

Attention Disbursing Officers and Supply Officers

**NAVY CASH[®]
SOP CHANGE NOTICE
NAVSUP PUB 727**

**Navy Cash Fleet Support Groups
NAVSUP Fleet Logistics Centers
Norfolk
San Diego
Yokosuka**

Navy Cash SOP Change Notice 2013-009

8 October 2013

Subject: **BEFORE CARDHOLDERS LEAVE THE SHIP FOR A PENDING TRANSFER OR DISCHARGE**

Attention: Disbursing Officers/Supply Officers

1. Background. Navy Cash cardholders leave the ship on a regular basis, some detaching for Permanent Change of Station (PCS) transfers or to be discharged from the Service, and others returning to their home units at the end of a deployment. There have been periodic problems when cardholders leave the ship and have not cleared negative balances or have not “zeroed out” funds remaining on the chip and strip on the Navy Cash card. These problems can be magnified when deployed squadrons, air detachments, or Marine detachments disembark and a large number of cardholders leave the ship at the same time. After a cardholder has left the ship, it can be much more difficult for the Navy Cash debt collection process ashore to collect on a negative balance and much more difficult for the cardholder to access any funds on the chip and strip, particularly the chip.

2. Disbursing Officer Action. Upon receipt of this Navy Cash SOP Change Notice, Disbursing Officers (DOs) must take the necessary steps to ensure cardholders clear any negative account balances, zero out any remaining balances on Navy Cash cards (chip and strip), and stop any Split Pay Option (SPO) they may have before they leave the ship. DOs should review the ship’s internal SOP to ensure there is a check-out procedure in place for personnel leaving the ship that requires a stop at Disbursing so that each of these actions can be confirmed as completed.

3. Official Change to Navy Cash SOP. This Navy Cash SOP Change Notice represents an official change to the Navy Cash SOP (NAVSUP PUB 727). Each DO shall retain a copy of this Navy Cash SOP Change Notice on file for inspection with the current version of the SOP.

4. List of Effective Navy Cash SOP Change Notices.

- 2012-001 — ~~Automatic EOD Now Mandatory~~ *CANCELED*
- 2012-002 — ~~Required Navy Cash Documentation in Financial Returns~~ *CANCELED*
- 2012-003 Residual Funds on Visitor Cards
- 2012-004 Transfer Member Profile and Unsuspend Account Using Disbursing Web Site
- 2012-005 Automated Transfer of Dormant Profiles
- 2012-006 Navy Cash Depot Shipping Address Change
- 2012-007 Navy Cash, Marine Cash, and Navy Cash Visitor Card Cardholder Agreement

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- 2012-008 Staff, Air Wing, Squadron, and Generic Private Merchants Settle Only to Merchant Strip Account
- 2012-009 Bank/Credit Union Account Information on Cardholder Web Site
- 2012-010 Automated EOM Spreadsheet Alternative
- 2012-011 Court Orders and Levies and Subpoenas on Navy Cash Accounts
- ~~2013-001 Enrollment Forms Missing in Document Storage System Ashore CANCELED~~
- 2013-002 Updating Generic Private, Staff, Air Wing, and Squadron Merchant Linked Accounts at Turnover
- 2013-003 Use of Official Mail Manager Merchant Card Now Mandatory
- 2013-004 Update to Navy Cash Cardholder Web Site
- 2013-005 Enrollment Forms Missing in Document Storage System Ashore—Revised
- 2013-006 Distribution of Ship's Store Profits to MWR and Other Miscellaneous Payments — Revised Procedures
- 2013-007 DASR and Revision to the Navy Cash Documentation Required in Financial Returns
- 2013-008 Maintaining Laptop Security Patches and Updates
- 2013-009 Before Cardholders Leave the Ship for a Pending Transfer or Discharge

5. Points of Contact. If you have any questions, please contact:

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8.4.16 Before Cardholders Leave the Ship for a Pending Transfer or Discharge
(in version 1.14 of the Navy Cash SOP, associated with release v1.4.7.0)

8.4.20 Before Cardholders Leave the Ship for a Pending Transfer or Discharge
(in version 1.13 of the Navy Cash SOP, associated with release v1.4.6.3)

- a. Before Navy Cash cardholders leave the ship, the Disbursing Officer must ensure:
 - (1) Any negative account balances have been cleared.
 - (2) Any remaining funds on Navy Cash cards (chip and strip) have been zeroed out.
 - (3) Any Split Pay Option (SPO) has been stopped at least 30 days prior.

b. Cardholders depart the ship on a regular basis, some detaching for Permanent Change of Station (PCS) transfers or to be discharged from the Service, and others returning to their home units at the end of a deployment. There have been periodic problems when cardholders leave the ship and have not cleared negative balances or have not “zeroed out” funds remaining on the Navy Cash instant issue and embossed permanent cards (chip and strip) and visitor cards (chip). These problems can be magnified when deployed squadrons, air detachments, or Marine elements disembark and a large number of cardholders leave the ship at about the same time.

Please route immediately to the Supply Officer and Disbursing Officer

c. **MONITOR CARDHOLDER TRANSFER DATES.** To track cardholders who will be leaving the ship, the Disbursing Officer must work closely with the personnel office, e.g., refer to the report of Prospective Gains and Losses and the Transfer Information Sheet, to monitor individuals who are scheduled to transfer within the next 30, 60, and 90 days.

(1) Transfer Type and Date. To assist in monitoring transfer dates, the Disbursing Officer must ensure that the projected “Transfer Date” in each cardholder’s member profile is current (see paragraph 8.4.18.g., Account Information Update (*paragraph 8.4.22.f in version 1.13*)).

(a) Shore Report. Based on the transfer dates in member profiles, a shore report will be generated when cardholders’ transfers are within a 30-day window. The shore report will contain account balances and will serve as an additional notice to clear any negative balances and zero out any remaining balances on the chip and strip before cardholders leave the ship.

(b) Transfer to Shore Command. The transfer dates in member profiles will also be used to pull accounts of cardholders off the ship’s Navy Cash roster and transfer these accounts to a “shore command” roster.

((1)) Once these accounts are transferred to the shore command roster, a standard set of reports will be generated, so that any account activity can continue to be monitored ashore and any negative account balances that have not been cleared can continue to be pursued by the Navy Cash debt collection process ashore. Cardholders transferred to the shore command will continue to appear on the ship’s daily reports for a transition period of two weeks.

((2)) ACH Access Blocked/Navy Cash Account Suspended Automatically. When transferred to the shore command, a Navy Cash account is suspended and Navy Cash access to the bank or credit union account is blocked automatically. *Blocking ACH access* only prevents Navy Cash access to bank and credit union accounts from the ship. *Suspending an account* only prevents online ATM withdrawals and online PIN-based and signature-based purchases ashore. The cardholder can still use the card for signature-based purchases ashore, even when the Navy Cash account balance is negative, at merchants who process transactions in an offline mode.

(c) Navy Cash Ship Roster Report. (*For ships with release v1.4.7.0 and higher*) To assist the Disbursing Officer in monitoring transfer dates for cardholders who are enrolled in Navy Cash, the Navy Cash Ship Roster Report lists the cardholder name and SSN (last four digits), Navy Cash account number, and date of the last chip transaction on the ship for all cardholders who are “checked in” or assigned to the ship within the Navy Cash system. The Disbursing Officer can generate the Navy Cash Ship Roster Report on the ship on demand (see paragraph 8.4.22) and compare it with the actual ship roster to identify individual cardholders who are no longer on the ship and should be transferred to the Navy Cash “Shore Command”.

(d) Monthly Automated Transfer of Dormant Accounts from Ship to Shore. To assist in maintaining a current Navy Cash roster on the ship, a monthly automated process detects and transfers member profiles that have not already been transferred to the Shore Command, if there has been no activity on cardholder Navy Cash accounts (chip, split pay, or ACH transfer activity) in the past 180 days. After 365 days of no activity, any funds remaining in the strip account will be pushed to the linked bank/credit union account (if there is a valid account linked to the Navy Cash member profile), the Navy Cash account will be suspended, and Navy Cash ACH access to a bank/credit union account will be blocked automatically. If a cardholder attached to the ship has not used his/her Navy Cash card in the past 180 days and is transferred to the Shore Command in error, he/she can simply do a “Ship Check In” at a Navy Cash Kiosk. Full access to Navy Cash capabilities will be restored as soon as the next round-trip is completed between ship and shore.

(2) Marine Bulk Transfer. The Marine Disbursing Officer can transfer a group of Marines assigned to a ship or ships as part of a Marine Expeditionary Unit (MEU) off the ship(s) and to the appropriate Marine Logistics Group (MLG) in bulk using the disbursing website (see Appendix E). Transferring member profiles from a MEU and/or ship automatically suspends Marine Cash accounts and blocks Marine Cash ACH access.

d. COLLECT ON NEGATIVE BALANCES. The amount of any negative balance in a Navy Cash account represents a debt to the U.S. Treasury funds pool. Even though the amount of that debt is not part of his or her accountability, the Disbursing Officer is responsible for collecting on that debt. After a cardholder has left the ship, it can be much more difficult for the Navy Cash debt collection process ashore to collect on a negative balance. Ultimately, if a cardholder does not respond or cannot be located, Treasury must turn the unpaid debt over to its Debt Management Services division for collection, at which time administrative fees, penalties, and interest will be added to the cardholder's debt.

(1) Review Negative Balance Report. As a part of reviewing the Negative Balance Report on a daily basis (see paragraphs 8.4.21 (*paragraph 8.4.24.f in version 1.13*) and 8.8.1.e), the Disbursing Officer must ensure cardholders within 30 days of transfer or discharge are not listed on the report. For cardholders who are listed on the report, the Disbursing Officer must ensure that the cardholder's Navy Cash access to their home bank or credit union account remains blocked until any negative balance is cleared (see paragraph 8.8.2). Don't unblock access until the Navy Cash account balance is zero or positive.

(2) Options and detailed procedures for collecting on negative balances are included at paragraph 8.8.1. If the name of a cardholder who has transferred off the ship shows up on the Daily Negative Balance Report, the Disbursing Officer should still take action to send a DD 139, Pay Adjustment Authorization, with a copy of the Negative Balance Report attached, to the PSD. The PSD will process a DS01 debt collection against pay as long as the person is still in the Navy.

(3) Prevent Unrecoverable Debt. Within 30 days of a pending transfer or discharge, the Disbursing Officer should make a judgment whether or not a negative balance condition is likely on a cardholder's Navy Cash account, for example, from an NSF or other returned transaction, taking into account pending transactions that have not yet been processed by the Navy Cash system. To help prevent an unrecoverable debt from being posted to Navy Cash, the Disbursing Officer may decide to suspend a cardholder's Navy Cash account and block ACH access manually.

(a) Block ACH Access/Suspend Navy Cash Account Manually. To suspend a cardholder's Navy Cash account "manually", the Disbursing Officer must contact the CSU via phone or e-mail and request that the cardholder's Navy Cash account be suspended, which will prevent online ATM withdrawals and online PIN-based and signature-based purchases ashore. To block the cardholder's Navy Cash access to their bank or credit union manually, the Disbursing Officer can use either the Disbursing Application or the Navy Cash Disbursing Web Site or send a request to the CSU by phone or e-mail. Any updates to Navy Cash card access done through the Disbursing Application are effective immediately on board the ship and will regulate any subsequent funds transfer requests the cardholder attempts at the Kiosk. Updates done through the disbursing website do not go into effect on board the ship until a round trip is completed between ship and shore. Updates done through the CSU do not go into effect on board the ship until the CSU receives the information, processes the request, and a round trip is completed between ship and shore.

(b) If necessary, the Disbursing Officer can issue a "chip-only" visitor card for use on the ship until the cardholder leaves the ship.

e. ZERO OUT ANY FUNDS REMAINING ON CARD. When a cardholder is transferring to an activity that does not have Navy Cash or is being discharged from the Navy, he or she should move all the funds on the Navy Cash card from the chip and the strip back to his or her home bank or credit union

account using the Navy Cash Kiosk. Alternatively, he or she can move all the funds on the strip to the chip and “cash out” the chip at the disbursing office (see paragraph 8.4.5 (*paragraph 8.4.9 in version 1.13*)). When a cardholder reports to the disbursing office as a part of the checkout process, the Disbursing Officer must verify that the cardholder’s Navy Cash card is empty (zero balance on the chip and the strip). Similarly, the Disbursing Officer must make every effort to cash out and recover visitor cards from anyone leaving the ship, so they can be reissued to another visitor.

f. **RECOVERING FUNDS LEFT ON CARD.** After a cardholder has left the ship, it can be much more difficult to access any funds on the chip and strip, particularly the chip.

(1) **Funds on Strip.** If there are funds on the strip, the money can be spent at any merchant or withdrawn from any ATM that accepts Debit MasterCard® cards. If the cardholder's linked bank or credit union account is still the same as the account that was linked to the strip account, the cardholder can call and authorize the Navy Cash Customer Service Center (CSC) (the number is on the back of the Navy Cash card; see also paragraph 8.14.1) to transfer the money from the strip account to the linked account. The customer service representative will ask a series of questions to verify the cardholder’s identity before they transfer the funds, e.g., mother’s maiden name (or other password provided at time of enrollment in Navy Cash), birth date (mm/dd only), last four digits of SSN.

(2) **Funds on Chip of Expiring Card.** When a Navy Cash card expires, the chip on the card no longer functions. The actual expiration date is the last day of the month indicated in the “Valid Thru” date embossed on the front of instant issue and embossed permanent cards. If there has been no activity on the card (strip and chip) in the previous six months, the account is considered inactive, and the card is canceled automatically. As a part of the process, any funds remaining on the chip are transferred automatically to the strip account associated with the card, and the strip account balance is transferred to the linked bank or credit union account automatically, if the linked account is still valid.

(3) **Funds on Chip of Active Card.** If there are funds on the chip and the cardholder's Navy Cash instant issue or embossed permanent card is not going to expire in the near term, the CSC will have to cancel the card, since the chip on the card is still active. After asking a series of questions to verify the cardholder’s identity, the customer service representative will cancel the card. As a part of the card-cancellation process, any funds remaining on the chip, are transferred automatically to the strip account associated with the card. If the cardholder's linked bank or credit union account is still the same as the account that was linked to the strip account, the customer service representative can transfer any remaining balance in the strip account (which now includes the chip account balance) to the linked account.

(4) **If the Linked Account Information Is Not Valid.** In the three scenarios above, if there is no linked bank or credit union account or the account information is not valid, the CSC will direct the cardholder to contact the Navy Cash Fleet Support Group (FSG) representatives at the NAVSUP Fleet Logistics Center (FLC) in Norfolk or San Diego.

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The FSG representatives will ask the cardholder for the information they need to verify his/her identity. The cardholder can then provide a bank or credit union account number, ABA routing number, and his/her name as it appears on the account, and the FSG representative will contact the Navy Cash Central Support Unit (CSU) to authorize the CSU to transfer any remaining balance to that account.

(5) **Funds on Chip of Visitor Card.** If a cardholder contacts the CSC to recover funds left on the chip of a visitor card, the CSC has no way to verify a cardholder’s identity or ownership of the card, because a visitor card is anonymous and does not have a Navy Cash account or cardholder member profile

associated with it. The cardholder must provide the CSC the card sequence number, which is printed on the lower right of the back of the card, so the CSC can identify the correct card in the Navy Cash system. In order to verify the cardholder's identity, the CSC will direct the cardholder to contact the Navy Cash FSG representatives at the NAVSUP FLC in Norfolk or San Diego (contact information in paragraph above). The FSG representatives will ask the cardholder for the information they need to verify his/her identity. The cardholder can then provide a bank or credit union account number, ABA routing number, and his/her name as it appears on the account, and the FSG representative will contact the CSU to authorize the CSU to transfer any remaining balance to that account.

g. PCS TRANSFER. Cardholders transferring PCS should keep their Navy Cash cards and accounts when they leave the ship. A Navy Cash Debit MasterCard® does not expire until five years from the date of issue, so it will remain valid after an individual leaves the ship. If a cardholder's next ship is Navy Cash equipped and his or her card is still valid, he or she can quickly get access to all Navy Cash capabilities by completing a "Ship Check In" at a Navy Cash Kiosk.

(1) Once the ship has completed the next round-trip between ship and shore, the cardholder's Navy Cash account will be restored (unsuspended), which will allow online ATM withdrawals and online PIN-based and signature-based purchases ashore, and the cardholder's Navy Cash ACH access to the home bank or credit union will be unblocked, which reinstates Navy Cash ACH access to the account from the ship. Once round-trip processing is completed, the cardholder's member profile and full access to Navy Cash capabilities should be available on the ship the same day.

(2) Navy Cash access to a bank and credit union account ashore will be unblocked automatically only if the ACH Decline Count in the cardholder's customer profile is 0,1, or 2 (set to 90, 91, or 92 after being transferred to the Shore Command from the previous ship) (see paragraph 8.8.2).

(3) Transfer Cardholder's Member Profile to Ship Using Disbursing Web Site. If necessary (e.g., if a cardholder reports to the ship, his/her Navy Cash card has expired, and she/he cannot complete a "Ship Check In" at a Navy Cash Kiosk), the Disbursing Officer can transfer a cardholder's member profile from the shore command to the ship using the "Location" tab on the "Cardholders" screen on the Navy Cash disbursing web site (see Appendix E). Once the ship has completed a roundtrip between ship and shore, the cardholder's member profile will be transferred to the ship. Transferring a cardholder's member profile from the shore command to the ship using the disbursing website unblocks the cardholder's Navy Cash ACH access to a home bank or credit union (see paragraph (b)((2)) above) and restores (unsuspends) the account automatically.

h. DISCHARGE FROM SERVICE. Cardholders being discharged from the Navy are required to report to the disbursing office to close their Navy Cash accounts and turn in their Navy Cash cards before they leave the ship. Before reporting to the disbursing office, they must transfer any remaining funds from both the chip and the strip back to their home bank or credit union account using the Navy Cash Kiosk. Alternatively, they can move all the funds on the strip to the chip and "cash out" the chip at the disbursing office (see paragraph 8.4.5 (*paragraph 8.4.9 in version 1.13*)).

(1) When a cardholder reports to disbursing as a part of the checkout process, the Disbursing Officer must verify that the cardholder's Navy Cash card is empty (zero balance on the chip and the strip).

(2) Prior to a cardholder's discharge, the Disbursing Officer must ensure all negative balance conditions are cleared and that minimal possibilities exist for a future negative balance condition.

(3) If a cardholder is within 30 days of being discharged from the Navy and has a negative balance, the Disbursing Officer's only option is to post a "DS01" indebtedness, Company Code D411179, to the cardholder's military pay account prior to the cardholder's separation date (see paragraph 8.8.1).

i. CLOSE NAVY CASH ACCOUNT

(1) To close his or her Navy Cash account, a cardholder must first transfer any remaining funds from both the chip and the strip back to his or her home bank or credit union account using the Navy Cash Kiosk before reporting to the disbursing office.

(2) As a part of the checkout process, the cardholder must report to the disbursing office to close his or her Navy Cash account and to turn in his or her card.

(3) After verifying that the cardholder's Navy Cash card is empty (zero balance), the Disbursing Officer must change the card status to "Canceled" (see paragraph 8.4.12, Change Card Status (*paragraph 8.4.18 in version 1.13*)). The Disbursing Officer must also notify the CSU via phone or e-mail to close the account.

(4) Destroy Navy Cash Card. The Disbursing Officer must then destroy, e.g., cut up or shred, the Navy Cash card in the presence of the cardholder and ensure the cardholder signs the card issue log to document the destruction of the card (see paragraph 8.3.1, Custody of Navy Cash Cards).

j. DISPOSITION OF NAVY CASH VISITOR CARDS. Disbursing must make every effort to recover and cash out visitor cards from anyone leaving the ship, so they can be reissued to another visitor.

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Sample POD Note. *For illustrative purposes only. Change as needed to suit your ship's particular circumstances.*

Navy Cash — The Way to Pay While Underway! As we near the end of our deployment, some Navy Cash reminders before you detach for PCS transfers or leave the ship when the air detachment/squadrons fly(s) off/Marines disembark or when we return to our homeport.

Before you leave the ship, we recommend that you go to one of the Navy Cash Kiosks and transfer any remaining funds from both the chip and the strip on your Navy Cash card back to your bank or credit union account. Alternatively, you can transfer all the funds on the strip to the chip and "cash out" the chip at disbursing. If you have been using a Navy Cash visitor cards, you must report to disbursing to cash out and return the card before you leave the ship. Visitor cards are reusable, so they can be reissued to another visitor. After you have left the ship, it can be much more difficult to access any funds left on the chip and strip, particularly the chip.

If you are transferring PCS or leaving the ship to return to your home unit, we recommend that you keep your Navy Cash card and account when you leave the ship. A Navy Cash card does not expire until five years from the date of issue, so it will remain valid after you leave the ship. When you report to your next ship, you can quickly get access to all Navy Cash capabilities by completing a "Ship Check In" at a Navy Cash Kiosk on the ship.

If you are being discharged from the Navy (or closing your Navy Cash account for some other reason), you must report to disbursing to close your Navy Cash account and turn in your Navy Cash card before you leave the ship. To save some time, before reporting to disbursing, go to one of the Navy Cash Kiosks and transfer any remaining funds from both the chip and the strip back to your bank or credit union account or transfer all the funds on the strip to the chip and "cash out" the chip at disbursing. Disbursing will confirm that your Navy Cash card is empty (zero balance on the chip and strip), verify that you do not have any negative balances, cancel your Navy Cash card and close your account, and then destroy the card in your presence. Disbursing will ask you to sign the card issue log to acknowledge destruction of the card.