify the reconciliation and settlement process. For merchants who elect to settle on a weekly basis, deposits are initiated using the following schedule: on the 8th, 15th, 22nd, and 28th of each month. The deposit on the 8th of the month will include any transactions that posted on the 29th, 30th, and 31st of the previous month. This slight delay in actual deposits is minor compared to the delay experienced when checks are mailed to a bank or credit union for deposit to the private mess account.

e. 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 daily, but deposits are NOT made immediately. Automated Clearance House (ACH) transactions, which Navy Cash uses, are only processed Sunday through Friday at 10:00 PM Eastern Time (8:00 PM on Sunday) by the Federal Reserve System. Transactions will generally be posted to bank or 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 round trip is completed between ship and shore.

f. 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 (see paragraph 8.4.24.n). A sample report is contained in paragraph 4.17.5. *In Navy Cash, all dates and times are recorded and reported in Greenwich Mean Time (GMT) (Coordinated Universal Time (UTC)).*

#### **4.4 Sale of Meals**

##### *NOTES:*

- 1. The treasurer has the option to have guests/visitors pay for meals in advance (when coming aboard), as-they-go (by individual meal), or upon departure from the ship. The treasurer must consider the type of visitor, length of stay, Navy/ship policy, and service capabilities when determining which option is most appropriate.*
- 2. Local billing and collection procedures vary among different private messes for different types of guests and visitors, e.g., a distinguished visitor and a contractor technician. Except for replacing the cash aspects of the payment transaction with the*

*Navy Cash card, existing private mess local billing and collection procedures for guests and visitors need not change.*

a. The K22 Point-Of-Sale (POS) device is the card reader and keypad device used to register sales transactions in Navy Cash. On larger ships, with a dedicated office for the mess treasurer, a K22 will normally be permanently installed. On smaller ships where a mess treasurer may not have dedicated office space, portable K22s can be operated in the offline mode for sales transactions.

b. A K22 POS device will be configured for each private mess during Navy Cash implementation. Depending on ship type and LAN capability, the K22 can be configured to operate online from the private mess office or offline in the portable mode. When the private mess operates with two Navy Cash merchant accounts to maintain the separation of funds described above, one function key on the K22 will be configured for food collections, and one function key, for dues collections. See Chapter 2 for instructions on operating the K22.

#### **4.4.1 For Mess Members**

a. If the private mess is subsisting from the general mess, the treasurer accounts for meals consumed for each mess member and guest and reports daily meal counts to the FSO for inclusion in the daily food service records in accordance with existing procedures.

b. If the mess is private (not subsisting), the treasurer accounts for meals consumed for each mess member and guest in accordance with existing local procedures. Reporting of daily meal counts to the general mess is not required.

c. The treasurer will bill each member and collect the funds at the end of the month (see paragraph 4.5). Each mess bill paid with Navy Cash will be recorded in the Record of Collections in accordance with existing procedure, but with a 'NC' parenthetical notation in the purpose field.

#### **4.4.2 For Guests Without Navy Cash Card**

For guests (visitors) that do not possess an instant issue or embossed permanent Navy Cash card or are not issued a visitor Navy Cash card, e.g., a mess member sponsors a guest or dependent for a visit to have lunch in the wardroom on his duty day. In this case, the sponsor pays for the meal with a Navy Cash card or the treasurer accepts cash payment from the visitor/guest or the mess provides the meal free to the guest and absorbs the cost.

a. If the mess absorbs the cost of the guest's meal, Navy Cash is not involved.

b. If the treasurer accepts cash payment, existing (normal) cash handling procedures must be followed and Navy Cash is not involved.

c. If a mess member sponsors the guest and pays for the meal with a Navy Cash card.

(1) The sponsor reports to the treasurer located at the private mess office to purchase the meal.

(2) For each meal sale to a guest/visitor, the treasurer records the sale on a NS 1046 and the collection in the Record of Collections, in accordance with existing procedure, noting 'NC' in parenthesis in the purpose field of the entry.

(3) The treasurer keys the meal price into a properly logged-in K22 device using the “food” function key.

(4) The sponsor inserts their Navy Cash card into the K22, enters their PIN and presses the “OK” key to complete the transaction.

(5) The K22 deducts the meal price from the sponsor’s Navy Cash card and records the transaction for download to the Navy Cash system at the end of the business day.

(6) The guest and sponsor go to the private mess meal line to receive the meal.

#### **4.4.3 For Guests With Navy Cash Card**

For guests (visitors) that possess a valid Navy Cash card, e.g., a manufacturer’s technical representative staying on board two weeks that is subsisting in the wardroom.

- a. The guest can use their Navy Cash card to purchase meals from the private mess.
- b. The guest reports to the treasurer located at the private mess office to purchase the meal(s).
- c. For each guest, the treasurer records the sale on a NS 1046 and the collection in the Record of Collections, in accordance with existing procedure, noting ‘NC’ in parenthesis in the purpose field of the entry.
- d. The treasurer keys the meal price into a properly logged-in K22 device using the “food” function key.
- e. The guest inserts their Navy Cash card into the K22, enters their PIN and presses the “OK” key to complete the transaction.
- f. The K22 deducts the meal price from the visitor’s Navy Cash card and records the transaction for download to the Navy Cash system at the end of the business day.
- g. The guest goes to the meal line and receives the meal.

#### **4.4.4 For Large Groups**

For large groups of visitors, guests and dependents for which it is not feasible to issue instant issue or visitor Navy Cash cards, e.g., a dependent’s cruise or tiger cruise on board an aircraft carrier, see paragraph 3.4.3.

### **4.5 Mess Bill Collection**

- a. 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. Discrepancies or disagreements are resolved with the member in accordance with existing procedure. Mess bills must be collected by the 5<sup>th</sup> day of the month following the month the meals were consumed.
- b. Mess members report to the private mess office to pay their mess bill with their Navy Cash cards.

c. For each member, the treasurer records the collection in the Record of Collections, in accordance with existing procedure, noting 'NC' in parenthesis in the purpose field of the entry.

d. The treasurer keys the mess bill amount into a properly logged-in K22. It is important that the treasurer key the applicable amounts separately for the "food" and "dues" function keys, which will then be processed as one collection from the mess member's Navy Cash card.

e. The mess member inserts their Navy Cash card into the K22 and presses "OK" to record and complete the transaction.

f. The Navy Cash system deducts the sale amount from the member's Navy Cash card and records the transaction for download to the Navy Cash system at the end of the business day.

#### **4.6 Commuted Ration Credit to a Private Mess**

a. Rations for enlisted personnel assigned to duty in a private/CPO mess and CPOs assigned to a CPO mess are commuted (credited) to the mess. The Disbursing Officer pays the commutation value of their rations to the mess treasurer on a monthly basis. During the Navy Cash prototype, existing (normal) procedure for commuting rations to a private mess will be followed. In a future post prototype Navy Cash version, commuting rations to a private mess may be automated.

b. In accordance with existing procedures, the commuted ration value is calculated and the Disbursing Officer prepares a check payable to the private mess treasurer. The private mess treasurer deposits the check in the appropriate mess checking account (for food purchases) and records the collection in the Record of Collections, in accordance with existing procedure. Because the commuted rations transaction does not involve Navy Cash, 'NC' should not be noted in the purpose field of the Record of Collections entry.

#### **4.7 Refunds**

a. Mess bill and mess share refunds and commuted ration rebates are sometimes necessary, e.g., when the treasurer buys back the mess share of a member who is detaching from the ship.

b. When a refund (rebate) is greater than the \$1,000 Navy Cash card limit for individual cardholders, the refund must be made in cash or check. Navy Cash is not involved and existing (normal) procedures will be followed.

c. When a refund (rebate) is less than the \$1,000 Navy Cash card limit for individual cardholders, the refund can be made in Navy Cash.

(1) The treasurer records the refund in the Private Mess Refund Control Log and prepares, signs, and issues a refund chit to the cardholder, with the appropriate "food" or "dues" account annotated on the refund chit. Refund chit and refund control log examples are contained in Chapter 8 of this SOP.

(2) The treasurer also records the refund in the Record of Expenditures in accordance with existing procedures, noting 'NC' in the purpose field of the entry.

(3) The member reports to the disbursing office during normal office hours with his Navy Cash card and presents the refund chit. Disbursing personnel then follow standard Navy

Cash procedure to perform the refund transaction that adds the refund value to the member's Navy Cash e-purse (chip) (see paragraph 8.4.10). This process is known as refund liquidation.

(4) The Disbursing Officer retains the liquidated refund chit and forwards it to the private mess treasurer at the end of the business day for follow up action.

(5) On the day the refund is liquidated and after receiving the liquidated refund chit from disbursing, the treasurer will note the date of liquidation on the original refund entry in the Refund Control Log.

(6) On the day the refund is liquidated, the refund amount will be reported in the Navy Cash Private Mess Daily Transaction Detail Report as a negative number associated with the member's name and Navy Cash account number, reducing the overall sales amount for the day (see paragraph 4.17.3 of this SOP for an example report).

d. The treasurer will retain the Private Mess Refund Control Log for three years for reconciliation and audit purposes.

e. The treasurer will maintain an audit trail on refund chits by recording the status of issued refund chits in the Private Mess Refund Control Log. The treasurer will note whether the refund was liquidated, reissued, or canceled (reversed) and date of occurrence on every original refund record entry.

f. To alleviate holding unliquidated refunds for excessive periods of time, members are required to liquidate refunds at the disbursing office within 2 working days. After 30 days, the treasurer has the option to reverse or cancel unliquidated refunds. The treasurer will note the reason for the reversal in the Refund Control Log and will cross reference the reversal entry to the original refund entry. The treasurer will also record the refund reversal in the Record of Collections as a refund reversal with appropriate reference to the original Record of Expenditures entry to facilitate audits.

g. In the event that a refund is liquidated after the treasurer reversed (canceled) the refund, the refund can be reentered in the Refund Control Log to bring records into balance. Prior to reentering a refund, the treasurer must confirm that the refund had been previously canceled (reversed) by reviewing the Private Mess Refund Control Log. The treasurer must also reenter the refund in the Record of Expenditures with appropriate reference to the original and reversal entries.

h. If a refund chit is lost or destroyed prior to liquidation, the treasurer can reissue the refund chit to the member. Prior to reissuing a refund chit, the treasurer must confirm that the original refund chit had not been previously liquidated or canceled by reviewing the status of the refund in the Refund Control Log.

i. The treasurer must consider the status of unliquidated refunds when determining whether actual collections equal recorded collections during end of day reconciliation (see the end of day reconciliation section below).



## **4.8 Payment of Mess Expenses (flowers, gifts, etc.)**

### **4.8.1 On Board Ship**

Aboard ship, the treasurer makes purchases with the private mess fund Navy Cash card e-purse feature in the same manner that individual crewmembers purchase items on the ship.

### **4.8.2 Ashore**

Ashore, the treasurer uses the mess fund Navy Cash card debit function (magnetic stripe) to make purchases at 30 million locations worldwide in the same manner that individual crewmembers purchase items ashore.

### **4.8.3 Record of Expenditures**

Whether purchases are made ashore or on board ship, the treasurer must enter the transaction in the Record of Expenditures, in accordance with existing procedure, annotating 'NC' in the purpose field.

## **4.9 Transfer Funds Between Mess Checking Account and Navy Cash Account**

a. Funds transfers can be accomplished on board ship at the cashless ATM devices or by calling the Navy Cash Customer Service Center (CSC) hotline 1-800 number (see Chapter 1 of this SOP). Funds can be transferred to and from the private mess Navy Cash accounts/e-purse and private mess commercial bank checking and savings accounts, which were associated with the mess' Navy Cash account during enrollment. It is imperative for private mess treasurers to use the appropriate "food" or "dues" Navy Cash card in order to maintain the separation of funds discussed in paragraph 4.3 of this SOP.

b. Follow the directions that are displayed on the screen of the cashless ATM machines located on the ship or provided over the telephone from the Navy Cash CSC representative.

c. A funds transfer is simply the internal movement of cash on hand between accounts. Therefore, no entry is required in the Record of Collections or Expenditures, and the daily and monthly Navy Cash reports (see paragraph 4.17 of this SOP for example reports) will not show funds transfers.

## **4.10 Private Mess Bill Payment to FSO**

### **4.10.1 Subsisting From General Mess**

a. The FSO completes the NS 1046(s) for the cash sale of meals to the mess, indicating the total number of breakfasts, lunches, and dinners consumed by all members and guests in accordance with existing procedures.

b. The FSO computes the total private mess bill based on the meal consumed counts (NS 1046) and standard meal cost rates and presents an invoice (DD 1149) to the mess treasurer in accordance with existing procedures.

#### **4.10.2 Private Mess**

- a. The FSO computes the private mess bill based on the cost of food consumed (transferred to the private mess from the general mess) documented on Food Item Request/Issue Document, NS 1282, in accordance with existing procedures.
- b. The FSO presents an invoice (DD 1149) to the mess treasurer for the amount of food consumed by the mess in accordance with existing procedures.
- c. Whether the mess is subsisting or private, the treasurer verifies that the DD 1149 invoice from the FSO is correct. Any discrepancy is investigated and resolved in accordance with existing procedures.

#### **4.10.3 Mess Bills Larger Than Card Limit.**

If the mess bill amount is greater than the \$50,000 load and debit limit on merchant cards issued after 24 September 2008 or the \$9,999.99 load and debit limit on merchant cards issued before 24 September 2008, the mess treasurer can make more than one payment with the private mess Navy Cash card following the procedures in the paragraph directly below or pay the FSO in cash or check in accordance with existing (normal) procedures, and Navy/Marine Cash is not involved.

#### **4.10.4 Mess Bills Smaller Than Card Limit.**

If the mess bill is less than the \$50,000 load and debit limit on merchant cards issued after 24 September 2008 or the \$9,999.99 load and debit limit on merchant cards issued before 24 September 2008, the treasurer can pay the FSO with the private mess fund “food” Navy Cash card.

- a. The treasurer records the payment in the Record of Expenditure in accordance with existing procedure, annotating ‘NC’ in the purpose field, and reports to the FSO with the mess “food” Navy Cash card to make the payment.
- b. The FSO (operator) keys the mess bill amount into a properly logged-in K22 device.
- c. The treasurer inserts the “food” Navy Cash card into the K22, enters the PIN and presses the “OK” key to complete the transaction.
- d. The K22 deducts the sale amount from the mess Navy Cash card and records the transaction for download to the Navy Cash system at the end of the business day.

#### **4.11 Handling of Official Representation Funds (ORF)**

In situations where the ship sponsors a special event, such as a change of command, the private mess may receive ORF under a special Line Of Accounting (LOA) to reimburse the mess for expenses incurred for hosting the special event.

Under procedures prior to Navy Cash, the treasurer prepares a DD 1149 that sites the LOA and presents it to the disbursing office. Disbursing issues an advance payment either by check or cash to the treasurer, which is then used to pay for the expenses of the event.

Navy Cash does not affect the existing ORF handling procedure but provides an option to the treasurer if the funds issued by disbursing are less than \$10,000. If under this threshold, the

treasurer can have disbursing add the advance ORF funds to the private mess Navy Cash card (a standard check/cash to chip transaction), then the treasurer can use the Navy Cash card to pay some or all of the special event expenses.

#### **4.12 End-of-Day Procedure**

- a. The treasurer/operator logs off the Navy Cash system.
- b. The private mess business is secured and disbursing is notified.
- c. The Disbursing Officer initiates Navy Cash end of day processing.
- d. Each day, the treasurer/operator should review the daily Private Mess Navy Cash Merchant Sales Summary Report for accuracy (see paragraph 4.17.1 of this SOP for a sample report). The Merchant Sales Summary Report can be generated at the Navy Cash workstation in the disbursing office by entering the correct start and end dates in the “View Reports” link in the Navy Cash application (see paragraph 8.4.25). *In Navy Cash, all dates and times are recorded and reported in Greenwich Mean Time (GMT) (Coordinated Universal Time (UTC))*. The more detailed Non-Vending Sales Report, MSO Summary Report, and MSO Detail Report can be generated in the same way.
- e. The treasurer/operator should also receive a Private Mess Daily Transaction Detail Report for reconciliation and management purposes. Successful processing of the EOD batch (round trip) sends a series of reports to the ship from the shore side. These shore reports are generated automatically when the Disbursing Officer initiates end of day processing, and, when they are received, the Navy Cash system places them into a shore reports directory by date, with one sub-directory for each report date. An example of this report is contained in paragraph 4.17.3 of this SOP. Again, in Navy Cash, all dates and times are recorded and reported in Greenwich Mean Time (GMT) (Coordinated Universal Time (UTC)).
- f. The Disbursing Officer can print these reports on a printer in the disbursing office. Alternatively, the Disbursing Officer can download the report to a floppy disk that can be provided 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.

#### **4.13 Daily Reconciliation of Navy Cash**

- a. Reconciliation is the process of confirming that actual Navy Cash funds collected equals recorded Navy Cash funds collected (less refunds) for the day and, if these amounts do not equal, to determine and correct the cause of the out of balance condition. The treasurer must reconcile daily.
- b. For the purposes of the daily reconciliation procedure, actual Navy Cash funds collected are reported in the Merchant Sales Summary Report. The treasurer calculates recorded Navy Cash funds collected based on daily entries recorded in the Record of Collections, Record of Expenditures, and the Private Mess Refund Control Log.
- c. To reconcile, the treasurer must first compute the total recorded collections for the day by adding Record of Collections entries for the day that have the ‘NC’ notation and subtracting refunds liquidated that day, shown in the Private Mess Refund Control Log and Record of Expenditures (with the ‘NC’ notation).

d. The treasurer then compares the computed recorded collections total to the actual collections amount shown on the Merchant Sales Summary Report (which includes any refunds liquidated that day). A reconciliation worksheet is provided in paragraph 4.17.6 of this SOP to assist the treasurer when conducting the reconciliation process.

e. If actual Navy Cash collections and recorded Navy Cash collections balance (equal), the reconciliation is successful and complete.

f. If actual collections and recorded collections do not balance, an error exists that must be investigated and corrected.

g. To identify an error, the treasurer should compare the more detailed Navy Cash reports which list every Navy Cash transaction performed that day to the Record of Collections, the Record of Expenditures, and the Refund Control Log to determine, through the process of elimination, which transactions are missing or were recorded at incorrect amounts. The Non-Vending Sales Report, MSO Summary Report, and MSO Detail Report can be generated on the ship at the Navy Cash workstation in the disbursing office. If the Navy Cash EOD process and round trip have already been completed, the General Mess Daily Transaction Detail Reports can also be retrieved from the shore reports directory (see paragraph 8.4.24.n) on the Navy Cash workstation (see paragraph 4.17.3 for a sample report).

h. Probable error conditions and corrective actions:

(1) Condition: The detailed Navy Cash report shows a collection or refund transaction but a corresponding entry in the Record of Collections or Record of Expenditures does not exist. Corrective Action: The treasurer will first confirm that the collection or refund reported on the Navy Cash report is correct. If correct, the treasurer will make a corresponding entry in the Record of Collections or Expenditures. If incorrect, the treasurer will reverse the collection by issuing a refund to the member in the amount of the original erroneous collection in Navy Cash.

(2) Condition: The detailed Navy Cash report shows a collection transaction but recorded at an amount different than what is recorded in the Record of Collections. Corrective Action: The treasurer will determine the correct amount for the transaction and, if the correct transaction amount is greater than the amount collected, the Record of Collections will be corrected and the treasurer will contact the member and request payment of the difference in Navy Cash. If the correct transaction amount is less than the amount collected, the Record of Collections will be corrected and the treasurer will refund the difference to the member in Navy Cash.

(3) Condition: The detailed Navy Cash report shows a refund transaction but recorded at an amount different than what is recorded in the Record of Expenditures. Corrective Action: The treasurer will determine the correct amount for the refund transaction and, if the correct transaction amount is greater than the amount refunded, the Record of Expenditures will be corrected and the treasurer will refund the difference to the member. If the correct refund amount is less than the amount refunded, the Record of Expenditures will be corrected and the treasurer will contact the member and request repayment of the difference in Navy Cash.

(4) Condition: The Record of Collections shows a collection transaction occurred on the day of reconciliation but a corresponding transaction was not been recorded in the detailed Navy Cash report. Corrective Action: The treasurer will confirm that the collection entry in the

Record of Collections is correct. If correct, payment was never made and the treasurer must contact the member and request payment in Navy Cash. If incorrect, the treasurer will reverse (cancel) the entry in the Record of Collections.

(5) Condition: The Record of Expenditures and/or the Refund Control Log shows a refund transaction was liquidated on the day of reconciliation but a corresponding transaction has not been recorded in the detailed Navy Cash report. Corrective Action: The treasurer will confirm that the refund entries and liquidation annotations in the Record of Expenditures and Refund Control Log are correct. If correct, the refund was not liquidated by the member on the day of reconciliation. The liquidation annotations on the Record of Expenditures and Refund Control Log must be adjusted to reflect this fact. If the entries are incorrect, the treasurer will reverse (cancel) the refund entry in the Record of Expenditures and Refund Control Log.

i. The treasurer will maintain daily reports and reconciliation worksheets for 30 days or until the monthly reconciliation is completed.

#### **4.14 End-of-Month Reconciliation Procedure**

a. Monthly reconciliation is the process of confirming that actual Navy Cash funds collected for the month equals recorded Navy Cash funds collected (less refunds) for the month and, if these amounts do not equal, to determine and correct the cause of the out of balance condition.

b. For the purposes of the monthly reconciliation procedure, actual Navy Cash funds collected are reported in the Navy Cash Merchant Sales Summary Report for the month, an example of which is contained in paragraph 4.17.2 of this SOP. The treasurer calculates recorded Navy Cash funds collected based on entries recorded in the Record of Collections, Record of Expenditures, and the Private Mess Refund Control Log.

c. To reconcile, the treasurer must first compute the total recorded collections for the month by adding Record of Collections entries for the month that have the 'NC' notation and subtracting refunds liquidated that month, shown in the Private Mess Refund Control Log and Record of Expenditures (with the 'NC' notation).

d. The treasurer 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). A reconciliation worksheet is provided in paragraph 4.17.6 of this SOP to assist the treasurer when conducting the reconciliation process.

e. If actual Navy Cash collections and recorded Navy Cash collections balance (equal), the reconciliation is successful and complete.

f. If actual collections and recorded collections do not balance, an error exists that must be investigated and corrected.

g. To identify an error, the treasurer must compare the Record of Collections, Record of Expenditures, and Refund Control Log to a detailed listing of Navy Cash transactions for the month. The process of investigation and correction is the same as described in paragraph 4.13 above. To assist in this reconciliation, the more detailed Navy Cash Non-Vending Sales Report, MSO Summary Report, and MSO Detail Report can be generated in the same way as the Merchant Sales Summary Report (see paragraph 4.12.d above). If the final Navy Cash EOD

process and round trip for the month have already been completed, the Private Mess Monthly Transaction Detail Reports can also be retrieved from the shore reports directory (see paragraph 8.4.24.n) on the Navy Cash workstation (see paragraph 4.17.4 for a sample report).

h. Merchant Settlement Reports. /Merchant settlement reports list all Navy Cash deposits made to the specified bank or credit checking account or merchant Navy Cash (strip) account and can be used to assist in reconciling the account. These shore reports are generated automatically at the completion of each end-of-day round trip and placed into a shore reports directory by date (see paragraph 8.4.24.n). A sample report is contained in paragraph 4.17.5. In Navy Cash, all dates and times are recorded and reported in Greenwich Mean Time (GMT) (Coordinated Universal Time (UTC)).

#### **4.15 Navy Cash Effect on the Monthly Financial Operating Statement, NS 1367**

For financial reporting, Navy Cash should be accounted for like cash (currency). Throughout the month, all mess expenditures were entered on the Record of Expenditures and all collections were entered on the Record of Collections, whether actual cash or Navy Cash was used. Therefore, the NS 1367 should be prepared in accordance with the P486 Volume II by combining Navy Cash transactions with actual cash transactions in the receipts and expenditures fields in the Cash Account section.

##### **4.15.1 Receipts**

Include all cash and Navy Cash transactions recorded in the Record of Collections for the month.

##### **4.15.2 Expenditures**

Include all cash and Navy Cash transactions recorded in the Record of Expenditures for the month.

##### **4.15.3 Cash Brought Forward (Cash on Hand)**

Includes Navy Cash funds held in the private mess Navy Cash accounts and on the private mess Navy Cash e-purse (chip) in addition to cash on account in the mess commercial checking and savings accounts. Actual Navy Cash deposits to these commercial accounts will occur as stated in Note 1 at the beginning of Chapter 4 of this SOP.

#### **4.16 Contingency Operations**

##### **1. Short-Term Outage.**

a. The K22 in the private mess operates in the normal mode and is connected to the Navy Cash server through the ship's LAN. If connectivity to the server is expected to be a problem, an operator should remain logged on to the K22 at the end of the day so that Navy Cash payments for meals and dues can be processed offline the next day even if connectivity is not available. A K22 in normal mode operating offline can store about 741 transactions before it is full and can no longer process transactions.

b. When connectivity to the Navy Cash server is restored, sales receipts stored on the K22 are forwarded automatically to the Navy Cash server. This download starts when the LAN connection to the server is made and the asterisk symbol on the K22 screen disappears, usually

within a minute. The “!” symbol on the K22 screen remains displayed until all transactions have been downloaded to the server.

2. Localized Network Outage.

a. The K22 must be online to the Navy Cash server through the ship’s LAN for an operator to log on. If the network is down at the beginning of the day, the operator will not be able to log on to the system to conduct business. However, if the outage is localized to the area of the general mess, an operator can go to the disbursing office and sign out a spare K22 to use in the portable mode.

b. Operator Log-On. The operator can log on to the portable K22 (and the merchant can be set to private mess food and dues) at any operating K22 network connection point or download box (in the disbursing office, MWR, post office, or other locations set up during the Navy Cash installation). The operator disconnects the K22 device currently in operation (if any) and connects the portable K22. Once connected, the offline log-on procedure is the same as the online procedure. After log-on is complete, the operator can disconnect the data cable and proceed to operate the K22 in the offline mode. If a K22 was disconnected to permit the log-on, it should be reconnected at this time. The operator should make sure that the portable K22 has fresh batteries and that additional batteries are readily available.

c. Download Sales Transactions. If the network outage is localized, the sales receipts stored on the portable K22 can be downloaded at the end of each day at one of the K22 connection points or download boxes as described in paragraph (b) above.

3. Long-Term Outage. In the unlikely event that connectivity to the Navy Cash server is down for a lengthy period of time (days, weeks), the private mess can, with the authorization of the Commanding Officer, revert to accepting cash and/or check, following the same procedures used prior to implementing Navy Cash.

## 4.17 Private Mess Reports and Forms (examples)

*In Navy Cash, all dates and times are recorded and reported in Greenwich Mean Time (GMT) (Coordinated Universal Time (UTC)).*

### 4.17.1 Daily Merchant Sales Summary Report

Run Date: 05/17/2005                      Run Time: 17:08:16  
Report Name: NC\_133  
Start Date: 05/16/2005                      End Date:: 05/17/2005  
Merchant Sales

Merchant Name	Merchant ID	Total Amount	Transaction Count
WARDROOM MESS - FOOD	800000003675	102.75	3
WARDROOM MESS - DUES	800000003677	28.50	2
NAVY DISBURSING	800000003693	150.50	6
POST OFFICE - STAMPS	800000003695	11.10	6
POST OFFICE - MONEY ORDERS	800000003697	611.22	5
POST OFFICE - METERED MAIL	800000003699	150.00	10
SHIP STORE #1	800000003701	1120.35	110
NAVY MWR	800000003705	90.00	6
VENDING STORE ITEMS	VMCAND0000000001	10.60	20
VENDING STORE ITEMS	VMCAND0000000001	40.00	80
VENDING SODA	VMCAND0000000001	45.50	91
VENDING SODA	VMCAND0000000001	26.50	53
VENDING SODA	VMCAND0000000001	85.00	170
VENDING SODA	VMCAND0000000001	24.00	48



## 4.17.2 Monthly Merchant Sales Summary Report

Run Date: 05/31/2005                      Run Time: 19:07:33  
 Report Name: NC\_133  
 Start Date: 05/01/2005                    End Date:: 05/31/2005  
 Merchant Sales

Merchant Name	Merchant ID	Total Amount	Transaction Count
WARDROOM MESS - FOOD	800000003675	3082.37	92
WARDROOM MESS - DUES	800000003677	915.00	40
VENDING SODA	800000003691	240.00	1
NAVY DISBURSING	800000003693	-19922.57	183
POST OFFICE - STAMPS	800000003695	35.49	13
POST OFFICE - MONEY ORDERS	800000003697	4200.00	36
POST OFFICE - METERED MAIL	800000003699	2250.00	150
SHIP STORE #1	800000003701	36610.47	3242
NAVY MWR	800000003705	2773.00	178
VENDING STORE ITEMS	VMCAND0000000001	202.20	530
VENDING STORE ITEMS	VMCAND0000000001	932.10	2300
VENDING SODA	VMCAND0000000001	1340.00	2690
VENDING SODA	VMCAND0000000001	793.50	1587
VENDING SODA	VMCAND0000000001	2475.50	4951
VENDING SODA	VMCAND0000000001	725.50	1451

### 4.17.3 Daily Transaction Detail Report

Run Date : 08/29/2001  
Run Time : 19:17:02  
Report Name : TRAN\_WardroomMessFood\_D

Navy Cash  
Daily Transaction Detail Report - WARDROOM MESS - FOOD  
Location: USS NEVERSAIL  
Date: 08/28/2001 22:04:31 To 08/29/2001 22:01:54 Batch Id: R12345\_323

Name	SSN	Account #	Transaction Date	Trans	Amount
ALPERT, MIKE	4321	80000010003	08/28/2001 13:42:41	1	\$100.00
GOLD, STEVE	8765	80000010001	08/28/2001 15:44:04	1	\$150.00
JOHN, ROBERT	1234	80000010002	08/28/2001 15:42:16	1	\$100.00
JOSH, JIM	5678	80000010004	08/28/2001 16:40:56	1	\$100.00
Operator SMITHFIELD Subtotal:				4	\$450.00
Event Subtotal:				4	\$450.00
Merchant 80000010018 Subtotal:				4	\$450.00
Total:				4	\$450.00

\*\*\* End of the Report \*\*\*

#### 4.17.4 Monthly Transaction Detail Report

Run Date : 08/31/2001  
Run Time : 19:07:02  
Report Name : TRAN\_WardroomMessFood\_M

Navy Cash  
Monthly Transaction Detail Report - WARDROOM MESS - FOOD  
Location: USS NEVERSAIL  
Date: 08/01/2001 20:01:36 To 08/31/2001 22:20:37

Merchant : 80000010018  
Event Code :  
Operator : SMITHFIELD, RALPH

Name	SSN	Account #	Transaction Date	Trans	Amount
ALPERT, MIKE	4321	80000010003	08/28/2001 13:42:41	1	\$100.00
BALANCE, FRED	2314	80000010005	08/29/2001 11:18:35	1	\$100.00
GOLD, STEVE	8765	80000010001	08/28/2001 13:42:01	1	\$150.00
JOHN, ROBERT	1234	80000010002	08/28/2001 13:42:25	1	\$100.00
JOSH, JIM	5678	80000010004	08/28/2001 13:43:01	1	\$100.00
WAGNER, SAM	4231	80000010006	08/22/2001 13:01:12	1	\$100.00
Operator SMITHFIELD Subtotal:				6	\$650.00
Event Subtotal:				6	\$650.00
Merchant 80000010016 Subtotal:				6	\$650.00
Total:				6	\$650.00

\*\*\* End of the Report \*\*\*

## 4.17.5 Merchant Settlement Report

Run Date: 12/09/2004  
Run Time: 00:08:42  
Report name: TRAN\_Ship\_Merchant\_Settle\_D  
Page: 1

Navy Cash  
Daily Transaction Detail Report - Merchant Settlement  
Location: USS COMSTOCK  
Date: 12/08/2004 00:12:52 To 12/09/2004 03:43:22

-----  
Merchant: WARDROOM MESS - DUES 800000026283  
Settlement Date: 08-DEC-04  
Settlement Type: NAVY CASH

Batch	Date	Amount	C
R21452_1022	11/30/04 23:01	\$255.55	
R21452_1023	12/01/04 21:13	\$30.00	
R21452_1027	12/07/04 10:19	\$338.95	
R21452_1028	12/08/04 00:07	\$196.80	
R21452_1029	12/08/04 07:56	\$263.85	
Settlement Total		\$1,085.15	

Merchant WARDROOM MESS - DUES 800000026283 Total: \$1,085.15  
-----

\* C = Correction Transactions.

\*\*\*\*\* End of the Report \*\*\*\*\*

4.17.6 Daily/Monthly Reconciliation Worksheet

USS \_\_\_\_\_

PRIVATE MESS DAILY/MONTHLY RECONCILIATION WORKSHEET

DATE: \_\_\_\_\_

RECORDED		ACTUAL	
Recorded Collections for Day/Month (Total of 'NC' Entries in Record of Collections)			Navy Cash Collected for Day/Month (Daily/Monthly Merchant Sales Summary Report)
Less Refunds <u>Liquidated</u> for Day/Month (Total Of 'NC' Refund Entries in Record of Expenditures Liquidated on/in Day/Month)			
<b>TOTAL RECORDED COLLECTIONS</b>			<b>TOTAL ACTUAL COLLECTIONS</b>
ADJUSTMENTS TO RECORDED COLLECTIONS		ADJUSTMENTS TO ACTUAL COLLECTIONS	
<b>ADJUSTED TOTAL</b>			<b>ADJUSTED TOTAL</b>

