

**Attention Disbursing Officers and Supply Officers**

**NAVY CASH<sup>®</sup>  
SOP CHANGE NOTICE  
NAVSUP PUB 727**

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

---

---

**Navy Cash SOP Change Notice 2012-002**

**21 May 2012**

---

---

Subject: **REQUIRED NAVY CASH DOCUMENTATION IN FINANCIAL RETURNS**

Attention: Disbursing Officers/Supply Officers

**1. Naval Audit Service Review of Navy Cash Operations.** The Naval Audit Service recently completed an audit of Navy Cash operations on board 16 ships. The audit objectives were to verify that:

- Navy Cash transactions are accounted for and reported in accordance with established guidance and
- management internal controls are in place and working effectively to minimize the potential for fraud, waste, abuse, and mismanagement.

The draft audit report (N2010-NFA000-0094) indicates that the ships visited generally had management internal controls in place and working effectively. Physical cash counts of the Disbursing Officer's (DO's) cash on hand conducted on the day of the ship site visits matched the amount recorded on the DO's Daily Statement of Accountability (DD Form 2657) on all 16 ships. There were aspects of Navy Cash transactions that were not recorded and reported in accordance with established practice on every ship, which would make it difficult to affix accountability for any loss or misuse of cash. Several ships did not have all the required documentation in their monthly retains. The missing documents included Daily Cash Transaction Ledgers, Disbursing Transaction Detail Reports, Disbursing Accountability Summary Reports (DASRs), and 2657s. Despite the missing documentation, the audits were able to verify monthly Navy Cash activity on all 16 ships.

**2. Naval Audit Service Recommendation.** The one recommendation from the audit was to establish internal controls to ensure the Navy Cash accountability documentation required in the monthly retained financial returns is reviewed quarterly. To implement this recommendation, NAVSUP is updating the Navy Cash Standard Operating Procedure (SOP) (NAVSUP PUB 727) to assign this responsibility to the Cash Verification Team (CVT). A revised CVT Navy Cash Checklist is attached.

**3. Disbursing Officer Action.** Ensure all required Navy Cash accountability documentation is included in the monthly financial returns. The Statement of Accountability (Standard Form (SF) 1219) is a DO's official monthly recording and reporting of his/her accountability to the Treasury. The SF 1219 summarizes totals of all receipts and expenditures of public funds occurring during the accounting period (month) and the status of the DO's account at the close of the accounting period (month).

- To document the DO's Navy Cash accountability at End Of Month (EOM), the Navy Cash SOP (paragraph 8.9.k) states the Monthly Transaction Summary Report, EOM spreadsheet, and SF 215s/ 5515s shall be retained as part of the monthly financial returns with each 1219.

***Please route immediately to the Supply Officer and Disbursing Officer***

## ***Attention Disbursing Officers and Supply Officers***

- The DO's monthly financial returns must also include complete 2657 packages for each day of the month. To document the DO's Navy Cash accountability each day, the Navy Cash SOP (paragraph 8.4.20.b.(13)) states that the DASR, Disbursing Transactions Detail Report sorted by operator, and the completed Daily Cash Transaction Ledger(s) shall be retained with each 2657, including the 2657 for the day Navy Cash is closed out for the accounting period (month).
- 4. Supply Officer Action.** As the senior member of the CVT, ensure the CVT reviews the DO's monthly retained financial returns during each quarterly audit to verify all required Navy Cash accountability documentation is included.
- 5. 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 and the attached CVT Navy Cash Checklist on file for inspection with the current version of the SOP.
- 6. If you have any questions, please contact:**
- Hugh Chin at NAVSUP FLC Norfolk  
hugh.chin@navy.mil  
(757) 443-1189  
DSN: 646-1189
- Andy Yager at NAVSUP FLC San Diego  
andrew.yager@navy.mil  
(619) 556-6493  
DSN: 526-6493
- Joel Ignacio at NAVSUP FLC Yokosuka  
joel.ignacio@fe.navy.mil  
+81 (46) 816-7324  
DSN: (315) 243-7324

## CASH VERIFICATION TEAM (CVT) NAVY CASH CHECKLIST

Tasks	SOP Reference		Yes	No
	Ver 1.13	Ver 1.14		
<b>Funds</b>				
Navy Cash funds by actual count:	\$			
Ensure funds agree with Disbursing Accountability Summary Report (DASR)	8.4.24	8.4.20		
Ensure Daily Cash Transaction Ledger(s) is(are) being closed out on a daily basis and compared to the DASR and Disbursing Transactions Detail Report.	8.4.14 8.4.24	8.4.10 8.4.20		
Ensure Daily Cash Transaction Ledger totals are posted to line 6.2A and 6.9 of the DD 2657.	8.4.24	8.4.20		
Ensure Daily Cash Transaction Ledger(s), DASR, Disbursing Transactions Detail Report ( <i>sorted by operator</i> ) are retained with each DD 2657.	8.4.24	8.4.20		
Ensure line 6.9 Month-to-Date column is “zero” on DD 2657 for the day on which Navy Cash is closed out for the month and for each subsequent day until the actual end of the month. After Navy Cash close out, any Navy Cash business on the remaining days of the month is reported in the next month.	8.9 8.4.24	8.9 8.4.20		
Ensure Monthly Transaction Summary Report ( <i>shore report summarizing merchant figures for month</i> ), EOM spreadsheet, SF 215s/5515s, and complete DD 2657 packages for each day of month are retained as part of monthly financial returns with each SF 1219 at EOM.	8.9 8.4.24	8.9 8.4.20		
Generate and print Transaction History for disbursing office merchant card and generic private merchant cards using Cardholder Web Site to confirm chip and strip balances are zero. Review disposition of funds since last CVT.	8.4.11 8.4.16.c 8.5.1	8.4.9 8.4.12.c 8.5.1		
Generate card reports for all Navy Cash Disbursing Application users (see paragraph 8.4.14, Card Report) and verify that no unauthorized deposits were made to their accounts since the last quarterly cash verification.	8.4.36	8.4.32		
<b>Navy Cash Cards</b>				
Inventory all unissued Navy Cash cards (bulk and working stock; instant issue and visitor cards) to ensure that custody of cards is properly maintained.				
Ensure Bulk Navy Cash Card Log agrees with actual card count. Use Bulk Card Log to verify working stock returned weekly for audit/inventory.	8.3.1	8.3.1		
Ensure Navy Cash cards are kept in a safe or a secure container.	8.3.1	8.3.1		
Check random sample of turned-in visitor cards (at least 10 cards) to verify there are no residual funds on the card, i.e., the chip balance is zero.	8.3.1 8.4.9.b	8.3.1 8.4.5.c		

## CASH VERIFICATION TEAM (CVT) NAVY CASH CHECKLIST

Tasks	SOP Reference		Yes	No
	Ver 1.13	Ver 1.13		
<b>Spare POSs</b>				
Ensure spare POSs are being kept in a safe or in a secure space.	8.3.3	8.3.3		
Ensure POSs that have transactions still stored in them are being kept in the Disbursing Officer's safe.	8.3.3	8.3.3		
<b>Navy Cash Disbursing Application</b>				
Verify Disbursing Application users are assigned to appropriate user group.	8.4.36	8.4.32		
Check locally generated and maintained password change log to verify that passwords are being changed every six months.	8.4.36	8.4.32		
Ensure refunds processed in disbursing office are being authorized by Sales/MWR/Food Service Officer.	8.4.10	8.4.6		
Ensure Navy Cash enrollment forms are being filled out and signed by crewmembers before being entered through the Disbursing Application.	8.4.21	8.4.17		
Ensure originals of all enrollment forms are signed and sent to JPMC at least once every 30 days and copies of all forms are retained on ship.	8.4.21	8.4.17		
Review EOD Report to verify the Indicate EOD function is being performed at the end of the business day on non-working days as required.	8.4.24	8.4.20		
Ensure the Disbursing Officer is reviewing Daily Negative Balance Report and Returned Items Detail Report on a daily basis.	8.8.1	8.8.1		
Review Daily Negative Balance Report to verify there are no aged negative balances over 60 days old.	8.8.1	8.8.1		
Review Daily Negative Balance Report to verify collection action is initiated on negative balances with no representations pending within 10 working days of receipt of Report.	8.8.1	8.8.1		
Ensure personnel office is providing disbursing office with the names of those personnel who will be transferred or discharged within next 30 days.	8.8.1	8.8.1		
Ensure Safe Bank Transactions Report is being zeroed out at end of month.	8.9	8.9		