



Merchant Unit 1: Merchant Account Management: Operations

Objectives

- Demonstrate how to obtain an *Operator ID* from the Disbursing Officer.
- Describe the sources of power for the K22 Point of Sale (POS) device.
- Demonstrate the Power On/Off procedures for the K22.

**Note: See also Navy Cash SOP,
Appendix P: Merchants**

Objectives (cont)

- Describe the modes of operation for the K22.
- Demonstrate how to perform transactions on the K22.
- Explain how to perform refunds using the K22.

Obtaining an Operator ID and Adding Merchant Account

Obtaining a New Operator ID

- All K22 users are required to have a unique 4-digit *Operator ID* number.
 - You **MUST** be enrolled in Navy Cash in order to receive an *Operator ID* number.
- Disbursing assigns *Operator ID* number.
- *Operator ID* numbers are not re-assigned.

Adding a Merchant Account

- *Merchant* accounts are pre-set. If you need to establish or take over a *Merchant* account, see the DISBO:
 - *Merchant* name
 - bank account name, number, and RTN
 - POC name and phone number
- This allows the agent bank to set up and generate a specific merchant card for each *Merchant* account.

Merchant Card

- A Navy Cash Private merchant card works just like the instant Issue card: strip allows for shore-side purchases and chip on front can hold up to \$50,000 (DISBO must request this through CSU)

Note: Ships Store should not use their merchant card to make purchases-they should **NEVER** have funds on their chip account.

- All *Merchant to Merchant* payments should be done utilizing the K22 and should never be conducted via chip to chip transfers.

Merchants

- In Navy Cash, '*Merchant*' is defined as the shipboard activity that supplies items or services to be purchased or make refunds
 - *Merchant* accounts are pre-established, must be activated by CSU
 - Three general types of *Merchants*:
 - *LOA* (Line of Accounting) Ex: Ship Store, General Mess, Vending
 - *Private* Ex: Post Office, Messes, MWR
 - *Transient* Ex: Husbanding Agent, College, Misc, Foreign Concession
- Each uses a designated NC card to manage funds
 - Each type has different settlement options and requirements
 - Settlement option choices affect daily transfer limits

**Note: See SOP Appendix
P for full list of *Merchants***

Private Merchants

- *Private* Merchants (Post Office, Messes, MWR, Assns,) can settle:
 - » To *strip*, or to bank account (if one setup)
 - » Daily (default) or weekly (8th, 15th, 22nd, 28th)

- *Generic Private Merchants* (*PRIVATE ONE* for FSG, *etc.*)
 - » Use of *numbered* names limited by ship size (e.g. > SIX large deck)
 - » Similar to Private, but used for short duration (e.g. deployment)
 - » Reusable – but not necessary to assign to same requirement each time
 - » Like all Merchants, CSU must activate, adjust defaults if desired
 - » Take account to zero when utility complete

Note: Check (ACH) deposits to bank account can take 48hrs to reflect in NC account

Transient Merchants

- Includes Husbanding Agent, College Courses/Books, Foreign Concession, Miscellaneous (catch all, e.g. bake sale, etc)
 - Generally used when NC transactions must be settled with a vendor or concessionaire without delay
 - Usually only needed for a short time and are commonly settled to a different vendor each time they are used
 - *Merchant* keeps transaction log
 - Settle *daily* to DISBO *Merchant (strip)*
 - DISBO compares *shore report&Merchant log*, if match, pays vendor

**Note: See SOP for detailed
procedures**

K22 Sources of Power

K22 Sources of Power

- Power Supply – The K22 is powered by a 6V DC/500ma power supply. To connect the power:
 - Connect power supply to K22 cable
 - Cable is connected in receptacle at bottom of K22
 - Slide the strain relief cover over connector until it clicks in place
 - Connect power supply to electrical outlet



K22 Sources of Power (cont)

- **Batteries** – The K22 is also powered by 3 “AA” batteries and 1 lithium battery:
 - AA batteries are good for a day of normal use.
 - Lithium battery runs the “Real Time Clock” and also to backup RAM.
 - » Approx life of 2 years
 - Used with offline (mobile) K22’s – not connected to LAN.



Power On/Off K22

K22 Power On - Online

- Select the green [**OK**] key to turn on (K22 will also turn on when NC card is inserted).
- K22 boots up and prompts you to key in your *Operator ID*.
- Enter your *Operator ID* using keypad and press the green [**OK**] key.



K22 Power On – Online (cont)

- K22 is ready for use when your name is displayed on the bottom of the screen.
- Verify that K22 is correctly programmed by pressing the “func” key (i.e. *Merchants*, *Events*, and amounts if applicable).
- You will remain logged on the system until you have logged off; turning off the unit will **not** log you off.
- If your log-on is denied, report to Disbursing to resolve the matter.

K22 Power On - Offline

- Follow *online* procedure to log on
- Make sure K22 has fresh batteries before disconnecting from LAN drop (going *offline*).

K22 Power Off - Online

- Press **Off/Cancel** key
- K22 prompts you to confirm if log off is desired
- Select green [**OK**] key, K22 enters log on screen and log off is complete
- Hold **OFF/Cancel** key for 6-10 seconds to turn K22 off



K22 Power Off - Offline

- Log off at any network connection point (same as log on)
- Connect K22 cable to connection point and wait for the ‘*’ (Not *Online*) and ‘!’ (Transactions held on K22 awaiting upload) to disappear.
- Perform same steps used for *online* log off.

Operation

Modes

- It is Disbursing's responsibility to provide a properly programmed K22. You must verify the device upon receiving it (logon and press func key).

- K22 will be set to *normal* mode and used either:
 - **Online** (i.e. Post Office, Wardroom)
 - » K22 plugged into the lan drop
 - **Offline** (i.e. MWR, Foreign Vendor)
 - » Battery powered
 - » Power supply

K22 Transactions

Post Office

- K22 is in ONLINE and NORMAL mode.
- PC logs on K22 before start of business.
- Customer inserts NC card into K22 and enters PIN.
- PC selects appropriate merchant function key (money order, stamps or metered mail) and enters amount.
- Customer presses green [OK] key to confirm.
- PC hands back NC card



MWR/Chaplain

- Small Ships: K22 is normally in *offline* and *normal* mode.
- When there is an MWR office, a K22 may be *online* and in *normal* mode.
- Disbursing programs K22 for correct *Merchant* before issue.
 - If there is an *Event*, Disbursing will program the K22 for that particular *Event*.
- User signs out K22 on locally generated and maintained custody log.

MWR/Chaplain (cont)

- Operator logs on K22 at start of business using 4-digit *Operator ID*
- Customer inserts NC card into K22 and enters PIN
- Operator keys in the Event code (if programmed) and presses green [**OK**] key.
- Operator enters sales total and presses green [**OK**] key.
- Customer approves the sale by pressing green [**OK**] key. The money is taken off the chip immediately.

MWR/Chaplain (cont)

- Operator uploads K22 data before logging off
 - A K22 may be uploaded at any Navy Cash LAN drop
- Disbursing provides MWR/Chaplain with reports:
 - *Merchant Transactions Report* (Disbursing App Report)
 - and/or
 - *Daily/Monthly Trans Detail Report* (Shore Report)

FSO - General Mess

- Operator logs on K22 at the start of business.
- Customer inserts NC card into K22 and enters PIN.
- Operator presses correct function key before entering sales total into K22.
 - Separate function keys for food and surcharges
- Customer presses green [**OK**] key to approve sale.
- Operator hands NC card back to customer.
- Operator logs off at close of business.

Private Messes - CPO/Wardroom

- Funds collected using NC are not immediately available for use.
- Treasurer records the NC collection in *Record of Collection* IAW existing procedure, noting “NC” in parenthesis in the Purpose field of entry.

CPO/Wardroom Daily

- Operator logs on K22 at start of business.
- Customer inserts NC card into K22 and enters PIN.
- Operator presses correct function key before entering sales total into K22.
 - Separate function keys for food and dues
- Customer presses green [**OK**] key to approve sale.
- Operator hands NC card back to customer.
- Operator uploads K22 data before logging off system.

CPO/Wardroom Payments

- Disbursing is no longer involved with deposits from the mess merchant to FSO.
- If necessary, WardO must transfer funds at K80 from bank to merchant card chip for balance of payment for Wardroom food (\$5000 daily limit).
- WardO makes payment to FSO directly using General Mess K22 in Food Service Office.
- If Mess bill is more than \$50,000.00 then multiple payments will be required.

Foreign/Other Vendors

- Disbursing issues a K22 with a generic account setup:
 - Foreign Concessionaire
 - Husbanding Agent
- Disbursing is responsible for training vendors on using the K22.
- Use a designated LAN drop to log on/off and upload transactions into NC system.

Foreign/Other Vendors Daily (cont)

- Start of business day/port visit:
 - Replace K22 batteries (3 AA)
 - Disbursing logs on vendor using generic *Operator ID* (i.e. User One, User Two)
 - Vendor signs for K22

- Sales:
 - Customer inserts NC card into K22 and enters PIN
 - Vendor enters sales total into K22
 - Customer presses green [**OK**] key to approve
 - Vendor hands NC card back to customer

Foreign/Other Vendors Daily (cont)

- End of business day/port visit:
 - Designated personnel uploads K22 data before logging off vendor.
 - Disbursing prints *Merchant Transactions Report* for vendor.
 - Foreign vendor determines percentage with Sales Officer (NEX/Ship's Store/Merchant's share)
 - Disbursing should settle with vendor at COB.
 - Vendor signs for check on check issue listing.

Refunds

Performing Refunds

- For individual refund:
 - Customer obtains authorization for refund on standard, serialized refund chit from Mess treasurer, MWR Officer, etc.
 - *Merchant* records refund in the *Refund Chit Log*.
 - Customer presents chit to Disbursing.
 - Disbursing performs refund from *Disbursing App* (add value to customer's chip account) and returns chit to *Merchant*.
 - Merchant verifies chits against NC reports and *Refund Log* at end of the month.

Performing Refunds

- For an *Event* (Bulk) Refund:
 - The *Event* is canceled and notification sent to Disbursing office.
 - Disbursing performs refund from *Disbursing App* (add value to customer's STRIP account).
 - *Merchant* verifies chits against NC reports and *Refund Log* at end of the month.
 - *Visitor Cards* must be refunded individually.