Navy Cash Standard Operating Procedure for
Vendors Activating Miscellaneous Events Transient Merchant

1. INTRODUCTION. This document provides basic procedures for vendors using the Miscellaneous Events transient merchant to collect payments on board ship using Navy Cash. For Disbursing Officers, more detailed procedures can be found in NAVSUP Publication 727, the Navy Cash Standard Operating Procedure (SOP), Chapter 8, paragraphs 8.5.1 and 8.5.2, and Appendix P, Navy Cash Merchants.

2. TRANSIENT MERCHANTS. Transient merchants are generally used when Navy Cash transactions must be settled on an as-needed basis to pay a vendor or concessionaire without delay for goods or services provided. The transient merchants are usually only needed for a short time and are commonly settled to a different vendor each time they are used. Within Navy Cash, the standard transient merchants are: Husbanding Agent, Foreign Concessionaire, College Courses, College Books, and Miscellaneous Events. Transient merchants are included in the merchants set up for each and every Navy Cash ship.

   a. Miscellaneous Events Merchant. While the other transient merchants were set up for fairly specific purposes, Miscellaneous Events (MISC EVENTS) was established to handle fund-raising and other events, like a Navy Spouses' bake sale, the Navy Marine Corps Relief Society (NMCRS) annual active duty fund drive, a Chief's Mess special function, cruise book sales, and the Combined Federal Campaign (CFC) annual fundraising drive.

   b. Transient merchants are designed to settle to the Disbursing Office merchant Mastercard® debit open-loop account on a daily basis and not to a bank or credit union account. The Disbursing Officer then provides an ex-cash-remittance check or cash to the vendor in the amount of the Navy Cash transactions collected by the vendor. Transient merchant cards are not required and are not issued.

   c. The standard Navy Cash transient merchant names cannot be changed to accommodate a short-term need on a ship. For example, if the generic merchant MISC EVENTS has been assigned to the NMCRS annual fund drive, MISC EVENTS will appear on the POS screen and in Navy Cash reports related to the NMCRS fund drive.

3. SET UP A POINT OF SALE (POS) DEVICE. The POS is a portable, hand-held device that is used to record payment transactions and collect value from cardholders' Navy Cash cards.

   a. Assign Appropriate Merchant. To enable a vendor to record and collect Navy Cash payment transactions using the Miscellaneous Events merchant, the Disbursing Officer must first set up a POS for the MISC EVENTS transient merchant, selecting the merchant from the list of merchants available on the Navy Cash server. A POS must be online to the Navy Cash server to access the ship's current merchant list, select the appropriate merchant, and log on an operator.

   b. Operator IDs. The Disbursing Officer must also assign a separate four-digit Navy Cash operator ID to each of the merchant's authorized operators, so the Navy Cash detail reports can be separated by operator.

   c. If available, additional POSs can be configured by the Disbursing Officer and issued as needed. All POSs must be returned to the Disbursing Office as soon as the event is over.

   d. For more detailed instructions on configuring and operating the POS, refer to the Navy Cash SOP, Chapter 2, POS, CAD, & Kiosk Operating Procedures.

4. START OF BUSINESS DAY—ACCEPT PAYMENTS

    a. Operator Logon. As a reminder, an authorized operator must log on to the POS device using his/her assigned four-digit operator ID before starting any transactions. To log on, the device must be online to the Navy Cash server. If the POS is to be operated in the offline mode, it can be taken to one of the available Navy Cash "download boxes" to log on an operator.

    b. Payment Transactions

        (1) Cardholder initiates transaction by inserting Navy Cash card into POS device and entering PIN.

        (2) Operator, following instructions on screen, enters payment amount and presses green key.

        (3) Cardholder approves payment by pressing the "confirm" key, and the money is taken off the Navy Cash closed loop (chip) immediately.

        (4) For more detailed payment procedures, refer to paragraph 2.2.6, Normal Mode – Purchases, in Chapter 2 of the Navy Cash SOP.

    c. Offline, Portable Mode. In most cases, a vendor will operate the POS in the offline, portable mode. The portable POS device stores the value of each payment transaction within the device, so it must be protected like a cash box. When operated in the portable mode, the operator should make sure the POS has fresh batteries and additional batteries are readily available. See Chapter 2 of the Navy Cash SOP for more detailed instructions on operating the POS.

    d. Transaction Log. The vendor is required to maintain a separate log and record each transaction. In the unlikely event that a POS is lost or destroyed before the payment transaction data stored in the POS is downloaded to the server, Navy Cash Technical Support (NCTS) personnel may be able to reconstruct the payment transactions using the documented transactions recorded in the log or from copies of sales receipts.

5. END OF BUSINESS DAY—DOWNLOAD TRANSACTIONS AND CLOSEOUT

    a. Closeout Day Prior to Payment. At the end of the business day or at the end of the event, the vendor must bring the POS device and the transaction logs back to the Disbursing Office for closeout and payment.

        (1) Generally, the vendor must close out at the end of the business day prior to the day that payment is desired.

        (2) Navy Cash payment transactions collected by transient merchants are settled to the disbursing office merchant open-loop account, normally within 24 to 72 hours, but the amount is not actually transferred to the account or the new balance reflected until an Indicate End Of Day (IEOD) function and subsequent round trip between the ship and shore are completed.

    b. Download POS and Copy Transaction Logs. The Disbursing Officer will make copies of the logs and then plug the POS into an available "download box" or LAN drop, e.g., in the disbursing office. When the POS comes on line with the Navy Cash server on the ship, the payment transaction data contained on the POS will be uploaded to the server automatically.

    c. Generate Ship Report. As soon as the transaction information on the POS is uploaded to the server on the ship, the Disbursing Officer will use the Disbursing Application to generate and print a Merchant Sales Summary Report that shows the total amount of Navy Cash transactions collected by the Miscellaneous Events merchant.

d. Reconcile Navy Cash Report and Vendor Logs

(1)   If the Merchant Sales Summary Report generated by the Navy Cash system and the vendor's transaction logs agree, the Disbursing Officer is ready to pay the vendor for the amount of the Navy Cash transactions collected by the Miscellaneous Events merchant. If they do not agree, the Disbursing Officer and the vendor must reconcile the differences. To simplify settlement and payment, this reconciliation should be completed before initiating the IEOD function.

(2)   The Disbursing Officer shall use the Disbursing Application to generate a Merchant Transactions Report for the period covered by the logs presented by the vendor and using the merchant and operator ID number that was assigned to the POS used by the vendor.

(3)   There are two primary out-of-balance conditions that can occur. It is possible, however, to experience combinations of these two basic error conditions, and this must be considered when conducting the investigation.

(a)   Shortage. The total sales amount on the vendor's transaction log is greater than the total amount collected on the Merchant Sales Summary Report. Sales are overstated, or collections are understated. This condition occurs when a sale was recorded but the currency or electronic cash was not collected, for example, an individual could have removed his or her Navy Cash card before the transactions was completed, or the amount collected was less than the amount of the sale. If cash (currency) is involved, it is possible that a cashier made change incorrectly during the transaction or that money was miscounted, misplaced, lost, or stolen.

(b)   Overage. The total sales amount on the vendor's transaction log is less than total amount collected on the Merchant Sales Summary Report. Sales are understated, or collections are overstated. This condition occurs when currency or electronic cash was collected but a sale was never recorded or was recorded at an amount less than the currency or electronic cash collected. If cash (currency) is involved, it is possible that the cashier made change incorrectly or that the money was miscounted.

(4)   For either out of balance condition, the Disbursing Officer and vendor must compare the Navy Cash Merchant Transactions Report for the Miscellaneous Events merchant, which lists every Navy Cash transaction the vendor performed that day, and the vendor's transaction log to determine, through a process of elimination, which transactions are missing or were recorded at incorrect amounts. Probable error conditions and corrective actions:

(a)   Condition: The Merchant Transactions Report shows a Navy Cash collection transaction but a corresponding entry in the vendor's transaction log does not exist. Corrective Action: Disbursing Officer and vendor will first confirm that the collection reported on the Merchant Transactions Report is correct. If correct, the vendor will make a corresponding entry in the transaction log. If incorrect, the Disbursing Officer will reverse the Navy Cash collection by issuing a refund to the member in the amount of the original erroneous collection in Navy Cash or currency as appropriate.

(b)   Condition: The Merchant Transactions Report shows a collection transaction but recorded at an amount different than what is recorded in the transaction log. Corrective Action: Disbursing Officer and vendor will determine the correct amount for the transaction and, if the correct transaction amount is greater than the amount collected, the transaction log will be corrected, and the Disbursing Officer or vendor will contact the member and request payment of the difference in Navy Cash or currency as appropriate. If the correct

transaction amount is less than the amount collected, the log will be corrected and the Disbursing Officer will refund the difference to the member in Navy Cash or currency as appropriate.

(c)   Condition: The transaction log shows a collection transaction occurred on the day of reconciliation, but a corresponding transaction was not been recorded in the Merchant Transactions Report. Corrective Action: Disbursing Officer and vendor will confirm that the collection entry in the log is correct. If correct, payment was never made, and the Disbursing Officer or vendor must contact the cardholder and request payment in Navy Cash or currency as appropriate. If incorrect, the vendor will reverse (cancel) the entry in the transaction log.

(5)   If the investigation reveals that cash (currency) was lost, misplaced, or stolen, it should be handled in accordance with Chapter 6 of DoD FMR Volume 5 and existing procedures (which are outside the scope of Navy Cash).

(6)   Once the Merchant Transactions Report and transaction log agree, the reconciliation is successful, and the Disbursing Officer is ready to pay the vendor with a check or cash for the total amount of payment transactions collected using Navy Cash (see paragraphs below).

(7)   The Disbursing Officer shall maintain any Merchant Sales Summary or Merchant Transactions Reports and any reconciliation worksheets associated with the payment transactions collected on file for 12 months.

e. Payment

(1)   Once the round trip is completed between ship and shore and the correct balance is reflected in the Disbursing merchant open-loop account and Daily Transaction Detail Report– Merchant Settlement from shore, the Disbursing Officer shall transfer value from the open loop to the closed loop in the amount of the Navy Cash transactions collected by the vendor using the Disbursing merchant card at the Kiosk or at the Disbursing Application. On the Merchant Settlement Report, the "Settlement Type" for Navy Cash transactions collected by transient merchants and settled to the Disbursing merchant strip account will be reported as "DISBO OFF".

(2)   In the Disbursing Office, the Disbursing Officer shall then cash out the closed loop and either cut an ex-cash remittance check to the vendor or provide the vendor cash for the total amount of their Navy Cash sales receipts.

(3)   The Disbursing Officer shall record the payment to the vendor as a closed-loop-to-cash transaction on the Daily Cash Transaction Ledger in accordance with paragraphs 8.4.5 and 8.4.10 in the Navy Cash SOP. The vendor shall print and sign his or her name on the ledger for the amount of value received. If the vendor was issued a check, the Disbursing Officer shall also record the check number on the ledger.

(4)   The Disbursing Officer shall post the amount of the payment to the DD 2657 in accordance with the procedures outlined in the Navy Cash SOP, Chapter 8, paragraph 8.5.2, Currency Exchange by Vendors in a Foreign Port.

f. Contingency Alternative — Closeout and Payment

(1)   On an exception basis, in the event that paying the vendor cannot wait until an IEOD and round trip between ship and shore have been completed, the Disbursing Officer can provide the vendor an ex-cash check or cash based on the logs provided by the vendor and the Merchant Sales Summary Report. If the logs and Navy Cash report do not agree, the Disbursing Officer must reconcile the differences following the procedures above before initiating payment.

(2)   The Disbursing Officer shall create a Journal Voucher, OF 1017-G, to record the amount of the ex-cash remittance check or the cash issued to the vendor.

(a)   On the journal voucher, annotate the transaction as "Closed-Loop-to-Cash", have the vendor print and sign his or her name for the amount of the check or cash received, and, if the vendor was issued a check, record the check number.

(b)   Retain the journal voucher and Merchant Sales Summary Report to substantiate the value of Navy Cash transactions collected by the vendor and the amount of the check or cash issued to the vendor.

(3)   The Disbursing Officer shall post the amount of the payment to the DD 2657 in accordance with the procedures outlined in the Navy Cash SOP, Chapter 8, paragraph 8.5.2, Currency Exchange by Vendors in a Foreign Port.

6.   END OF DAY REPORTS

a.   Ship Reports. At the end of the business day, particularly for multi-day events, the Miscellaneous Events merchant should review the daily Navy Cash Merchant Sales Summary Report for accuracy. The Disbursing Officer can generate the Merchant Sales Summary Report and Merchant Transactions Report 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 8.4.22 of the Navy Cash SOP). *In Navy Cash, all dates and times are recorded and reported in Greenwich Mean Time (GMT) (Coordinated Universal Time (UTC)).*

b.   Shore Reports. Successful processing of the EOD round trip sends a series of Navy Cash reports to the ship from the shore side. These shore reports are generated automatically, 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. Each day, the Miscellaneous Events merchant should obtain a copy of the Miscellaneous Events Daily Transaction Detail Report from the Disbursing Officer for reconciliation and management purposes.

c.   Daily Reconciliation. Each day, the Miscellaneous Events merchant should validate that the payment transactions total less any refunds for the day equals the sales total reported on the Merchant Sales Summary Report and Daily Transaction Detail Report *(samples of these reports included at the end of this document)*. Reconciling payment transactions at the end of each day simplifies reconciliation at the end of the event. This step compares the (electronic) cash collected (the sales value from the Navy Cash reports) to the transaction log and the daily payment receipts. If both numbers match, there is no discrepancy. If the numbers do not match, an error has occurred that must be investigated and resolved. Review the Miscellaneous Events sales receipts for the payments received that day to determine if a payment was not properly receipted or an incorrect contribution amount was deducted from a Navy Cash card.

d.   Merchant Settlement Reports. Merchant settlement reports list all Navy Cash deposits made to the Disbursing Office strip account and can be used to assist in reconciling the account. These shore reports can be obtained from the Disbursing Officer.

e.   Reconciliation Reports. Reconciliation reports, which are generated for all merchants, segregate transactions that were collected in the offline mode but were not processed on the same day they were collected. Reported separately, these collections can then be added to the totals for the appropriate day if desired. These shore reports can be obtained from the Disbursing Officer.

SAMPLE NAVY CASH REPORTS

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

Daily Merchant Sales Summary Report

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Run Date:  05/17/2016       Run Time:  17:08:16
Report Name:  NC_133
Start Date:  05/16/2016     End Date::  05/17/2016
Merchant Sales
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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 – METERED MAIL	800000003699	150.00	10
SHIP STORE #1	800000003701	1120.35	110
NAVY MWR	800000003705	90.00	6
MISC EVENTS	800000003686	240.00	9
VENDING STORE ITEMS	VMCAND0000000001	10.60	20
VENDING STORE ITEMS	VMCAND0000000001	40.00	80
VENDING SODA	VMSODA0000000001	45.50	91
VENDING SODA	VMSODA0000000001	85.00	170
VENDING SODA	VMSODA0000000001	24.00	48

Monthly Merchant Sales Summary Report

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Run Date:  05/31/2016       Run Time:  19:07:33
Report Name:  NC_133
Start Date:  05/01/2016     End Date::  05/31/2016
Merchant Sales
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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 – METERED MAIL	800000003699	2250.00	150
SHIP STORE #1	800000003701	36610.47	3242
NAVY MWR	800000003705	2773.00	178
MISC EVENTS	800000003686	4650.00	232
VENDING STORE ITEMS	VMCAND0000000001	202.20	530
VENDING STORE ITEMS	VMCAND0000000001	932.10	2300
VENDING SODA	VMSODA0000000001	1340.00	2690
VENDING SODA	VMSODA0000000001	2475.50	4951
VENDING SODA	VMSODA0000000001	725.50	1451

Daily Transaction Detail Report

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Run Date    : 05/18/2016
Run Time    : 02:08:25
Report Name : TRAN_MiscEvents_D

                              Navy Cash
             Daily Transaction Detail Report - Miscellaneous Events
                          Location: USS NEVERSAIL
       Date: 05/16/2015 02:04:31 To 05/17/2015 02:01:54 Batch Id: R12345_323


Merchant   : 80000003686
Event Code :
Operator   : WOOD, MIKE

Name                    SSN  Account #   Transaction Date     Trans    Amount
-------------------- ----- ----------- -------------------- ------- ---------
ROCK, JIM             2341 80000010012 08/28/2015 11:42:25     1      $20.00
TEMPLE, MIKE          7865 80000010014 08/28/2015 11:43:00     1      $40.00
SCHU, STEVE           3628 80000010043 08/28/2015 12:42:41     1      $30.00
USS NEVERSAIL,VISITOR      80000011062 08/28/2015 12:45:21     1      $20.00
--------------------                                        ------- ---------
Operator WOOD Subtotal:                                        4     $110.00
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Merchant   : 80000003686
Event Code :
Operator   : BARBER, BRIAN

Name                    SSN  Account #   Transaction Date     Trans    Amount
-------------------- ----- ----------- -------------------- ------- ---------
JOHN, ROBERT          1234 80000010002 08/28/2015 13:42:25     1      $40.00
JOSH, JIM             5678 80000010004 08/28/2015 13:43:00     1      $20.00
USS NEVERSAIL,VISITOR      80000011022 08/28/2015 13:45:21     1      $20.00
ALPERT, MIKE          4321 80000010003 08/28/2015 13:42:41     1      $30.00
GOLD, STEVE           8765 80000010001 08/28/2015 13:42:01     1      $20.00
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Operator BARBER Subtotal:                                      5     $130.00
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Event Subtotal:                                                9     $240.00
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Merchant 80000003686 Subtotal:                                 9     $240.00

Total:                                                         9     $240.00


                        *** End of the Report ***
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