



NONRESIDENT TRAINING COURSE



Ship's Serviceman (SH)



NAVEDTRA 14314B
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Sailor's Creed

"I am a United States Sailor.

I will support and defend the Constitution of the United States of America and I will obey the orders of those appointed over me.

I represent the fighting spirit of the Navy and those who have gone before me to defend freedom and democracy around the world.

I proudly serve my country's Navy combat team with honor, courage and commitment.

I am committed to excellence and the fair treatment of all."

THE UNITED STATES NAVY

GUARDIAN OF OUR COUNTRY

The United States Navy is responsible for maintaining control of the sea and is a ready force on watch at home and overseas, capable of strong action to preserve the peace or of instant offensive action to win in war.

It is upon the maintenance of this control that our country's glorious future depends; the United States Navy exists to make it so.

WE SERVE WITH HONOR, COURAGE, AND COMMITMENT

Tradition, valor, and victory are the Navy's heritage from the past. To these may be added dedication, discipline, and vigilance as the watchwords of the present and the future.

At home or on distant stations, we serve with pride, confident in the respect of our country, our shipmates, and our families.

Our responsibilities sober us; our adversities strengthen us.

Service to God and Country is our special privilege. We serve with honor.

THE FUTURE OF THE NAVY

The Navy will always employ new weapons, new techniques, and greater power to protect and defend the United States on the sea, under the sea, and in the air.

Now and in the future, control of the sea gives the United States her greatest advantage for the maintenance of peace and for victory in war.

Mobility, surprise, dispersal, and offensive power are the keynotes of the new Navy. The roots of the Navy lie in a strong belief in the future, in continued dedication to our tasks, and in reflection on our heritage from the past.

Never have our opportunities and our responsibilities been greater.

Center for Service Support

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PREFACE

ABOUT THIS COURSE:

This is a self-study course. By studying this course, you can improve your professional/military knowledge, as well as prepare for the Navy-wide advancement-in-rate examination. It contains subject matter about day-to-day occupational knowledge and skill requirements and includes text, tables, and illustrations to help you understand the information. An additional important feature of this course is its reference to useful information in other publications. The well-prepared Sailor will take the time to look up the additional information.

By enrolling in this self-study course, you have demonstrated a desire to improve yourself and the Navy. Remember, however, this self-study course is only one part of the Navy training program. Practical experience, schools, selected reading, and your desire to succeed are also necessary to successfully round out a fully meaningful training program.

COURSE OVERVIEW: In completing this NRTC, you will demonstrate knowledge of the subject matter by correctly answering questions on the following subjects: organization, administration, and security; ship's laundry; barbershop; retail outlets; Navy Cash®; appropriations and funds; procurement; receipts and expenditures; stowage; inventory; and returns.

THE COURSE: This self-study course is organized into subject matter areas, each containing learning objectives to help you determine what you should learn along with text and illustrations to help you understand the information. The subject matter reflects day-to-day requirements and experiences of personnel in the rating or skill area. Also, it reflects guidance provided by Enlisted Community Managers (ECMs) and other senior personnel, technical references, instruction, etc., and either the occupational or Naval standards, which are listed in *Manual of Navy Enlisted Manpower and Personnel Classifications and Occupations Standards*, NAVPERS 18068.

THE INTERACTIVITY: This manual contains interactive animations and graphics. They are available throughout the course and provide additional insight to the operation of equipment and processes. For the clearest view of the images, animations, and videos embedded in this interactive RTM, adjust your monitor to its maximum resolution setting.

THE ASSIGNMENTS: The assignments that appear in this course are designed to help you understand the material in the text.

COURSE OBJECTIVE

The objective of this course is to provide the Ship's Serviceman (SH) with occupational information.

INSTRUCTIONS FOR TAKING THE COURSE ASSIGNMENTS

The links and material that you are to study are included in each chapter. Study the material and links carefully before attempting to answer the questions. Pay close attention to tables and illustrations, and read the information in the links.

SELECTING YOUR ANSWERS

Read each question carefully, and then select the BEST answer. You may refer freely to the text. The answers must be the result of your own work and decisions. You are prohibited from referring to or copying the answers of others and from giving answers to anyone else taking the course.

SUBMITTING YOUR ASSIGNMENTS

To have your assignments graded, you must be enrolled in the course with the NRTC Administration Branch. Following enrollment, there are two ways of having your assignments graded:

- Use the Internet to submit your assignments as you complete them.
- Send all the assignments at one time by mail to NETPDTC, NRTC.

Grading on the Internet: Advantages to Internet grading are as follows:

- You may submit your answers as soon as you complete an assignment.
- You get your results faster.
- In addition to receiving grade results for each assignment, you will receive course completion confirmation once you have completed all the assignments.

To submit your assignment answers via the Internet, go to the following site:

<https://www.courses.netc.navy.mil>

Grading by Mail: When you submit answer sheets by mail, send all of your assignments at one time. Do NOT submit individual answer sheets for grading. Mail all of your assignments in an envelope, which you either provide yourself or obtain from your nearest Educational Services Officer (ESO). Submit answer sheets to the following:

*Commanding Officer
Naval Education and Training Professional Development and Technology Center
ATTN: VOLED (NRTC)
6490 Saufley Field Road
Pensacola, FL 32509*

Answer Sheets: Each course includes an answer sheet for your assignments. If you are going to mail in your answer sheets, please make copies of the included answer sheets. Explanations for completing the answer sheets are on the answer sheet.

Follow the instructions for marking your answer on the answer sheet. Be sure that blocks 1, 2, and 3 are filled in correctly. This information is necessary for your course to be properly processed and for you to receive credit for your work.

COMPLETION TIME

Courses must be completed within 12 months from the date of enrollment. This includes time required to resubmit failed assignments.

PASS/FAIL ASSIGNMENT PROCEDURES

You will be given the opportunity to resubmit failed assignments. You may resubmit failed assignments only once. Internet students will receive notification when they have failed an assignment; they may then resubmit failed assignments on the Web site. Internet students may view and print results for failed assignments from the Web site. Students who submit by mail will receive a failing result letter and a new answer sheet for resubmission of each failed assignment.

COMPLETION CONFIRMATION

After successfully completing this course, you can download a copy of your letter of completion on the NRTC Web site:

<https://www.courses.netc.navy.mil>

STUDENT FEEDBACK QUESTIONS

We value your suggestions, questions, and criticisms on our courses. If you would like to communicate with us regarding this course, we encourage you, if possible, to use e-mail. If you write or fax, please use a copy of the Students' Comments form that follows this page.

For subject matter questions:

Contact the Center for Service Support, Newport, RI

Email: NWPT_CSS_RTM@navy.mil

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For enrollment, shipping, grading, or completion letter questions:

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*Commanding Officer
Naval Education and Training Professional Development and Technology Center
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Pensacola, FL 32509*

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Students' Comments

Course Title: Ship's Serviceman (SH)

NAVEDTRA: 14314B Date: _____

We need some information about you:

Rate/Rank and Name: _____

Command/Unit: _____

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Zip: _____

Email Address: _____ DSN: _____

Your comments, suggestions, etc.: _____

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CHAPTER 1

ORGANIZATION/ADMINISTRATION/SECURITY

As a ship's serviceman (SH) you will be involved in the daily operation of the retail and service activities of an afloat or ashore supply department. SHs can be tasked to perform the duties of a laundryman, barber, ship's store operator, holding location custodian, or records keeper. In addition, it is important for you to start early in your career to assume the added responsibilities of being a supervisor of a retail or service activity.

The varied supply demands of the operating forces and shore establishments of the Navy require procurement, storage, and a distribution system with a scope unequaled in the commercial world. The term "supply system" is used to describe the integrated activity of the Defense Logistics Agency (DLA) and the Naval Supply Systems Command (NAVSUP) that procures, holds, and issues materials to the operating forces and shore activities. The distribution of supplies also includes the commercial business sector through direct vendor delivery (DVD) contracts and other contractor logistics support arrangements made through both NAVSUP and DLA.

LEARNING OBJECTIVES

When you have completed this chapter, you will be able to do the following:

1. Identify the mission of NAVSUP.
2. Identify the organization of NAVSUP.
3. Identify the functions of NAVSUP.
4. Identify the mission of the combat logistics force (CLF).
5. Identify the purpose of the CLF.
6. Identify the organizational functions of the Navy Exchange Service Command (NEXCOM).
7. Identify the responsibilities of NEXCOM.
8. Identify the mission of the supply department afloat.
9. Identify the functions of the supply department afloat.
10. Identify the responsibilities of the supply department afloat.
11. Identify the mission of the S-3 division.
12. Identify the functions of the S-3 division.
13. Identify the purpose of the ship's store administrative files.
14. Identify the purpose of the ship's store administrative logs.
15. Identify the procedures used in the security of supply spaces.

INTEGRATED SUPPLY SYSTEM

The supply system had to evolve when the critical supply requirements of the operating forces began to extend beyond the scope of a single organization. To meet the new supply requirements, the Department of Defense (DoD) created a system that used commodity (consumable) managers that purchased, stored, and issued supplies while managing inventories and forecasting new supply

requirements. The supply system underwent numerous changes until the DoD created the Defense Supply Agency that was later renamed as the DLA.

The mission of the supply system is two-fold. The first part of the mission, which is the most important, is providing responsive supply support to the operating forces. The second part of the mission of the supply system is the achievement of the optimum level of efficiency. To accomplish this mission, the supply system manages all of its operation in a superior manner. SHs must provide the type of service that directly contributes to the success of the mission and the goals of the supply system.

Defense Logistics Agency Supply System

The management responsibility and control of supply items that are commonly used by all military services is assigned to the DLA, whose headquarters are located in Fort Belvoir, Virginia. After a military service determines its supply needs, the service forwards the information to DLA. DLA totals the requirements and procures the items on a wholesale basis from commercial sources. After the DLA procures the supply items from commercial sources, the items are sold to each military service.

More than 60 percent of the line items in the integrated Navy supply system are managed by DLA. The line items are identified by the number 9 preceding the alphabetic cognizance symbol. However, any material with the cognizance symbol 9Q is managed by the General Services Administration (GSA).

Defense Logistics Agency Primary Level Field Activities

There are six primary level field activities. The basic function of each primary level field activity is inventory control, item management, and supply chain integration. Each primary level field activity is responsible for a certain type of material and its distribution:

- DLA Land and Maritime, Columbus, Ohio—provides maritime and land weapons supply chains and is the headquarters for the supply and demand chains of the DLA
- DLA Aviation, Richmond, Virginia—provides the aviation supply chain, which supports more than 1,900 major weapons systems in support of all fixed- and rotor-wing aircraft
- DLA Troop Support, Philadelphia, Pennsylvania—provides subsistence, clothing, textiles, medical, and construction and equipment supply chains
- DLA Energy, Fort Belvoir, Virginia—provides fuel, energy and support, and bulk petroleum supply chains
- DLA Distribution, New Cumberland, Pennsylvania—manages a worldwide network of 26 distribution depots and nine map support offices that are responsible for the receipt, storage, issue, packing, preservation, and transportation of more than 4 million items
- DLA Disposition Services, Battle Creek, Michigan—center for reutilization, transfer, demilitarization, and environmental disposal and reuse

Operation of the DLA Supply System

The primary level field activities are responsible for the following supply management functions (dependent on the specific requirement):

- Cataloging
- Standardization
- Determination of requirements

- Procurement
- Inspection and utility control
- Storage and distribution
- Disposal
- Transportation scheduling
- Maintenance and manufacturing guidance
- Mobilization planning

Individual military services are responsible for determining the types of supplies and quantity of equipment required to support operations. Primary level field activities compute the replenishment requirements on all supply items that are managed by the DLA. The computations take into account the experience of the center supplying the requested item and the program information that is provided to the primary level field activity by the requesting military service.

Primary level field activities control the wholesale distribution for each of the military services. Generally, the primary level field activities make use of local military facilities in the area the center serves that are best suited to meet the requirements of the particular service. The local military mail facilities are operated as depots with the administrative support being provided by the primary level field activities. The primary level field activities conduct operations in the continental United States (CONUS) as well as outside the continental United States (OCONUS). The primary level field activities coordinate with their subordinate commands for the shipment for items from CONUS stock points to overseas points as designated by the using services. Materials are moved by the Defense Transportation System (DTS) and are tracked by the customer using the joint total asset visibility (JTAV) program managed by the United States Air Force.

Operational and reserve supplies, under the control of the primary level field activities, are financed by the Defense Working Capital Fund (DWCF). Supplies are rotated when necessary to maintain the quality through arrangements agreed upon by DLA and the concerned military service. Supplies under the direct control and ownership of the primary level field activities are designated as wholesale stock. When the military service receives and takes ownership of wholesale stock, it is re-designated as retail stock.

Distribution Depots

The distribution depots are the storage points for all DLA materials. The appropriate primary field level activity processes requests for materials and controls the issue of materials based on requisition. Distribution depots generally cannot accept requisitions or issue stock directly without prior authorization from the responsible primary level field activity.

NAVY SUPPLY SYSTEM

The Navy today requires significant logistical support to maintain operational readiness. The supply system directly supports this important objective. As the Navy supply system has evolved, the organization for supply management has similarly kept pace with the changing face of naval logistics as well as new working requirements. The management part of the Navy supply system organization begins with the Assistant Secretary of the Navy (Research, Development, and Acquisition). This office is responsible for supervising the Navy-wide policy in production, procurement, supply, and disposal of material. The Chief of Naval Operations (CNO) is responsible for planning and determining the material support needs of the operating naval forces. Material support includes equipment, weapons, weapons systems, materials, supplies, facilities, maintenance, and support

services. NAVSUP is responsible for providing material support to the Navy and Marine Corps. *Figure 1-1* illustrates the organizational structure of NAVSUP.

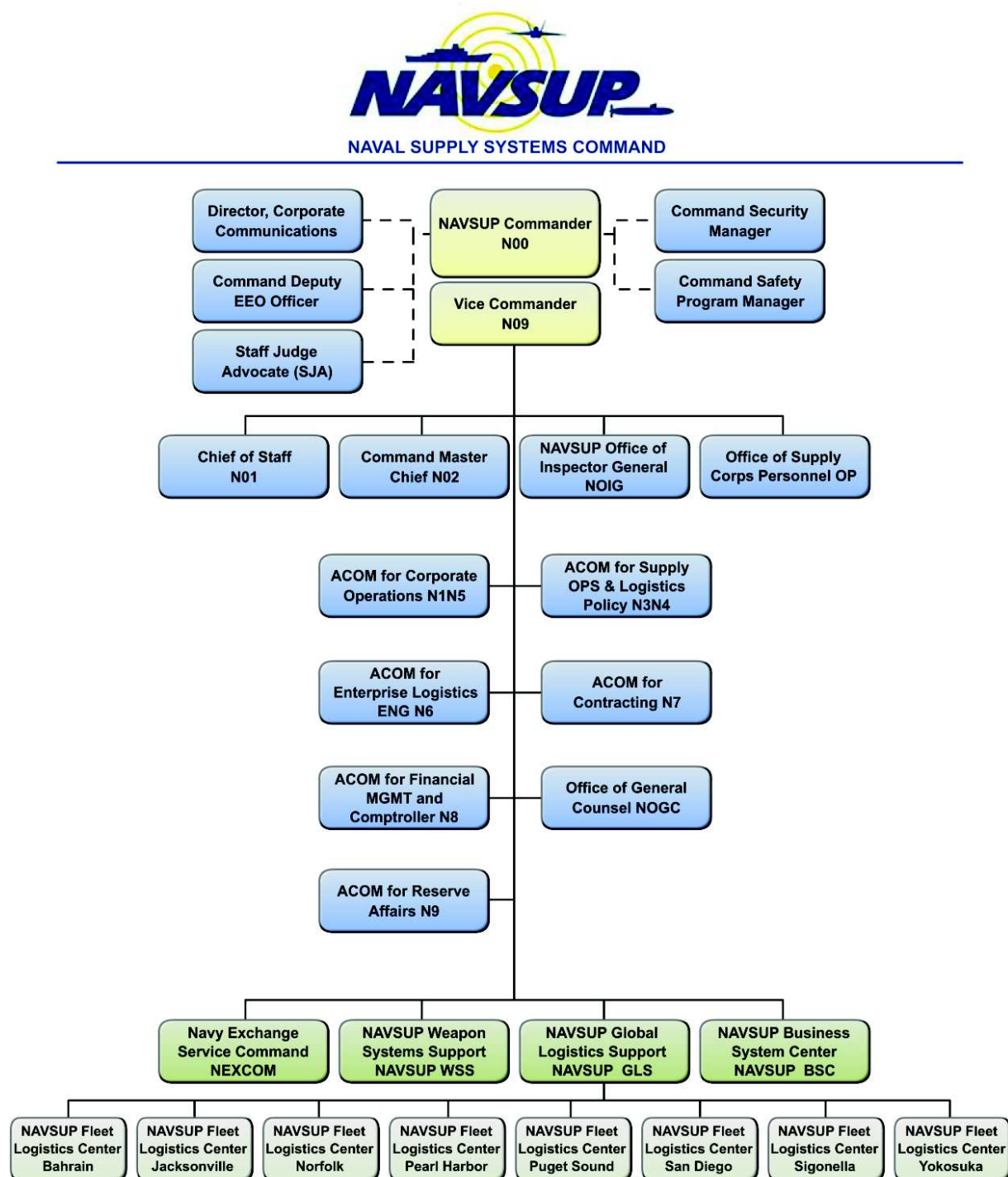


Figure 1-1 — NAVSUP organization structure.

Naval Supply Systems Command

NAVSUP provides management policies and technical guidance for naval material to activities of the Navy and Marine Corps. NAVSUP is the top level of the Navy supply system. NAVSUP performs the following functions in regard to naval supply:

- Setting the policy and providing the management systems, rules, and tools needed by their claimancy activities and the fleet for provisioning
- Cataloging
- Inventory management
- Distribution
- Material handling
- Traffic management
- Transportation
- Packaging
- Preservation
- Receipt, storage, issue, and disposal of naval material

In addition, NAVSUP administers the Navy Working Capital Fund (NWCF) and the Navy Exchange Program and exercises management control of field purchasing offices, inventory control points (ICPs), Fleet Logistics Centers (FLCs), and other offices concerned with supply support.

Inventory Control Points

The NAVSUP weapons systems support (WSS) facilities located in both Philadelphia and Mechanicsburg, Pennsylvania, are responsible for providing Navy, Marine Corps, joint, and allied forces program and supply support for the weapons systems. The Navy Fleet Material Support Office (FMSO), as NAVSUP's primary computer design agency (CDA), is responsible for administering the computer systems used in inventory management. Responsibilities of inventory control managers include the supervision of the action needed to compute requirements and their costs, initiation of procurement and disposal actions, the positioning and repositioning of material, and the development of a worldwide inventory database. Inventory managers participate directly in the various DoD and DLA inter-servicing and cataloging programs.

Although not WSS, two activities that are assigned specific inventory management responsibilities are the following:

- The Naval Publications and Forms Directorate, Philadelphia, Pennsylvania
- NEXCOM, Virginia Beach, Virginia

NOTE

Both of the above listed activities manage a material commodity or a group of commodities.

The inventory manager for any stock item can be identified by the cognizance symbol. For example, ship's store stock is 1Q Cognizance Symbol (COG) material that is under the inventory management of NEXCOM. A current list of cognizance symbols and their associated responsible inventory

managers can be found in the NAVSUP Manual, Volume 2 and Operational Forces Supply Procedures, NAVSUP Publication (P)-485.

The material that is managed by the WSS is held in a distribution system. To make the material available in the right quantity at the right place, the WSS must maintain close control over the distribution system. To do this, the distribution system of the WSS is tied together by a highly sophisticated communication network through which the WSS reports daily on the status of the stock in its location. This information enables each WSS to position material as required and to compute future procurement requirements for the material.

Inventory Managers

Navy inventory managers are organizational elements that have the primary responsibility for the management of assigned groups or classes of supply items. The primary duty of a Navy inventory manager is to provide efficient support to fleet and shore activities. In addition, inventory managers ensure that a balance between requirements and assets is maintained. Navy inventory managers can be generally classified into two groups:

- Navy commands whose principal mission is program management of weapons systems and major items
- ICPs under NAVSUP

All materials used by the Navy are considered to be lines of supply and are managed by an ICP. The only items that are excluded from this policy are items assigned to a single agency or military service inventory manager supporting retail stock or end use requirements of the military services.

Naval Supply Systems Command Global Logistics Support

The mission of NAVSUP global logistics support (GLS) is to provide direction, oversight, and operational control of the NAVSUP FLCs. In addition, NAVSUP GLS manages and coordinates the allocation for the complete spectrum of NAVSUP global logistics and services via centralized and service program managers. Resourcing based on customer mix, operational imperatives, and the demand signal is central to the mission of the command, as is consistency and the standardization of business practices.

Fleet Logistics Centers

The FLCs are also known as stock points. FLCs manage consumer end use materials by determining the inventory levels, procuring, receiving, storing, issuing, and shipping materials to customers. The FLCs outside of the continental United States manage and store intermediate and wholesale inventory that directly supports the fleet. When an FLC receives a requisition, either the materials requested will be issued, or the requisition will be referred to the appropriate ICP. FLCs also are responsible for the operation of the Service Marts (ServMarts). ServMarts are retail outlets that stock high-usage, consumable items. Authorized customers can use ServMarts on a walk-in basis and buy materials with a money value document only. The following is a list of FLC locations:

- Jacksonville, Florida
- Manama, Bahrain
- Norfolk, Virginia
- Pearl Harbor, Hawaii
- Puget Sound, Washington
- San Diego, California (Lead FLC)

- Sigonella, Italy
- Yokosuka, Japan

Inventory Control Department

The inventory control department determines material requirements. In addition, the inventory control department manages inventories of assigned material, controls material receipts, and conducts procurement operations when a purchase is warranted or approved by NAVSUP. Within the inventory control department are several divisions:

- Requirements division—maintains levels of activity stocks and stock records, provides status information, screens and analyzes supply documents, and performs other related functions
- Receipt control division—monitors all documentation and procedures necessary for the prompt receipt of material
- Technical division—maintains the library used to identify material
- Purchase division—determines the methods for purchasing material and for purchasing supplies and equipment from civilian sources
- Customer services division—provides liaison services for fleet and shore customers on material and service requirements (The customer services division is usually established when the volume of fleet or shore customer services is too great for the requirements division to handle alone; otherwise, customer service functions are performed within the requirements division)

Material Department

The material department plans and directs the storage, maintenance, issue, and disposal of materials. When a freight terminal department is not warranted, it plans and directs the receiving, shipping, and shipment control operations. The material department has several divisions that perform the following functions:

- Storage division—determines and maintains proper storage conditions and locations for material
- Disposal division—operates disposal, scrap, and salvage yards
- Packing and preservation division—packs and marks material for domestic or overseas shipment
- Cold storage division—when established, determines and maintains proper storage conditions and locations for material
- Retail stores division—operates shop, ready supply, and self-service stores
- Freight terminal division—receives, ships, delivers, and controls the movement of material

Determination of Requirements

Determining requirements for material should not be a new concept as you have probably already had some experience aboard ship. For the performance of this job, two excellent sources to use are the Coordinated Shipboard Allowance List (COSAL) and usage data taken from stock record files. The Navy supply system uses the COSAL and stock record files for determining the requirements for replenishment materials. However, not all material comes under the heading of replenishment and therefore not all material is stocked based on shipboard demand. Items, such as repair parts for new equipment, require long-range plans to develop requirements to support such equipment adequately.

There are other factors to consider when determining material requirements. After the plans for an operation have been approved, logistics planning must then provide the material needed to support the operation. The size and duration of the operation, its distance from established support activities, and the climate where the operation is to take place are all factors to consider. These factors must be considered to predict, with any accuracy, the answers to the questions what, when, where, and how much?

Procurement of Stock

As soon as the requirements have been established, the next step is the procurement of materials. Most procurement action aboard ship is done by requisition. However, before a supply activity can issue the material to fill your requisition, the material must first be procured and then delivered to the ordering supply activity. Although some items are manufactured in Navy facilities (such as shipyards), the vast majority of procured material is purchased from commercial suppliers. The impact by the Navy on the civilian economy ranges from insignificant for the replacement of shoelaces, to staggering when a procurement activity includes the material necessary to support an all-out wartime operation.

The procurement process includes such functions as establishing material specifications; standardizing, cataloging, identifying, and inspecting material; investigating cost; and assigning priorities. Procurement may also involve the allocation of critical raw material to a supplying manufacturer.

Distribution of Stock

Two types of activities make up the Navy's distribution system:

1. Activities in which the primary mission is supply
2. Activities that are components of systems commands other than NAVSUP or naval operational activities

The major activity, whose primary mission is direct, waterfront supply, is the FLC. These regional activities are responsible for working with their local DLA distribution depot for warehousing, distributing, and controlling Navy supply materials. In addition, the CLF ships act as afloat extensions of the distribution system. Other activities that provide localized support, through their supply departments include the naval shipyards, regional maintenance activities (RMAs), Naval Air Stations (NASs), and Naval Stations. The mission of these activities is primarily to provide support to the command at which they are located.

Combat Logistics Forces

The purpose of the CLFs is to keep the fleet supplied with fuel, food, general stores, repair parts, and ammunition. The supplies are provided to ships through the underway replenishment (UNREP) method. UNREP refers to all methods of transferring fuel, munitions, supplies, and personnel from one vessel to another while both vessels are underway. UNREPs can be performed using the connected method, vertical method, or a combination of both methods.

The connected replenishment (CONREP) method of supply transfer uses lines rigged between two vessels. The vertical replenishment (VERTREP) method uses helicopters to transfer personnel and cargo (except fuel). Both the CONREP and VERTREP methods collectively are known as replenishment at sea (RAS). Retail stores will be resupplied using the RAS method while the vessel is underway.

Types of Ships

The types of ships that make up the CLF are as follows:

- Fleet replenishment oilers—make up the largest subset of CLF ships; oilers provide fuel to deployed Navy combatant ships and their assigned aircraft via CONREP methods; *Figure 1-2* is an example of a typical fleet replenishment oiler



Figure 1-2 — Typical fleet replenishment oiler.

- Dry cargo/ammunition ships—newest and most advanced supply ships in the Navy, with improved equipment that increases efficiency and cost effectiveness in operations and maintenance; these ships are capable of delivering ammunition, provisions, stores, spare parts, potable water, and petroleum products to naval forces worldwide; *Figure 1-3* is an example of a typical dry cargo/ammunition ship



Figure 1-3 — Typical dry cargo/ammunition ship.

- Fast combat support ships—largest and fastest CLF vessels that carry all of the essentials for a ship at sea including fuel, ammunition, and food; fast combat support ships are especially valuable because of their speed; *Figure 1-4* is an example of a typical fast combat support ship



Figure 1-4 — Typical fast combat support ship.

Navy Exchange Service Command

The central management office for the Navy Exchange System is NEXCOM, whose headquarters are located in Virginia Beach, Virginia. NEXCOM provides technical guidance, policies and procedures, management and acquisition support, and overall assistance to the retail system. The NEXCOM functions are similar to those of corporate headquarters. NEXCOM's mission is to provide the following:

- Support for resale services and clothing, afloat and ashore
- Conduct clothing and textile research and development
- Perform other services directed by NAVSUP

NEXCOM provides technical and management guidance to the naval uniform program. In addition, NEXCOM commands the Navy Clothing and Textile Research Facility (NCTRF), which conducts research, development, test and evaluation, and engineering of clothing and materials to protect against threats such as fire, steam, heat and cold stress, ballistic impact, water immersion, and chemicals.

In managing the programs under its control, NEXCOM is subject to the guidance provided in the Armed Services Exchange Regulations, the Naval Supply Systems Command Manual, and other official publications.

Out of the many different programs that NEXCOM offers, SHs will have the most contact, in many different forms, with the NEXCOM Ship's Store Program (Code A). Included in NEXCOM's responsibilities is the support of Navy ship's stores and ship's store activities afloat. A Navy ship's store is an activity ashore, usually in a remote location, that operates under afloat ship's store guidelines.

NEXCOM Ship's Store Program

The primary purpose of NEXCOM's Ship's Store Program division is to furnish technical direction and guidance for the design of the Navy's ship's store facilities and to assist type commanders (TYCOMs) in managing ship's store operations.

The following are functions of the Ship's Store Program division:

- Provide technical assistance guidance to NAVSUP and fleet units for the design of ship's services spaces, equipment, and facilities aboard Navy ships scheduled for new construction, conversion, major modernization, and for those vessels scheduled for ship alterations
- Develop ship's store contracts, merchandise offerings, and procurement resources
- Develop and provide technical guidance and assistance for laundry, vending, and related services aboard ships
- Administer ship's store profits, Navy, General Fund, and the ship's store participation in the DWCF
- Develop program data to ensure adequate logistics support to the fleet
- Maintain up-to-date fleet load lists for ship's stores in the Consolidated Afloat Requisitioning Guide Overseas (CARGO)

Defense Finance and Accounting Service

The Defense Finance and Accounting Service (DFAS) performs functions that are associated with ship's store operations:

- Auditing returns
- Maintaining and reconciling documents for receipt from purchase and receipts from other supply officers (SUPPOs)
- Reconciling cash reported in returns
- Paying dealer's bills
- Providing further assistance in maintaining ship's store accountability

Fleet Assistance Teams

Fleet Assistance Teams provide technical assistance and guidance to forces afloat in order to improve the overall performance of the ship's store operation. To support the improvement of the ship's store operations, the Fleet Assistance Team follows NEXCOM's policy and procedures.

Fleet Assistance Teams maintain offices in the following locations:

- Norfolk, Virginia
- Jacksonville, Florida
- San Diego, California
- Yokosuka, Japan
- Pearl Harbor, Hawaii

Assistance Visits

If the personnel onboard a ship desire an assistance visit, they should contact the geographically appropriate Fleet Assistance Team. All requests for assistance should directly address the specific problem that the ship is encountering, if one exists. Urgent requests for assistance can be made by naval message or telephone when considered appropriate by the ship's SUPPO.

Visits from the Fleet Assistance Team are normally scheduled for a period of 2 to 5 days. The length of the visit usually depends on the type of ship and the extent of the ship's store operations that are going to be reviewed.

Assistance for Laundry Equipment

Fleet Assistance Teams can provide onsite assistance to address problems with laundry equipment upon request. In order to best solve the laundry equipment problems, the ship should request the visit prior to a scheduled overhaul period. Scheduling the assistance visit prior to an overhaul period will permit the timely submission of a work request for any repairs or equipment layout changes that result from the visit. Laundry equipment assistance visits should be requested 18 months before an overhaul period. If an emergency situation exists, ships can request a visit at least 120 days before the scheduled overhaul period.

Pre-Deployment Assistance Visits

Fleet Assistance Teams can provide a deploying ship with valuable information on overseas or deployed resources and procedures. Some of the topics that can be addressed are the CARGO, Q-cognizance items, foreign merchandise, vendor control, and endurance loading.

SUPPLY DEPARTMENT AFLOAT

The supply department afloat has many responsibilities that are broken down into two main functions:

- Material support—relates to operational and maintenance requirements
- Service—relates to the operation of service activities

The overall mission of the supply department afloat is to support the material and service needs of the ship. To do this, the supply department afloat procures, receives, inspects, stores, issues, and accounts for general stores, repair parts, equipage, equipment, ship's store stock, and subsistence items.

The following paragraphs will provide an overview of the job titles, duties, and responsibilities of the individual supply divisions and their personnel. It is important to understand that job titles and assignments may vary from ship to ship. *Figure 1-5* illustrates a typical organizational chart for a supply department on a smaller ship.

Supply Officer and Assistant Supply Officer

The SUPPO is the senior supply corps officer on board the ship and is the head of the supply department. The SUPPO is responsible to the commanding officer (CO) for the performance and administration of all supply functions.

The assistant SUPPO (ASUPPO) is responsible for the proper administration of the department and the training of supply personnel. In addition, the ASUPPO provides general supervision of the supply quality assurance division and the maintenance and material management/damage control division.

Principal Assistants

There are two types of principal assistants that are normally assigned to larger ships. They are the principal assistant for logistics (PAL) and the principal assistant for services (PAS/SERVO).

- PAL—responsible for administration of the stock control, aviation support, and material divisions; the PAL responsibilities also include the shipping and receiving sections provided the sections are not already a component of the material division
- PAS/SERVO—responsible for the administration of the services divisions, which include food service, retail operations, disbursing, hotel services, morale, welfare, and recreation (MWR), and the chief petty officer (CPO) mess; the PAS/SERVO is primarily responsible for the accuracy of the financial reports that are generated by each of the service divisions

Ships Without a Supply Corps Officer

In some cases a ship will not have a supply corps officer assigned. In these instances, the CO of the ship will designate an officer to perform the following duties:

- Operate the supply department in an economical and efficient manner
- Procure, receive, stow, issue, and account for equipage, repair parts, and consumables required to support the ship
- Return unserviceable repairables to the designated repair facility
- Ensure the upkeep and maintenance of the equipment assigned to the supply department
- Ensure the cleanliness and upkeep of all assigned spaces
- Train and supervise all assigned personnel
- Certify payment of all lawful bills; when designated as fund cashier, will be responsible for the disbursement of government funds and the proper accounting of the funds
- Supervise the operation of the enlisted dining facility, including the procurement, preparation, and service of food
- Supervise the operation of the ship's store except when the sales officer has been designated, in writing, to be other than the SUPPO
- Perform all other collateral duties as assigned by the CO

Supply Divisions

The following paragraphs will provide an overview of the typical organization of the supply department divisions. *Figure 1-5* illustrates the typical organization of an afloat supply department.

NOTE

The organization of supply divisions will vary depending on the size of the ship.

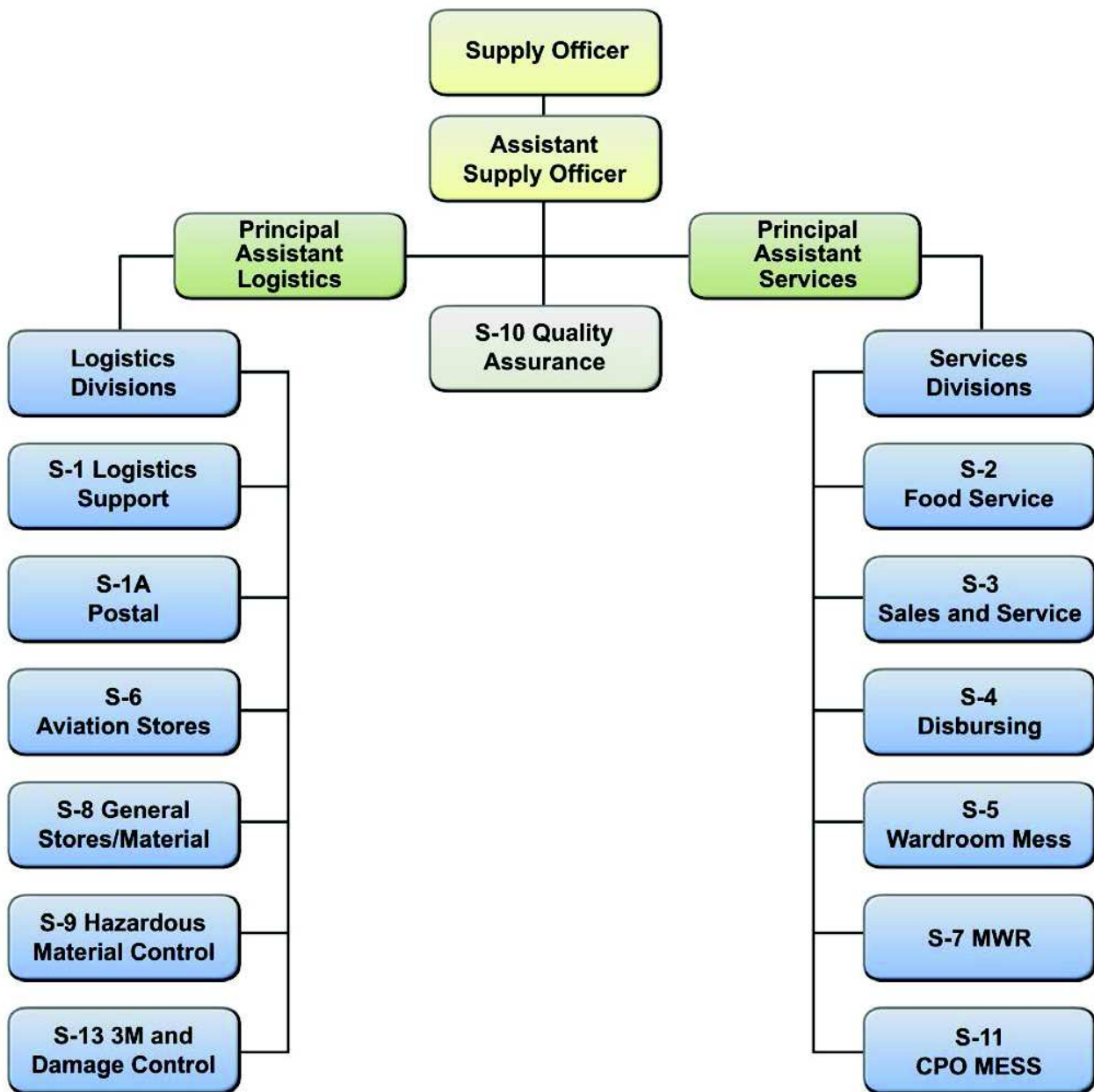


Figure 1-5 — Organization of an afloat supply department.

S-1 Division/Logistics Support

The S-1 division is manned by personnel from the logistic specialist (LS) rating. The duties of the S-1 personnel will vary according to the size of the ship and unit requirements.

The general duties of the S-1 division include procuring and receiving stores, and expending and accounting for consumables, equipage, repair parts, and other material as assigned regardless of the size of the division. In addition, the S-1 division also maintains records, performs required obligation recordings, and prepares correspondence, reports, and returns.

On some ships customer service duties are one of the sections of the S-1 division. The customer service section also includes the postal operations branch, which is responsible for the management of all postal operations.

The stock control section of the logistics support division determines requirements, prepares requisitions, processes receipts and expenditure documents, and maintains files and record. The stock control section also performs financial accounting for material, maintains material catalogs and technical publications, prepares related correspondence, and prepares reports and returns.

The duties of the stowage section of the S-1 division include the receipt, stowage, inventory, and issue of materials. Additional duties include the maintenance of related files and the upkeep and cleanliness of the assigned storage spaces. On smaller ships, the S-1 division acts as the hazardous material control division.

S-2 Division/Food Service

The food service division operates all phases of the enlisted dining facilities and performs the authorized issue, sales, and transfers of food items. The S-2 division consists of personnel from the culinary specialist (CS) rating.

The functions of the records and returns section of the S-2 division include determining requirements, preparing requisitions, processing receipt and expenditure documents, conducting inventories, and maintaining all related files and reports.

The functions of the food storage section of the food service division include the receipt, storage, and issue of all food stocks. Additional duties of the food storage section include the maintenance of related records and maintaining the cleanliness and upkeep of assigned spaces.

The food preparation and service section functions include the preparation of and service of food in the assigned enlisted dining facility. Additional duties include the operation of food preparation equipment and the cleanliness and upkeep of assigned spaces.

CSs operate all phases of the general mess and make authorized issues, sales, and transfers of food items. Food service attendants from other divisions aboard ship usually augment the food service division's manpower.

S-3 Division/Sales and Service

The S-3 division functions include the operation and maintenance of all resale and service activities including the ship's store, vending machines, laundry, barbershop, and storerooms. Personnel from the SH rating man the S-3 division.

Additional duties of the sales and service division include the requisitioning, receipt, and stowage of materials used to support the retail and service sections. S-3 division personnel are also responsible for the maintenance and upkeep of all required administrative records, maintenance of assigned spaces, and positive control of inventory. The profit generated from the sales of the high quality merchandise to authorized customers provides an additional source of revenue for the ship's MWR fund. Detailed information about the S-3 division will be provided further in this chapter.

S-4 Division/Disbursing

The disbursing division is responsible for the disbursement and accountability of public funds and the management and execution of the Navy Cash® program. In addition, the disbursing division performs all afloat pay and allowance functions. Members of the personnel specialist (PS) rating man the S-4 division. The S-4 division encompasses two sections:

- Public voucher—responsible for the preparation and verification of public vouchers as required
- Financial returns—functions include the payments and collections of all public funds; additional duties include the preparation of reports and financial returns

S-5 Division/Wardroom Mess

The wardroom mess division is responsible for the operation of the embarked officers' dining and berthing areas. The operation of the division includes the purchase, receipt, stowage, issuing, and accounting for all required food and materials. In addition, the S-5 division is responsible for the maintenance and cleanliness of the officer berthing areas, also known as staterooms.

On larger ships such as aircraft carriers, the S-5 division is known as hotel services. The S-5 division in this instance is responsible for providing hotel management services for ship's company and air wing officers and CPOs. The hotel management service also includes the manning and operation of laundry and barber services for the ship's company and air wing officers and CPOs.

S-6 Division/Aviation Stores

The S-6 division is normally established on aviation capable ships such as aircraft carriers. The basic functions of the aviation stores division include receiving, storing, and issuing materials in support of aviation maintenance. The records and reports component of the division ensures the accountability of all aviation materials. The repairable management section manages all aviation depot level repairables, depot level repairables, and field level repairable components with a material condition code of H, E, X, G, Q, or D.

S-7 Division/MWR

The S-7 division can be found on aircraft carriers and is responsible for developing and conducting programs and services designed to improve the morale of the ship's crew and their dependents.

S-8 Division/Material

The S-8 division is responsible for the receipt, stowage, issue, and inventory of repair parts and consumable items. Personnel from the material division are also responsible for handling material during on-load, offload, and UNREP evolutions.

S-9 Division/Hazardous Material Control

The S-9 division is responsible for the receipt, stowage, issue, inventory, and accountability of all hazardous material (HAZMAT) used onboard the ship. On aircraft carriers, the S-9 division may fall under the S-8 division.

S-10 Division/Supply Quality Assurance

The supply quality assurance division is primarily responsible for determining the overall performance of the supply department. The performance determination is made by conducting audits, random sampling, and analyzing reports. In addition, the S-10 division is responsible for ensuring the effective management of inventory, finances, and personnel is achieved and applied toward increasing the material readiness of each supply division.

S-11 Division/CPO Mess

The S-11 division is responsible for hotel management and for service operations for the ship's CPO mess. The CPO mess is normally augmented by temporarily assigned personnel to fulfill these duties.

S-13 Division/Supply Maintenance and Material Management (3-M) and Damage Control

The S-13 division is responsible for complying with the maintenance requirements on all damage control and other equipment in the supply department spaces.

S-3 DIVISION ORGANIZATION

The sales officer is the head of the S-3 division and is responsible to the SUPPO for the procurement, receipt, stowage, custody, transfer, record maintenance, and submission of returns for ship's store materials. Personnel assigned to the S-3 division assist the sales officer in accomplishing these duties. The number of personnel that are assigned to the division depends on the size of the operation and the number of personnel available.

The main functions of sales and service division is to procure, receive, store, issue, and sell ship's store merchandise. In addition, personnel will man and operate sales outlets and service activities, maintain related records, and prepare required reports and correspondence. The sales and service division mission revolves around excellent customer service and providing superior services to the crew. SHs provide a convenient and reliable source for personnel to obtain the articles necessary for their health, comfort, or convenience at a savings. In addition, SHs provide services that are necessary in day-to-day living. The profits from the sales made in the ship's store provide a source of funds that are used for the recreation of the crew. To that end, the S-3 division's overall mission is to promote good morale.

To accomplish the mission, SHs perform many different functions. These functions include the following:

- Records and returns functions include replenishment of the ship's store stock operating supplies, operation of the Retail Operations Management (ROM) system, maintenance of office records, and preparation of related correspondence, reports, and returns
- Storage functions include the receipt, storage, security, and issue of ship's store stock and operating supplies, as well as maintenance of related records and assigned spaces
- Sales outlets functions include the operation of retail stores, vending machines, cash registers, electronic cash recording devices, and snack bars, and the maintenance of prescribed records and assigned spaces
- Service activity functions include barbershops, laundry, as well as the maintenance of necessary records and assigned spaces

Administration

Much of the administrative work is conducted in the ship's sales office because many of the records and files are already maintained in the office. The sales office is the central location in the management of the S-3 division and is used to support a variety of functions. For example, the sales office can be used to place an order with a sales vendor, perform customer services, or assemble returns. The sales office should always remain neat and organized to prevent the loss of important documents or materials.

Office Equipment

Many of the duties required of an SH include the use of office equipment. Therefore, SHs should know how to properly care for and operate the equipment. On occasion, an SH must make minor adjustments to a piece of equipment to complete a task. When an adjustment is required, refer to the manufacturer instructions or seek guidance from a supervisor. General office maintenance tasks generally include the following:

- Using covers to prevent dust from accumulating on machines
- Refraining from drinking, eating, or smoking near electrical or electronic equipment
- Turning equipment off when not actually in use

- Securing equipment to decks or bulkheads to prevent shifting during periods at sea
- Always keeping safety in mind when performing minor repairs

The following paragraphs will provide an overview of some of the equipment used in an office environment. Generally speaking, the procedures to operate office equipment can be mastered by following the basic operating and maintenance instructions.

Calculator/Adding Machine

Calculators or adding machines are capable of adding, subtracting, multiplying, and dividing, its use is necessary in performing many calculations in the sales office. A calculator and adding machine is used to extend documents, verify figures, balance cashbooks, and perform many other tasks. Studying the manufacturer's instruction booklet will provide the details about the operation of a calculator and adding machine.

Copying Machines/Scanners

Copy machines and scanners can be very useful in the sales office. Scanners allow the user to create an electronic copy of a paper document. The electronic copy of the document can be stored on a computer-based storage device or emailed as an attachment to a recipient. Scanners can be very useful in duplicating and transmitting a document in a short period of time.

Copy machines allow the user to create exact copies of paper documents or photographic materials. Although not vital, these machines can definitely make the job of keeping important paperwork available much easier. Again, refer to the manufacturer's manual for proper operation. Remember that only qualified technicians should make repairs on these machines.

Computers

Computer systems are the most important components used in the sales office. With few exceptions, ship's store records are created and maintained using computer systems. Therefore, it is very important that SHs are computer literate.

Computers follow a set of internally stored program instructions. Information is entered into the computer, which processes the data and outputs the required information. Some of the common uses for computers in the supply department are to process procurement orders, track stock, and manage inventory. An important point to remember is that good input information into a computer system produces good output data.

The ROM system provides an automated means for personnel, both afloat and ashore, to perform all functions relating to the daily operations of the ship's store. The latest version of this system is ROM3. ROM3 provides the operator with automated data backups, catalog updates, and many other enhancements.

ADMINISTRATIVE FILES

Accurate and properly maintained administrative files are important to every ship's store operation. SHs are required to maintain these administrative files. In order to maintain these files an understanding of what information is contained in each file and how to keep the files up-to-date is very important. The following paragraphs will provide an overview of administrative files and the filing locations of common standard forms (SF) and Department of Defense forms (DD Form).

Sales Officer's Accountability Files

The sales officer maintains these files, which are used to send documents to DFAS or for the end of the accounting period returns. The files contain the Navy Comptroller (NAVCOMPT) Form 153 files and associated returns.

Ship's Store Working Files

WF-1 through WF-4 will be established and maintained by the records keeper in the sales office. The records keeper will provide the file to the person assigned to the specific job when required.

WF-1 Receipt Inspector File

The WF-1 Receipt Inspector File contains one copy of each outstanding purchase order and requisition used in the receipt of the material. After the receipt is complete, this copy is filed in the B01 records keeper (RK) file.

WF-2 Bulk Custodian File

The WF-2 Bulk Custodian File contains one copy of each outstanding purchase order and requisition used in the receipt of material by the storeroom custodian. After the receipt is complete, this copy is filed in the B01 (RK) file.

WF-3 Correspondence File

The WF-3 Correspondence File contains the following documents:

- Letters of assignments from the sales officer to the cash collection agent
- Copies of monthly/quarterly sanitation reports
- Copy of the monthly/quarterly unmated expenditure reports
- Copies of unsatisfactory performance reports
- Copies of memorandums of agreement for leased vending machines
- Copies of correspondence from military and commercial activities

Correspondence letters will be removed when the action noted in that letter has been completed.

WF-4 Credit Memo and Cash Refund File

The WF-4 Credit Memo and Cash Refund File contains a copy of each DD Form 1149 and correspondence that has not been liquidated.

Ship's Store Afloat Files

To assist in the assembling of the original financial returns and the retained returns, the files relate directly to the NAVCOMPT Form 153 caption lines. Each line item has two files to document the NAVCOMPT Form 153 caption lines. The sales officer holds the accountable officer (AO) file that is used to send documents to DFAS, such as for monthly transmittal and for assembling the original returns at the end of the accounting period. The records keeper maintains the RK file that is used both to document the figures on the NAVCOMPT Form 153 and to assemble the retained returns. The following paragraphs will provide a brief overview of each file maintained in the ship's store afloat files. Further information can be located in the ROM Version 3 Policy and Procedures Manual Ship's Store Afloat, NAVSUP P-487.

B01 File—Receipts from Purchase

The B01 file contains the documents that substantiate receipt from a commercial source and credit memorandum that has been liquidated. The AO file is used to assemble the monthly transmittal to send to DFAS. The RK file is used as an archive. There should be 10 purchase orders per folder. These folders are maintained on board for 2 years.

B05 File—Receipts from Other Supply Officers (OSO)

The B05 file contains the documents that substantiate receipts from other supply officers. Again, the AO file is used to assemble the monthly transmittal to send to DFAS. The RK file is used as an archive. As with the purchase orders, there are 10 requisitions per folder; for example, 9900 through 9909.

Table 1-1 — Documents Retained and Submitted to DFAS

File Name and Number	Accountable Officer Documents	Record Keeper File Documents
B01 Receipts from Purchases	Journal of Receipts (B01 and B05) Report	(a) Custodian and receipt inspectors copies of DD Form 1155 with Receiving Report showing quantity and date of material receipt and vendor invoice attached (b) Original of each credit memorandum DD Form 1149 with copy of dealer's credit invoice attached (c) Original of each accounting adjustment DD Form 1149 Ten purchase orders will be placed in separate folders.
B05 Receipts from Other Supply Officers	Journal of Receipts (B01 and B05) Report	(a) Custodian and receipt inspectors copies of DD Form 1348-1A or 1149 with Receiving Report showing quantity and date of material receipt (b) Original of each accounting adjustment DD Form 1149 Ten requisitions will be placed in numerical sequence in separate folders.
B10 Issues to Use	(a) Original DD Form 1149 (signed confirmed copy) (b) Original DD Form 504	(a) Copy of DD Form 1149 (b) Copy of 504 (c) B10 Report
B14 Loss/Gain by Inventory	No document required	(a) B14 report
B15 Surveys to Navy Working Capital Fund	Signed/Confirmed of original DD Form 200	(a) Copy of DD Form 200 (b) B15 Report
B19 Transfer to Other Supply Officers	Two copies of DD Form 1348-1A or 1149 Signed/Confirmed copy of DD Form 1149	(a) Original of DD Form 1348-1A or 1149 (b) B19 Report
B21 Cost of Retail Sales	No document required	(a) B21 Report
B22 Cost of Operations, Retail	No document required	(a) B22 Report
B23 Survey to Ship's Store Profit, Navy/Retail	Signed/Confirmed Original of DD Form 200	(a) Copy of DD Form 200 (b) B23 Report

File Name and Number	Accountable Officer Documents	Record Keeper File Documents
B25 Cost of Vending Sales	No document required	(a) B25 Report
B27 Survey to Ship's Store Profit, Navy/Vending	Signed/Confirmed Original of DD Form 200	(a) Copy of DD Form 200 (b) B27 Report
B28 Closing Inventory	No document required	(a) Original of Closing Inventory
C02 C03 C04	Two copies of each monthly Cash Sales Invoice DD Form 1149 deposited with the Disbursing Officer	(a) Original of each monthly Cash Sales Invoice DD Form 1149 deposited with the Disbursing Officer (b) NAVSUP 469 and NAVSUP 470 (c) Navy Cash® Reports (d) C02–C04B Report
C05 Loans	Copy of NEXCOM letter authorizing loan	(a) Letter from NEXCOM authorizing loan (b) C05 Report
C06 Grants	Copy of NEXCOM letter authorizing grant	(a) Letter from NEXCOM authorizing grant (b) C06 Report
C13 Laundry Claims	(a) Laundry Claims—Copy of SF 1034 (b) Service Charges—Copy of Abstract Data Report	(a) Laundry Claims—Copy of SF 1034 Laundry Claim (b) Service Charges—Dealer's bills and copy of Abstract Data Report (c) C13 Report
C18 Equipment Purchases	Copy of Abstract Data Report	(a) Over \$2,500.00—Copy of DD Form 1155, dealer's bill, and copy of Abstract Data Report (b) Under \$2,500.00—Copy of dealer's bill and copy of Abstract Data Report
C22 Funds Transferred to Recreation Fund	Copy of SF 1034	Copy of SF 1034

B10 File—Issue to Other Appropriation

The B10 file contains the documents that substantiate issues for health and comfort, general mess, ship's use operated target (OPTAR), Marine Corp personnel, survivors of marine disasters. The file contains the document that substantiates the liquidation of bulk sales.

B14 File—Loss or Gain by Inventory

The B14 file contains the total value of the loss/gain by inventory. Losses and gains occur as a result of spot inventories.

B15 File—Surveys to the Navy Working Capital Fund

The B15 file contains the documents that substantiate the surveys charged against the NWCF.

B19 File—Transfers to Other Supply Officers

The B19 file contains the documents that substantiate the transfer of merchandise to other supply officers.

B21 File—Cost of Retail Sales

The B21 file contains the total value of ship's store stock sold at cost price.

B22 File—Cost of Operations, Retail

The B22 file contains the total value of the cost of retail operations.

B23 File—Survey to Ship's Store Profits, Navy/Retail

The B23 file contains the documents that substantiate the surveys charged against ship's store profits except surveys of drink vending machine items.

B25 File—Cost of Vending Sales

The B25 file contains the total value of the cost of vending sales.

B27 File—Survey to Ship's Store Profit, Navy/Vending

The B27 file contains the documents that substantiate the surveys of canned vending machine items charged to profits.

B28 File—Closing Inventory

The B28 file contains the inventory count report, discrepancy list, profitability reports, and items scanned not found report. The sales officer will compare the closing Inventory Count Reports against the B28 file Listing to ensure both figures match.

C02 File—Retail Sales

The C02 file contains the total cash received from sales in retail stores and all non-electronic point of sales (non-EPOS) outlets with the exception of canned vending machines.

C03 File—Vending Sales

The C03 file contains the total cash received from canned drink vending machines.

C04A File—Rebates

The C04 file contains the dollar value of the rebates that are provide by vendors as confirmed by the NEXCOM Ship's Store Program.

C04B File—Contributions

The C04B file contains the total value of all contributions, regardless of the source. Contributions also include the monies collected as service charges.

C05 File—Loans

The C05 file contains the letter authorizing a NEXCOM loan.

C06 File—Grants

The C06 file contains the letter authorizing a NEXCOM grant.

C13 File—Laundry Claims and Other Services

The C13 file contains the documents that substantiate laundry claims, service charges for repairs to equipment (such as vending machines), and/or laundry service charges.

C18 File—Equipment Purchases

The C18 file contains the documents that substantiate equipment and/or modernization purchases as a direct charge to the ship's store profits.

C22 File—Funds Transferred to the Recreation Fund

The C22 file contains the SF 1034 that substantiates the funds transferred to the recreation fund.

Retained Returns

These files are maintained by the records keeper and are kept in addition to the ship's store afloat files noted above.

RR-1 Breakout Document File

The RR-1 Breakout Document File contains the signed original of the NAVSUP Form 973 and the confirmed NAVSUP Form 973.

RR-2 Ship's Store Management Report File

The RR-2 Ship's Store Management Report File contains a copy of the CO's Monthly Management Report for each month of the accounting period.

ADMINISTRATIVE LOGS

There are several administrative logs that SHs are required to keep on file in accordance with the TYCOM instructions. The following paragraphs will provide an overview of administrative logs.

Purchase Order Log

The purchase order log (*Figure 1-6*) is used to document purchases of ship's store stock from commercial vendors. ROM can produce upon user request a purchase order report that contains the following information regarding the purchase:

- Calendar date
- Purchase order number (includes the Julian date and serial number)
- Source of supply
- Purchase Amount

ROM automatically assigns the purchase order number using the serial numbers 9700 through 9899.

Requisition Log

The requisition log and the purchase log are very similar documents. The only exception is the requisition log uses serial numbers 9900 through 9999.

Expenditure Log

ROM automatically maintains the expenditure invoice log. A series of numbers assigned by the SUPPO will be entered into ROM to be used as expenditure serial numbers.

Car Seal Number Log

The use of a car seal log is a requirement. The log provides a record of the car seal number used when the seal has been installed for security purposes. The sales officer or a designated assistant records the number on the seal in the log with the responsible custodian verifying the information.

Manage Orders

Existing Records

Purchase Order (ASL/ACB) ▼

Order Number:

Order Type: Purchase Order ▼

Status: ALL ▼

Start Date: 04/10/2013

End Date: 06/10/2013

Order Date	Order Number	Vendor	Amount	Status
06/10/2013	W23153-3161-9838	ACOSTA, INC.	\$27.30	Received
06/10/2013	W23153-3161-9837	ACOSTA, INC.	\$92.88	Confirmed
06/06/2013		Pepsi	\$50.00	Unconfirmed
06/06/2013		Pepsi	\$90.00	Unconfirmed

10 rows per page ▼

Go to page:

Figure 1-6 — ROM purchase log.

Other Logs

SHs maintain several other logs that will be described further into this manual. The other logs that SHs maintain are:

- Heat stress
- Laundry bulk work
- Laundry equipment maintenance
- Laundry press deck

SECURITY

Security is the most important aspect in the supply department, particularly in the sales and services division. The SUPPO is responsible for the security of the entire supply department. SHs require a detailed knowledge of the department's security requirements, as well as ship's store operations. Following some basic guidelines and rules will help assure that each area is kept secure and free from pilfering.

Supply Department Spaces

SHs need to remember a few general rules to keep supply department spaces secure. The general rules are as follows:

- All stock should be kept under lock and key
- Supply spaces should be locked when unattended
- Individual responsibility for security rests with the person in charge of each space

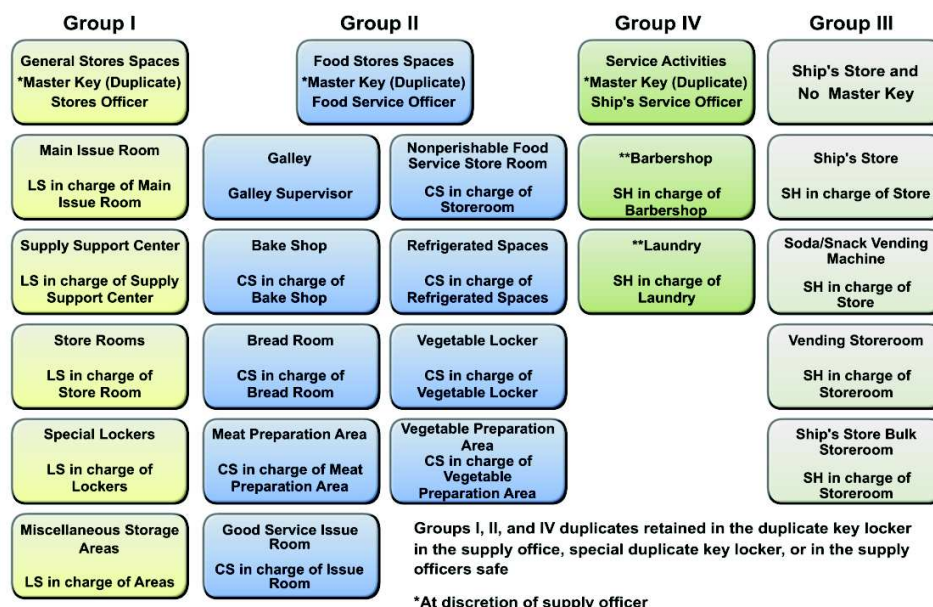
- The SUPPO or a designated assistant is the only person authorized to grant permission for unauthorized personnel to enter a supply department space
- Spaces will be secured in a way that allows access for damage control equipment during an emergency
- Keys to supply spaces will remain aboard ship in a key locker
- A key log will be maintained to identify the holder of each key
- Combinations to keyless locks will be recorded as prescribed in the NAVSUP P-487
- All keyless and key-type padlocks should meet the standards prescribed by the NAVSUP P-487 or other authorized guidance

Supply Department Office

The keys to the locks that secure many of the supply department spaces and important documents and files are maintained in the supply department office. Therefore, the security of the supply office is very important. The supply department office should be secured after working hours to prevent the unauthorized access to keys and other important documents. The keys to access the supply department office are issued to the personnel specified by the SUPPO. The duty SUPPO is responsible for ensuring that the supply department office is secured after working hours. Normally, the duty SUPPO is an officer or a senior enlisted member that is the representative of the SUPPO.

Security Space Groupings

Supply department spaces are organized into groups as prescribed by the Operational Forces Supply Procedures, NAVSUP P-485. The individual grouping of the supply department spaces are created to meet the many different security requirements. *Figure 1-7* illustrates the types of security space groupings.



**Group III space when cash sales or other cash transactions or material intended for ultimate cash is stored there in

Each group III combination will be kept in a sealed and signed envelope in the ship's store officer's safe, duplicates will be retained in a special key locker after working hours

Figure 1-7 — Security space groupings.

Group I

Group I spaces consist of all supply department general store spaces, including storerooms, special lockers, and related areas. The exception to this general statement is when other security requirements have been set forth by a competent authority. A group I space must be secured by its own lock whose original and duplicate keys are unique. The person in charge of the space checks out the key from the general key locker each morning. The checked out key must be checked back in to the general key locker at the end of the workday.

The SUPPO keeps a duplicate key to the space in a key locker or safe. In addition, the SUPPO maintains custody of the master key to all group I spaces. In some cases, the SUPPO may appoint, in writing, personnel that are authorized to hold a duplicate of the master key.

Group II

Group II spaces encompass all of the food service spaces. The food service spaces include the galley, bread room, vegetable preparation area, food service issue room, meat preparation area, refrigerated spaces, and food service storerooms. The keys to group II spaces are handled in the same manner as group I keys, with the exception of the original keys to the galley, bakeshop, bread room, meat preparation, and vegetable preparation area. The keys to these spaces are passed between galley supervisors as they relieve one another. The master and duplicate master keys procedures are the same as the group I procedures.

Group III

Group III spaces consist of the areas that sell or stow resale merchandise such as the ship's store, vending machines, and storerooms. The operator of one of these spaces must learn the security requirements for the retail spaces. On-the-job performance will help the operator recognize potential problems and decide on the correct course of action to correct the problems.

Group IV Spaces

Group IV spaces include all of the service activities, including the barbershop and the ship's laundry. Generally, cash transactions do not take place in group IV spaces. If cash transactions are made or if ship's store stock is stowed in group IV spaces, then the spaces will be designated as group III for security purposes.

The operator that is in charge of a group IV space signs for the original key and removes the key from the general key locker. During normal working hours, the operator that is in charge of the space maintains control of the keys. After work hours, the key to the space is turned over to the duty supply officer or designated representative. The keys are then returned to the general key locker. Duplicate keys to group IV spaces are maintained in the SUPPO's safe. If the key to the group IV spaces is a part of a lockset, the sales officer will maintain the original key. The duplicate master key to all group IV spaces is kept by the SUPPO in a special duplicate key locker or in the SUPPO's safe.

Security Devices

Because SHs operate and maintain a variety of group III spaces, an overview of the devices used to secure group III spaces will be provided in the following paragraphs.

Working Keys and Dead Bolt Locks

All doors that lead to a group III space should have a dead bolt lock installed. In cases where a dead bolt lock is impractical, a high security, key type padlock with a shrouded shackle and a high security hasp may be used. The responsible custodian of these spaces maintains the working keys to the

locks. The working keys are secured at the end of the workday in a separate key locker after working hours.

Duplicate Keys

Duplicate keys are maintained for emergency purpose or for access to spaces when required by higher authority. Duplicate keys should be handled in a manner that prevents unauthorized entry into the spaces. The duplicate keys are maintained in a sealed envelope, signed and dated across the flaps by the sales officer and the responsible custodian. The flaps of the envelope are then sealed with cellophane tape placed over the signature and any other openings and placed in the sales officer's safe. The envelope will be changed when the responsible custodian or the sales officer is relieved of duty.

Keyless Padlocks and Combinations

Group III spaces have a two lock requirement. To meet this requirement, a keyless combination padlock (*Figure 1-8*), such as the Sargent & Greenleaf (National Stock Number (NSN) 5340-00-285-6523), or a commercial high security key-type padlock and a dead bolt door lock may be used. In cases where a dead bolt is impractical, a high security hasp and key type padlock with a shrouded shackle will be installed in addition to a keyless combination padlock.



Recording the Combination to Keyless Locks

The responsible custodian sets a combination in the keyless combination lock. Each lock comes with a combination lock setting key and instructions for setting the combination. Perform the procedures in the order listed below:

1. Set a combination in the lock.
2. Record the combination on a piece of paper.
3. Place the paper and the combination lock setting key in an opaque letter-size envelope. If an opaque envelope is not available, you can use a regular envelope, but wrap the combination in carbon paper to prevent its readability through the envelope.
4. Seal the envelope and sign your name over the flap of the envelope with transparent tape in the presence of the sales officer.
5. Give the envelope to the sales officer. The sales officer should then do the following:
 - a. Sign name and date over the other flap in the presence of the custodian.
 - b. Place the sealed envelope in a safe.

Figure 1-8 — Typical high security keyless combination padlock.

NOTE

Do NOT share the combination with any other person. Do NOT record the combination anywhere else EXCEPT for the paper in the envelope. Ensure that no other person sees the combination.

Frequency of the Combination Changes

The combination of the keyless padlock should be changed upon the relief of the sales officer or responsible custodian, or every 6 months.

Hinges and Hasps

Hinges and hasps used on group III spaces should be of hard steel that cannot be cut with a bolt cutter or hacksaw. When the hasp is installed, tamper-proof bolts should be used since an individual using a wrench or screwdriver cannot remove them. Pop rivets are inadequate and should not be used in place of these bolts. Hinges should be installed so that the hinge pin is not exposed. Exposed hinged pins should be tack-welded to prevent removal.

Sales Windows and Visible Storerooms

Retail stores with removable sales windows should be checked daily. The perimeter of the window frame should be secured with a lock on the inside. The retail store operator should keep custody of the keys to the installed inside locks. The duplicate key to the inside lock will be secured in a sealed envelope and retained in the sales officer's safe. Do not install bars on sales windows that can be easily removed. Storerooms that are visible from the outside should have well-lit adjacent passageways. High-cost, small-cube items, such as electronics, should be consolidated out of sight in the retail store and not stowed in isolated storerooms. Ship's security watches should check storerooms, retail stores, and other group III spaces at a varied interval. Any security discrepancy, however slight, should be immediately reported to higher authority.

Security after Working Hours

The purpose of securing ship's store spaces after working hours is to prevent unauthorized entry. Before the store is secured for the day, inspect display cases, display windows, doors, stock rooms, and merchandise. High cost items (any item over \$50) should be removed from the display cases after working hours. The operator should be familiar with the way the store was left in order to easily recognize discrepancies. If access to the ship's store is required after hours, permission should be obtained from the sales officer.

Additional Security

The sales officer may take other measures to ensure the security of spaces and materials. A recommended additional security measure is the use of car (tamper) seals. Car seals may indicate that an unauthorized entry to a secured space has taken place. Car seals are available for purchase at ServMart and can be placed on external locks after working hours. The sales officer or a designated assistant may issue the car seals. After the seal has been issued, the number must be recorded in the car seal log after the seal has been applied to the external lock. When the seal is removed from an external lock, the entry in the car seal log must be voided.

Another additional security measure that can be used to protect spaces is the installation of roll-up grills or scissor-type gates. The installation of roll-up grills or scissor-type gates provides an extra layer of security by controlling the physical access to doors and windows. Another option that can be used to ensure the security of a group III space is the installation of an intrusion alarm system or a merchandise security system. A merchandise security system will typically sound an audible alarm when merchandise is illegally removed from the ship's store. On some of the larger ships, camera systems might be installed to monitor the activity in and around the ship's store location.

Vending Machines

Vending machines onboard ships are also considered group III spaces. However, vending machines are secured in a slightly different manner. Vending machines that use Navy Cash® do not require any additional lock other than those provided by the machine manufacturer.

Emergency Entry Procedures

There will be occasions when emergency entry into group III spaces is required and the responsible custodian or retail operator is unavailable. If emergency entry is required, the sales officer can access the space in the presence of two witnesses. If possible, one of the witnesses should be a commissioned officer. After the space has been opened, the two witnesses should remain in the space until the lock has been replaced and a numbered car seal is put into place. The sales officer will log the car seal number in the car seal log and the two witnesses will initial the log. Emergency entry procedures should be included in the appropriate supply department instructions. A copy of the emergency entry procedure should be posted outside each group III space. *Figure 1-9* shows a key box that can be used for emergency access to a space.

If the responsible custodians and the sales officer are unavailable, the command duty officer (CDO) may execute the emergency entry procedures. The CDO will follow the same entry and securing procedures as entry by the sales officer.

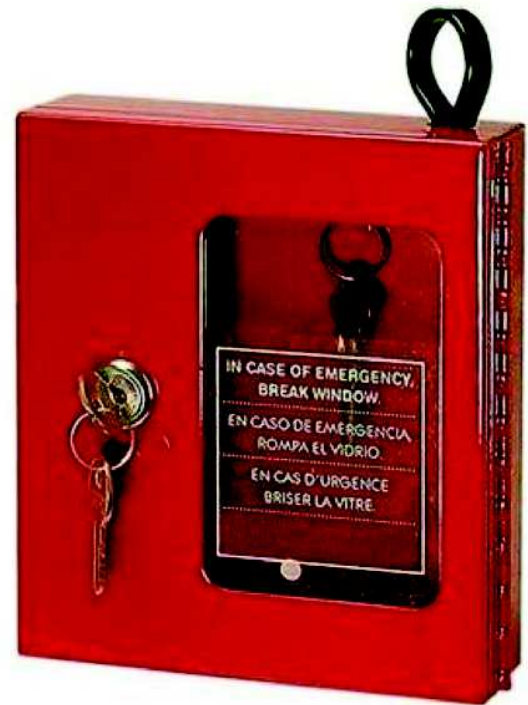


Figure 1-9 — Emergency key access box.

Retail Operation Management System Security

The data generated and processed by the ROM system requires the assignment of appropriate roles and responsibilities to prevent unauthorized access. The ROM system does not process or use any classified information. However, some of the information in ROM can be considered to be of a sensitive nature. Therefore, the DoD requires all documents and media to be marked as For Official Use Only (FOUO). The ROM system automatically adds the FOUO statement to all printed forms.

The ROM system is broken into a user group and user role format. User roles are used to protect funds, information, inventory, and supplies from fraud, misuse, or misappropriation. User roles in the ROM system are assigned by the sales officer. The following is a list the roles in the activity user group:

- Store operator
- Store supervisor
- Vending operator
- Collection agent
- Receipt inspector
- Storeroom custodian

- Retail supervisor
- Records keeper
- Leading petty officer
- Leading chief petty officer
- Sales officer

Password Security

The ROM system requires the use of a user name and password combination for access. Therefore, the use of a strong password is highly recommended to prevent unauthorized access to the system. The following are the minimum requirements to create a strong password:

- 7 to 14 characters long
- Contains at least one capital letter
- Contains at least one lowercase letter
- Contains at least one number
- Contains at least one special character (! @ # \$ % ^ & *)

A strong password is only as good as the protection the user provides to keep it a secret. Therefore, try not to write a password down or share it with other personnel.

SUMMARY

This chapter provided an overview of the functions of NAVSUP and other commands that are associated with the SH rating. In addition, information was provided about the CLFs, NEXCOM, and basic administrative office functions. There will be occasions when a retail operator will experience incidents of theft or fraud. Therefore, SHs should take the time to review the processes and procedures that involve security of the supply spaces. Being familiar with the organization and administration of the supply department will help to improve knowledge of the SH rating.

End of Chapter 1

Organization/Administration/Security

Review Questions

- 1-1. The Defense Logistics Agency headquarters are located in what state?
- A. Maryland
 - B. Virginia
 - C. Pennsylvania
 - D. California
- 1-2. The Defense Logistics Agency manages what percentage of items in the integrated Navy supply system?
- A. 30
 - B. 40
 - C. 50
 - D. 60
- 1-3. What Defense Logistics Agency primary level field activity is based in Richmond, Virginia?
- A. Aviation
 - B. Energy
 - C. Land and maritime
 - D. Disposition services
- 1-4. What Defense Logistics Agency primary level field activity is the center for demilitarization and reutilization?
- A. Aviation
 - B. Energy
 - C. Land and maritime
 - D. Disposition services
- 1-5. What fund is used to finance operational and reserve supplies under the control of the primary level field activities?
- A. Navy Working Capital Fund
 - B. Defense Working Capital Fund
 - C. Operations and Maintenance, Navy
 - D. Non-appropriated fund
- 1-6. What organization is responsible for planning and determining the material support needs of the operating naval forces?
- A. Naval Supply Systems Command
 - B. Assistant Secretary of the Navy
 - C. Chief of Naval Operations
 - D. Global Logistics Support

- 1-7. What Assistant Secretary of the Navy manages the Navy supply system organization?
- A. Installations and environment
 - B. Manpower and reserve affairs
 - C. Financial management and comptroller
 - D. Research, development, and acquisition
- 1-8. Which of the following activities is assigned inventory management responsibilities?
- A. Navy Exchange Service Command
 - B. Naval Air Systems Command
 - C. Morale, Welfare, and Recreation
 - D. Fleet Industrial Supply Center
- 1-9. What Navy supply organizational element has the primary responsibility for the management of assigned groups or classes of supply items?
- A. Fleet Industrial Supply Center
 - B. Fleet material support office
 - C. Navy Exchange Service Command
 - D. Inventory manager
- 1-10. What does the acronym COSAL represent?
- A. Coordinated Shipboard Allowance List
 - B. Consolidated Shipboard Allowance List
 - C. Created Shipboard Allowance List
 - D. Combined Shipboard Allowance List
- 1-11. What method of supply transfer uses lines rigged between two vessels?
- A. Vertical replenishment
 - B. Connected replenishment
 - C. Tracked replenishment
 - D. Horizontal replenishment
- 1-12. What type of combat logistics force ship provides fuel to deployed Navy combatant ships and their assigned aircraft?
- A. Dry cargo/ammunition
 - B. Oil tanker
 - C. Fleet replenishment oiler
 - D. Fast combat support
- 1-13. What type of combat logistics force ship is the largest and fastest vessel that carries all of the essentials for a ship at sea?
- A. Dry cargo/ammunition
 - B. Oil tanker
 - C. Fleet replenishment oiler
 - D. Fast combat support

- 1-14. What combat logistics force ship is the newest and most advanced?
- A. Dry cargo/ammunition
 - B. Oil tanker
 - C. Fleet replenishment oiler
 - D. Fast combat support
- 1-15. The Navy Exchange Service Command maintains headquarters in what Virginia city?
- A. Norfolk
 - B. Portsmouth
 - C. Virginia Beach
 - D. Newport News
- 1-16. The Navy Exchange Service Command provides technical and management guidance for what naval program?
- A. Aviation
 - B. Uniform
 - C. Electronics
 - D. Engineering
- 1-17. The Navy Exchange Service Command provides technical direction and design guidance for what ship-based facility?
- A. Mess deck
 - B. Ship's store
 - C. Disbursing office
 - D. Medical and dental
- 1-18. Fleet Assistance Team visits are normally scheduled for what number of days?
- A. 1
 - B. 2 to 5
 - C. 6 to 9
 - D. 10
- 1-19. Other than a telephone call, what method can be used to submit an urgent request for a Fleet Assistance Team visit?
- A. Fax
 - B. Text message
 - C. Naval message
 - D. Business letter

- 1-20. Fleet Assistance Teams can provide onsite assistance to address problems with what type of equipment?
- A. Laundry
 - B. Photographic
 - C. Entertainment
 - D. Navigation
- 1-21. In non-emergency situations, what specific number of months in advance should a ship request a laundry equipment assistance visit?
- A. 12
 - B. 14
 - C. 16
 - D. 18
- 1-22. What supply department principal assistant is responsible for the administration of the stock control, aviation support, and material divisions?
- A. Logistics
 - B. Service
 - C. Personnel
 - D. Warehousing
- 1-23. What supply department principal assistant is primarily responsible for the accuracy of the financial reports that are generated by the service divisions?
- A. Logistics
 - B. Service
 - C. Personnel
 - D. Warehousing
- 1-24. On smaller ships what division is incorporated into the logistics support division?
- A. Packaging
 - B. Food service
 - C. Hazardous materials
 - D. Storage management
- 1-25. What Navy rating operates all phases of the enlisted and officer dining facilities?
- A. Logistics specialist
 - B. Personnel specialist
 - C. Culinary specialist
 - D. Ship's serviceman

- 1-26. The receipt and issue of all food stuffs is the responsibility of what section of the food service division?
- A. Food tracking
 - B. Food storage
 - C. Food preparation
 - D. Food expenditure
- 1-27. What supply department division includes the operation and maintenance of all resale and service activities?
- A. S-1
 - B. S-2
 - C. S-3
 - D. S-4
- 1-28. What supply department division performs all afloat pay and allowance functions?
- A. S-1
 - B. S-2
 - C. S-3
 - D. S-4
- 1-29. What supply department division is normally established on aviation capable ships such as aircraft carriers?
- A. S-5
 - B. S-6
 - C. S-7
 - D. S-8
- 1-30. What supply department division is responsible for the receipt, stowage, and inventory of repair parts and consumable items?
- A. S-5
 - B. S-6
 - C. S-7
 - D. S-8
- 1-31. The S-3 division's overall mission is to promote what?
- A. Lower prices
 - B. Increased profits
 - C. Good morale
 - D. Sales events

- 1-32. What office is the central location in the management of the S-3 division?
- A. Sales
 - B. Service
 - C. Retail
 - D. Contract
- 1-33. What piece of office equipment can be very useful in duplicating and transmitting a document in a short period of time?
- A. Copier
 - B. Scanner
 - C. Telephone
 - D. Adding machine
- 1-34. What computer-based system provides an automated means for personnel to perform all functions relating to the daily operations of the ship's store?
- A. Resold Operations Management
 - B. Rapid Operations Management
 - C. Retail Operations Management
 - D. Real-Time Operations Management
- 1-35. What files are maintained by the sales officer and used to send documents to the Defense Financial Accounting Service?
- A. Accountability
 - B. Ship's store
 - C. Receipt inspector
 - D. Bulk custodian
- 1-36. What files are maintained by the records keeper in the sales office?
- A. Accountability
 - B. Ship's store
 - C. Receipt inspector
 - D. Bulk custodian
- 1-37. What file contains one copy of each outstanding purchase and requisition used in the receipt of material?
- A. Accountability
 - B. Ship's store
 - C. Receipt inspector
 - D. Bulk custodian

1-38. What serial number series is used for a purchase order number?

- A. 7700 through 8899
- B. 8800 through 9899
- C. 9700 through 9899
- D. 9800 through 9990

1-39. What serial number series is used in the requisition log?

- A. 8800 through 9899
- B. 9700 through 9899
- C. 9800 through 9899
- D. 9900 through 9999

1-40. What Naval Supply Systems Command publication provides instructions on how to record combinations to keyless locks?

- A. 457
- B. 467
- C. 477
- D. 487

1-41. What officer designates personnel authorized to access keys to supply spaces?

- A. Sales
- B. Supply
- C. Retail
- D. Division

1-42. Security spaces are grouped into what number of categories?

- A. One
- B. Two
- C. Three
- D. Four

1-43. What security space group includes food service spaces?

- A. I
- B. II
- C. III
- D. IV

1-44. What security space group includes all supply department general store spaces?

- A. I
- B. II
- C. III
- D. IV

1-45. What security space group includes all ship's service activities?

- A. I
- B. II
- C. III
- D. IV

1-46. What security space group consists of areas that sell or stow resale merchandise?

- A. I
- B. II
- C. III
- D. IV

1-47. What high security item can be used in the place of dead bolt lock?

- A. Door
- B. Hinge
- C. Window
- D. Padlock

1-48. Duplicate keys are maintained in what item and then signed and dated?

- A. Envelope
- B. Plastic bag
- C. Key locker
- D. Cardboard box

1-49. Group III space hinges and hasps should be made of what material?

- A. Iron
- B. Steel
- C. Brass
- D. Aluminum

1-50. What total number of roles make up the Retail Operations Management activity user group?

- A. 9
- B. 10
- C. 11
- D. 12

RATE TRAINING MANUAL – USER UPDATE

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CHAPTER 2

SHIP'S LAUNDRY

Part of the responsibilities of the supply officer is to provide laundry service to the ship's crew. Laundry service on board the ship provides personnel with clean clothing, which promotes morale and enhances the general health and comfort conditions. The ship's laundry uses the assembly line principle moving dirty laundry from one workstation to another until the laundry is clean, dried, and ready for pickup. Ship's serviceman (SHs) operate the laundry on board a ship. Safety is always the most important aspect of the operation of the ship's laundry. The goal of this chapter is to provide you with information about the operations that take place in a typical ship's laundry.

LEARNING OBJECTIVES

When you have completed this chapter, you will be able to do the following:

1. Identify the safety requirements associated with the ship's laundry.
2. Identify the safety requirements associated with hazardous material (HAZMAT).
3. Identify the importance of laundry security.
4. Identify the assignment of duties in a typical ship's laundry.
5. Identify the training requirements for ship's laundry personnel.
6. Identify the purpose of laundry logs.
7. Identify the safety precautions that apply to the stowage of laundry supplies.
8. Identify the safety precautions that apply to the handling of laundry supplies.
9. Identify the procedures used in the operation of the laundry receiving area.
10. Identify the importance of properly washing clothes.
11. Identify the different types of soil.
12. Identify how soil affects various fabrics when laundered.
13. Identify the proper procedures used to operate a washer-extractor.
14. Identify the different formulas used during the wash phase of laundry operations.
15. Identify the parts of a tumbler dryer.
16. Identify the proper operation of a tumbler dryer.
17. Identify the various types of laundry presses.
18. Identify the parts of various types of laundry presses.
19. Identify the components of a flatwork ironer.
20. Identify the steps used to operate a flatwork ironer.
21. Identify the proper operation of a laundry issue room.
22. Identify the processes needed to improve customer satisfaction in the ship's laundry.
23. Identify the importance of the maintenance and material management (3-M) planning system.
24. Identify how the 3-M system applies to the ship's laundry.

LAUNDRY SAFETY

Safety is the single most important aspect in the everyday operation of the ship's laundry. The Navy Safety and Occupational Health Program Manual for Forces Afloat, Office of the Chief of Naval Operations Instruction (OPNAVINST) 5100.19(series), contains the guidelines for safety in the ship's laundry. The technical manuals and the Laundry and Dry Cleaning, Naval Ships' Technical Manual (NSTM) Chapter 655 lists the safety precautions and safety features for laundry equipment. Safety precautions should be posted near the equipment for the operators to read, remember, and follow. The following paragraphs will cover two important laundry safety concerns: heat-stress and sanitation.

Heat-Stress

Personnel working in the laundry may be affected by a dangerous condition known as heat-stress. Combinations of airflow, humidity, work activity, air temperatures, and heat from equipment can cause the laundry area to reach high temperatures. Prolonged exposure to the heat created in this environment increases body temperature. The occurrence of heat-stress can lead to heat exhaustion or heatstroke as the human body tries to regulate its temperature. Heat exhaustion can cause fatigue, severe headaches, nausea, and poor physical and mental performance. Heat stroke can lead to life-threatening injuries. The following actions can reduce the risk of heat injuries:

- Taking and recording temperatures in the heat-stress log as required
- Reducing conditions in the laundry that would increase the normal heat load; changing primary and secondary lint traps
- Reporting temperatures of 85 degrees Fahrenheit (°F) or higher to medical

Prevention

Temperature readings must be recorded to obtain accurate and reliable data on heat-stress conditions. Dry-bulb thermometers should be permanently mounted in the wash and press deck areas. The bulb of the dry-bulb thermometers should be mounted in areas that are not affected by nearby heat sources. Laundry supervisors should check with a medical representative to decide upon the appropriate area to mount the dry-bulb thermometers.

Temperature readings should be recorded in the heat-stress log once every 4 hours. Circle any temperature reading in the heat-stress log that exceeds 85 °F. Notify the appropriate medical personnel if the temperatures remain high. Medical personnel may provide a restricted work schedule that restricts the amount of time personnel can work in the laundry spaces. The time restriction is known as stay time.

Each period of work under heat-stress conditions is followed by a recovery period. Laundry personnel should go to a cool and dry place during a recovery period to allow their body temperature to return to normal. Recovery times are always twice the stay time or a time period recommended by the senior medical officer.

Personnel working in a heat-stress environment should do the following:

- Eat three adequate meals a day
- Drink plenty of cool water
- Get at least 6 hours of continuous sleep during every 24-hour period
- Wear clean clothing that is composed of at least 35 percent cotton

Personnel working in a heat-stress environment should avoid the following:

- Taking salt tablets
- Wearing starched clothing
- Drinking commercially prepared liquid electrolyte supplements

Conditions

Conditions that cause a heat-stress environment have been identified by inspections that were conducted over a period of years. Some of the conditions that were identified during the inspections were so severe that personnel exposure had to be limited to avoid harm. Harmful heat-stress conditions may be caused by any of the following:

- Steam and hot water leaks
- Missing, deteriorated, or damaged insulation on steam piping, valves, and machinery
- Ventilation systems with missing or mutilated ductwork, misdirected terminals, clogged exhaust screens, closed or partially closed Circle William dampers, dirty ducts, and inoperable fan motors and controllers
- Ventilation design deficiencies resulting in an inadequate air supply or decreased exhaust capacity

Heat-stress conditions may still occur even if the above issues are identified and corrected. An example is when personnel are required to perform hard physical work in a hot and humid environment. Personnel, while working in the laundry, must be aware of any condition that can cause heat-stress. Report all problems to the laundry supervisor so that the problem can be corrected. The specific requirements of the Navy's heat-stress program are located in the Navy Safety and Occupational Health Program Manual for Forces Afloat, OPNAVINST 5100.19(series).

Sanitation

The mission of the ship's laundry operation is to produce clean clothing using sanitary methods. Sanitary or industrial hazards may occur at any point in the process from the delivery of the contaminated clothing to the finished product.

Laundry supervisors must stress and enforce the importance of personal hygiene. Laundry personnel should wear clean uniforms and frequently wash their hands especially after using the toilet or handling soiled linens.

Requirements

The Department of the Navy Bureau of Medicine and Surgery Publication (P)-5010 outlines sanitary requirements. Regulations on board ships are prepared by the senior medical officer or designated hospital corpsman (HM). Sanitary regulations should be posted in laundry areas for all personnel to read and follow.

Some of the common sanitary requirements are as follows:

- Laundry areas must be maintained in a clean and sanitary condition, free from infestation by rodents and insects
- Floors must be cleaned at least once daily by dustless methods; paper and trash must be placed in covered containers; lint must be removed from bulkheads, overheads, and structural supports

- Plumbing fixtures and appliances must be installed according to established standards, maintained in good repair, and kept in sanitary condition; these fixture and appliances must be connected to prevent backflow or cross-connection with the potable water supply

Inspection

The sales officer should inspect laundry areas each workday to ensure that operators are following sanitation regulations. In addition, the ship's preventative medicine technician will inspect laundry areas once a quarter. Inspections should be unscheduled and the findings reported up the chain of command to the commanding officer (CO).

HAZARDOUS MATERIAL AND ENVIRONMENTAL PROTECTION

The Environmental Readiness Program, OPNAVINST 5090.1(series), contains the policies and responsibilities to ensure that the environment remains protected. COs should coordinate and cooperate with federal, state, and local pollution control agencies and follow all standards and regulations to control environmental pollution.

Laundry personnel must be aware of how the practices in the laundry and detergents may affect the environment. Water drained from the laundry is considered wastewater, and is transported to the collection, holding, and transfer (CHT) tanks. The CHT tanks are installed aboard ships to handle wastewater from showers, laundries, galleys, sculleries, and sinks. The wastewater is transported by the ship's waste drain system. The wastewater is transferred ashore when the ship is in port. Wastewater is discharged overboard when a ship at sea is 50 miles away from any shoreline.

It is important to determine if any laundry detergent is a hazardous substance before it is disposed of while the ship is in port or at sea. Safety Data Sheets (SDS) and the Stowage, Handling, and Disposal of Hazardous General Use Consumables, NSTM Chapter 670, list the hazard classifications and storage requirements for shipboard consumables. Manufacturers will provide an SDS for any new HAZMAT. HAZMAT disposal information is also listed in the SDS and NSTM Chapter 670.

Laundry chemicals are considered HAZMAT and can pose certain health hazards. The SDS provides detailed information on the precautions, hazards, and emergency response procedures if HAZMAT is spilled. Label laundry bins of HAZMAT with the name of the product, the hazard, and the name and address of the manufacturer. The laundry supervisor is responsible for training personnel in HAZMAT procedures. All laundry personnel must follow required HAZMAT precautions.

LAUNDRY SECURITY

Security of the laundry is the responsibility of all laundry personnel. Everything must be done to protect the laundry from the loss of clothing and supplies, damage to equipment, and unauthorized use.

Space Designation

The ship's laundry is designated as a Group IV space. The original key to the laundry spaces will be in the possession of the laundry supervisor during working hours. After working hours, the key should be turned over to the duty supply officer to be placed in a general key locker in the supply office. If a lockset is used, the original master key should be retained by the sales officer. The duplicate master key should be kept in a special duplicate key locker in the supply office or supply officer's safe.

The ship's laundry should not be used after working hours unless approved by the sales officer. Problems can occur if untrained personnel use laundry equipment. Some of the problems that can occur include the following:

- Fires
- Injury
- Damage to equipment
- Loss of clothing and laundry supplies

Fires in the ship's laundry can cause thousands of dollars in damage. Damage to equipment will reduce production and increase the working hours of the laundry personnel. Some of the injuries that might occur are burned hands or severe heat-stress injuries. Laundry supervisors must ensure that personnel complete the current Job Qualification Requirements (JQR) before operating any laundry equipment.

When Designated as a Group III Space

A space is considered to be a group III space when retail items intended for cash sales are stored in a service activity. Group III spaces require the application of additional security measures that are listed in the Ship's Store Afloat, Naval Supply Systems Command (NAVSUP) P-487. The implementation of extra security measures for service spaces normally occurs when extra storage space is required for pre-deployment load outs.

ASSIGNMENT OF LAUNDRY DUTIES

SHs make up the core personnel assigned to the ship's laundry. The allowance of rated SH personnel is based on the assumption that other personnel will be required to operate the laundry efficiently. *Figure 2-1* illustrates the basic organization of a typical ship's laundry.

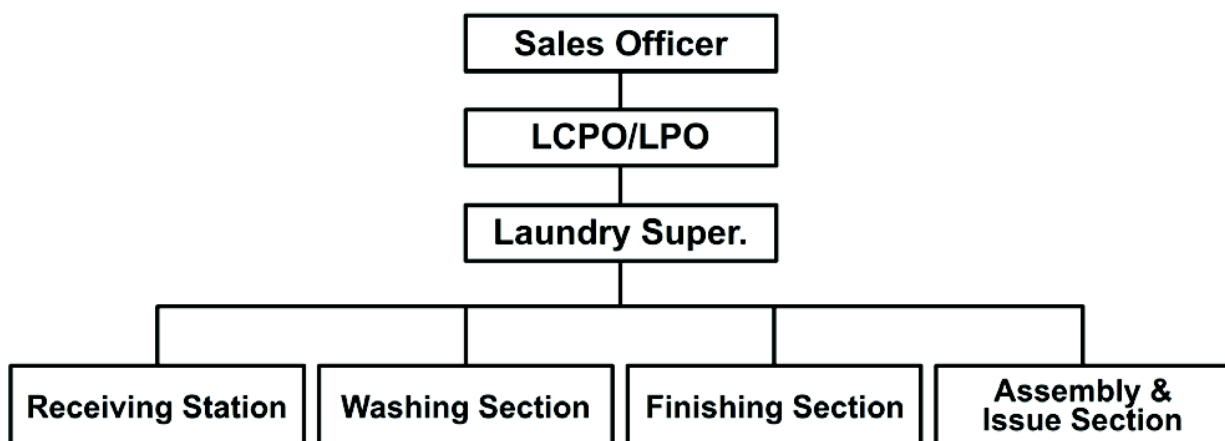


Figure 2-1 — Basic organization of a ship's laundry.

Laundry Management

The ship's laundry is usually managed by a chief petty officer (CPO) or senior petty officer that is directly responsible to the sales officer. The organization of a ship's laundry varies with the size of the ship. The sales officer will assign a CPO as the service activities manager on larger ships. The service activities manager will ensure that the laundry supervisor manages laundry operations. The job of the service activities manager is comparable to a civilian manager of a shore laundry.

Laundry Supervisor

The SH in charge of the ship's laundry is generally responsible to the leading chief or the leading petty officer for the entire operation. The laundry supervisor oversees the daily operation of the entire laundry process. The SH managing the daily operations of the laundry is responsible for the following:

- Ordering supplies
- Keeping laundry areas clean
- Ensuring that equipment is properly maintained
- Assigning and training laundry personnel
- Maintaining the flow of work
- Keeping laundry operations efficient

The many responsibilities of the laundry supervisor will vary with the size of the ship and the number of personnel assigned to the ship's laundry.

Laundry Operators

Laundry operators are responsible to the laundry supervisor for completing assigned tasks. Laundry operators should be cross trained in all the areas of the ship's laundry to ensure that operations can continue if there is a temporary shortage in personnel. Laundry operators must follow the safety procedures and use laundry equipment in accordance with the manufacturer's instructions. Laundry operators should remember the following points about laundry operations:

- Laundry equipment will not perform efficiently unless the equipment is operated correctly
- Laundry equipment can be easily damaged if improperly operated
- Laundry equipment replacements are expensive and not always available
- Articles being laundered are valuable and may not be easily replaced if damaged or destroyed
- Faulty or careless operation of laundry equipment can injure personnel
- Sanitary angle jet-type fountains must be provided to supply drinking water
- Eating, cooking, and storage of food, drinks, or smoking material (cigarettes, e-cigarettes, and so on) are prohibited in rooms where clothing is handled, sorted, marked, or washed
- Laundries must have separate areas designated for receiving and issue; unwashed clothes must never be received, marked, sorted, or handled in close proximity to washed clothes
- Rooms/Spaces, machines, and equipment must be designed and arranged so that a separate flow of clean and soiled garments is maintained throughout the laundry process; separate flow requires separate contact surfaces, such as tables, carts, and shelves; ventilation must move air from clean to soiled areas to prevent cross contamination
- Laundry bins used to transport and stow laundry must be kept clean and in a sanitary condition

The organization of a ship's laundry varies with the size of the ship. For example, a small ship may have an SH2 in charge of the laundry and two SH3s assigned as laundry personnel. There are more sections on a large ship with additional personnel assigned to each section. Rotate personnel to different sections to accommodate the workload and to provide additional training and experience. It is important to remember that personnel must complete the appropriate JQR for the assigned section of the ship's laundry.

Temporary Duty Personnel

Temporary duty (TDY) personnel may be assigned to the ship's laundry, especially during deployments. For example, amphibious ships may augment the ship's laundry with embarked Marine Corps personnel. Personnel may be assigned from the embarked squadrons on an aircraft carrier. The proper training and qualification of TDY personnel is very important.

TRAINING LAUNDRY PERSONNEL

Trainees can take a real interest in learning the proper way to do a task when the trainer or supervisor leads by example and provides effective training. On the other hand, a potential laundry operator can be discouraged by careless and ineffective training. The following paragraphs provide information about on-the-job training, rotation of duties, and laundry schedules.

On-the-Job Training

One of the most important duties of a laundry supervisor is to properly train the assigned laundry personnel. Laundry personnel must understand how to correctly operate laundry equipment and must form habits to protect the equipment and the articles being laundered, with safety being the top priority. The importance of training is stressed throughout this chapter for very good reasons. The more time spent training personnel on the proper and safe operation of laundry equipment, the less time will be spent on troubleshooting and correcting mistakes. Well-trained laundry personnel will meet the schedules and provide quality work. Training assumes an especially important place among the duties of a laundry supervisor, especially when TDY personnel make up the bulk of the laundry work force. Therefore, the time must be taken to provide quality training.

Rotation of Duties

The key to running the ship's laundry at its full potential is a versatile laundry crew. Trained laundry personnel will be replaced with new, inexperienced personnel because personnel will transfer off of the ship, separate from the Navy, and so on. The best method to reduce the interruption of laundry services is to ensure that current laundry personnel are cross trained to work at multiple stations. Use the expertise of a proficient laundry operator to train inexperienced personnel. The goal of cross training is to have every section in the ship's laundry operating with confident and proficient personnel.

Another advantage that will result from rotating the duties of personnel in the laundry is motivation. Some of the tasks in the ship's laundry are simply monotonous and fatiguing. A change of pace may stimulate the interest of personnel that have been assigned to monotonous tasks. Personnel should be assigned specific tasks for a period of time that is long enough to become a proficient and productive contributor to the overall efficiency of the laundry operation. However, personnel may not develop a sense of responsibility or understand the assigned task if moved around too often.

Laundry Schedule

The laundry supervisor prepares the laundry and submits the schedule to the sales officer for approval. SHs must be familiar with the factors that affect the laundry schedule and the ship's laundry operating hours. Some of the factors that affect the laundry schedule and working hours are:

- Amount of laundry that must be processed weekly
- Capacity of laundry equipment
- Number and performance level of the laundry crew

Laundry supervisors should establish normal working hours for personnel by generally operating the laundry service in shifts. A laundry shift is usually 8 hours long. Ship's laundries may operate using one, two, or three shifts per day. Individual shifts should have experienced personnel assigned to ensure that laundry is processed in a satisfactory manner. TDY personnel may be required to fill a shortage of experienced personnel. Again, inexperienced personnel shall be qualified on laundry equipment before they are allowed to operate it.

Type of Laundry Schedule

The best type of laundry schedule is one that fulfills the laundry requirement of the ship, in port and at sea. For example, a daily schedule in which a portion of laundry is delivered from each division every day instead of one time a week may work for a ship's laundry. Daily scheduling of laundry eliminates bad odors and soiled laundry in berthing spaces. However, the laundry workload on some ships may not be able to support a daily laundry schedule because the amount of water and detergents can be unnecessarily heavy. Therefore, laundry equipment must often run at less than full capacity. There is no one correct laundry schedule. The best schedule is the one that fulfills the needs of the ship.

Amount of Work Processed Weekly

Shipboard laundry facilities should be able to process 24 pounds of laundry per accommodation per week. If a ship has more than 100 accommodations, then the ship must be capable of meeting the following minimum requirements within a 96-hour laundry week:

1. Provide one change of working clothing, underwear, socks, and one towel per day per accommodation.
2. Provide one change of berth linen per accommodation and one change of officer and CPO dining facility linen per week.
3. Finish press three uniform shirts and trousers per officer and CPO/senior non-commissioned officer (SNCO) (E7-E9) accommodation per week.

NOTE

Do NOT press Navy Working Uniforms (NWUs) with the hot head laundry finishing press.

The total of a ship's crew multiplied by 24 (the average number of pounds of laundry that may be expected to be processed weekly for each crew member) is used to calculate the amount of laundry that should be processed weekly. For example, using the above calculation, a crew of 3,000 can be expected to create a workload of 72,000 pounds (3,000 X 24). Anticipate the following breakdown of the total work to the finished work:

- 80 percent will require tumble drying
- 18 percent will require pressing
- 2 percent will need flatwork ironing

The above calculation and work breakdown provides a general idea of the amount of laundry that should be processed weekly.

Capacity of Laundry Equipment

The capacity of laundry equipment determines the amount of tumbled work, flatwork, and press work a laundry operation can handle in 1 day. The capacity of the laundry equipment depends on the rated

capacity, efficiency, and size of the laundry crew. For example, if a ship’s laundry has five press stations but only three qualified press operators, two of the stations will be idle at any given time.

Size and Competence of the Laundry Personnel

Laundering is one of the jobs on board ship that must be done whether or not there are sufficient personnel. Generally speaking, the main problem that a laundry supervisor will encounter is scheduling. Every effort must be made to use the available personnel to try to spread the workload as fairly as possible. Keep in mind that trained personnel will supervise all laundry operations but may not be required to perform all of the tasks.

LAUNDRY LOGS

Laundry operations require the maintenance of certain logs. Laundry operators should be familiar with the following logs:

- Heat-stress log—used to record temperature in the laundry
- Bulk work log—used to log bulk laundry in and out
- Press deck log—used to record officer and CPO lots received in the laundry
- Equipment maintenance log—used to record maintenance data on each piece of equipment

Maintain the above logs daily, ensuring that each log is always ready for inspection and should be ready for review by the sales officer. Laundry operators will initial the logs on a weekly basis.

Heat-Stress Log

The heat-stress log is used to record the temperatures in the laundry spaces every 4 hours or each work shift. Readings should be taken any time that the laundry spaces are manned. *Table 2-1* is provided as an example of the typical entries in a laundry heat-stress log.

Table 2-1 — Laundry Heat-Stress Log

Date	Time of Reading	Press Deck	Wash Deck	Remarks/Initials
10-5	0800	96 °F	87 °F	
10-5	1200	102 °F	98 °F	Notify Medical Officer
10-5	1600	93 °F	88 °F	Secured at 1600
10-6	N/A	N/A	N/A	Closed
10-7	N/A	N/A	N/A	Closed
10-8	0800	92 °F	81 °F	
10-8	1200	96 °F	87 °F	

Bulk Work and Press Deck Logs

The laundry operator assigned to the receiving section will maintain the bulk work and press deck logs.

Figures 2-2 and *2-3* show examples of the bulk work and press deck work logs. Receiving laundry operators should carefully log in all laundry. The following provides an overview of the information found in the bulk work log:

- Berthing Division/Department—identifies the organization element turning in the laundry
- Total Number (No.) of Bags—indicates the number of bags turned in

- Weight in (Whites/Colors)—indicates the total weight of bags upon receipt
- Signature blocks—used to acknowledge receipt or delivery of the laundry
- Weight out (Whites/Colors)—indicates the total weight of bags at delivery
- Date out—the date the laundry was issued to the respective division or department representative

[illegible]

Figure 2-2 — Laundry bulk work log.

[illegible]

Reviewed By:

Date: _____

[illegible]

Figure 2-3 — Laundry press deck log.

The press deck log records the individual officer and CPO lots received in the laundry. The following provides an overview of the information found in the press deck log:

- Name/Rate—used to establish laundry marks
- Laundry Mark—identifies individual owners using first letter of last name and last four social security numbers
- No. of Shirts—record total shirts received (khaki or white)
- No. of Pants—record total trousers received (khaki or white)
- Other items—use these columns to record any other items (e.g., laundry bag, sock bag, T-shirts, and socks)
- Received and Delivered By—laundryman receiving and person who brings dirty laundry to be washed to the laundry
- Checked Out By—laundryman issuing the finished product
- Picked Up By—the person who picks up the laundry
- Date out—the date laundry is returned to the customer

Items other than shirts or trousers are normally listed under the column marked "Other." Keep a separate log if the "Other" space does not permit listing the items. Logs can be modified as needed. The laundry supervisor prepares a locally generated laundry summary sheet based on the

information contained in the bulk and press logs each week. The laundry summary sheet is routed through the chain of command to the supply officer for review and signature. A copy of the laundry summary sheet is filed for reference purposes. *Figure 2-4* shows an example of a weekly laundry summary report.

WEEKLY LAUNDRY SUMMARY REPORT										
										DATE _____
Week of _____ to _____										
										TOTAL
DESCRIPTION OF PROCESSED ITEM	UNIT	MON	TUE	WED	THU	WED	THU	FRI	SAT	LB/PC
Rough Dry Whites - Divisional	lb									
Rough Dry Colors - Divisional	lb									
OFFICER/CPO Press Khakis	pc									
OFFICER/CPO Press Whites	pc									
OFFICER/CPO rough whites	lb/pc									
Sick/Dental Smocks, Whites										
Linens, Towels	lb/pc									
Wardroom Linens, Towels, Whites	lb/pc									
Barber Smocks	lb/pc									
Mess cooks' whites/Rough Dry whites	lb									
Grand Total processed for the week										
BEGINNING INVENTORY										
Items	Unit	Price	Inventory	Beginning Receipts	Ending Inv.	Amount Consumed	Cost Value of Supplies			
Solid Surge Plus	cap									
Oxy-Brite	cap									
Neutralizer	cap									
Starch	lb									
Miscellaneous Items										
						Grand total cost of suppliers \$ _____				
Total personnel onboard for the inclusive dates above (for the week) _____										
Total pounds processed (the grand total processed for the week) _____										
Total pounds processed (the grand total processed for the week) _____										
Total pounds processed per person (divide grand total lb by onboard count) _____										
Total cost person (divide grand total cost by onboard count) _____										
<u>Standard of Patron Service Requirements</u>										
Wash - 24 lbs per person per week										
Finished work (Officers/CPOs, three shirts and trousers each week)										
Finished work (One dress uniform per person per week)										

Figure 2-4 — Example of a weekly laundry summary report.

Equipment Maintenance Log

The equipment maintenance log is used to record historical repair data. A separate logbook should be maintained for each individual piece of laundry equipment. *Figure 2-5* shows an example of an equipment maintenance log. The information on the form is self-explanatory.

[illegible]

Figure 2-5 — Laundry equipment maintenance log.

LAUNDRY SUPPLIES

Standard stock laundry supplies are requisitioned from ashore supply activities. Laundry personnel should be familiar with the handling and storage requirements of laundry supplies, especially the supplies used in the wash cycle.

Storage Requirements

The proper storage and handling of laundry supplies are essential to prevent health and safety hazards. Planning is required to make sure that spaces aboard a ship are used efficiently because storage space is limited.

Laundry supplies such as detergent should be stored in a laundry storeroom. Heavy containers of laundry supplies should be stored close to the laundry. Rust and stain removers should be stored in a cool, dry space, preferably a small HAZMAT storage locker located in the space. Small items should be kept in bins to prevent loss. Items subject to theft, such as pins and laundry net bags, should be stored under lock and key. Each laundry must be equipped with an emergency eyewash station, which should be installed near the laundry supply handling area.

Solid Cake Laundry Supplies

The newest laundry chemical available for shipboard use is the solid cake. It is packaged in individual containers, commonly referred to as capsules. The individual solid cake containers are inserted into

the associated laundry dispensers when in use. Solid cake chemicals require warm, potable water at a temperature of approximately 120 to 130 °F to effectively dissolve the chemical. Ensure chemical dispensers are provided with a warm water supply.

Solid Cake Storage Requirements

Solid cake dispensers use chemicals that are automatically dissolved and precisely dispensed from the dispenser equipment. The solid cake chemicals come in stackable plastic containers designed to make handling less hazardous. Solid cake containers require 40 percent less storage space than conventional detergent.

There are three different solid cake products used on board ships: detergent, oxygen bleach, and sour solid cakes. Special protective gear is not required under normal conditions because of the solid nature of the three products. The solid form of the three cake laundry products makes contact or exposure unlikely during use under normal conditions. Special handling procedures, in accordance with the SDS, must be followed if the solid cake containers are ruptured or broken.

Solid cake product containers can be stored in the shipping box or as individual product containers. The solid cake product should be stored in a cool, dry space. Do not use a container if it becomes punctured unless the container is immediately inserted into an associated dispenser. Solid cake products do not require special handling requirements as long as the capsules remained sealed.

Detergent (Solid Cake Capsule)

The solid cake detergent plus the associated builder cause dirt and soil to be released from fabrics. The operator carefully opens the capsule, when ready to use, and inverts the capsule over the dispenser. The individual container is inserted into the appropriate slot in the automatic dispenser. The solid cake Surge Plus detergent has a shelf life. If the solid chemical is brown after the capsule is opened, the chemical has expired and should not be used. Plan chemical needs based on the projected laundry requirements and rotate chemical stocks to avoid encountering expired chemicals.

Detergent Safety Requirements

Contact or exposure with the solid form of detergent is unlikely with normal use. However, detergent causes chemical burns if it comes into contact with exposed skin. Eye contact may cause blindness. If detergent comes into contact with eyes, immediately flush out eyes for at least 15 minutes and contact medical personnel for treatment. Flush exposed skin areas with water. Detergent can cause chemical burns to the mouth, throat, and stomach. If swallowed, contact medical personnel immediately. Personnel should follow all safety precautions according to the SDS.

Oxygen Bleach (Solid Cake Capsule)

The oxygen bleach solid cake capsule is a de-staining and brightening agent that comes in a container, which makes the chemical less hazardous to handle. The oxygen bleach solid cake capsule is safe to use on white and colored linen. The operator opens the oxygen bleach solid cake capsule and carefully inverts the capsule over the dispenser. The operator then inserts the individual container into the appropriate slot in the automatic dispenser.

Oxygen Bleach Safety Requirements

The solid form of oxygen bleach reduces the risk of exposure when used normally. However, contact with exposed skin or eyes can cause irritation. Large amounts, if swallowed, can cause irritation, nausea, or diarrhea. Personnel should follow the safety precautions listed in the SDS.

Sour (Solid Cake Capsule)

The sour solid cake capsule neutralizes the acidic wash water. The sour solid cake comes in a container, which makes the chemical less hazardous to handle. The operator opens the sour solid cake capsule and carefully inverts the capsule over the dispenser. The operator then inserts the individual container into the appropriate slot in the automatic dispensers.

Sour Safety Requirements

Contact or exposure with the solid form of sour is unlikely with normal use. However, sour can cause chemical burns if it comes into contact with exposed skin or eyes, or if it is swallowed. Flush exposed areas of skin with water. Immediately flush out eyes for at least 15 minutes and contact medical personnel for treatment. Chemical burns can occur in the mouth, throat, or stomach if the chemical is swallowed. Contact medical personnel immediately if the sour chemical is swallowed. Personnel should follow the safety precautions listed in the SDS.

RECEIVING AREA OPERATION

The first step in processing laundry on board a ship is to receive the laundry. The operator tasked with receiving laundry should have a list of divisional laundry petty officers. The list of divisional laundry petty officers is useful if there is a need to contact a divisional representative for laundry pickup or delivery or to resolve problems.

Bulk lots or individual bundles are delivered to the ship's laundry for processing. Bulk lots include division laundry (crew clothing and linen) and flatwork (towels and linens from staterooms and tablecloths from officer wardrooms and CPO mess). Service lots (clothing for cooks, food service attendants, barbers, and medical personnel) and medical items are also included. The individual lots include officer and CPO laundry delivered to the receiving area in net bags.

Figure 2-6 illustrates the workflow for the bulk and individual lots. The solid black line running from the bulk lot block at the top left to the issuing block at the bottom shows the steps in processing bulk laundry. The broken line on the right hand side of the chart connects all of the work accomplished on individual lots.

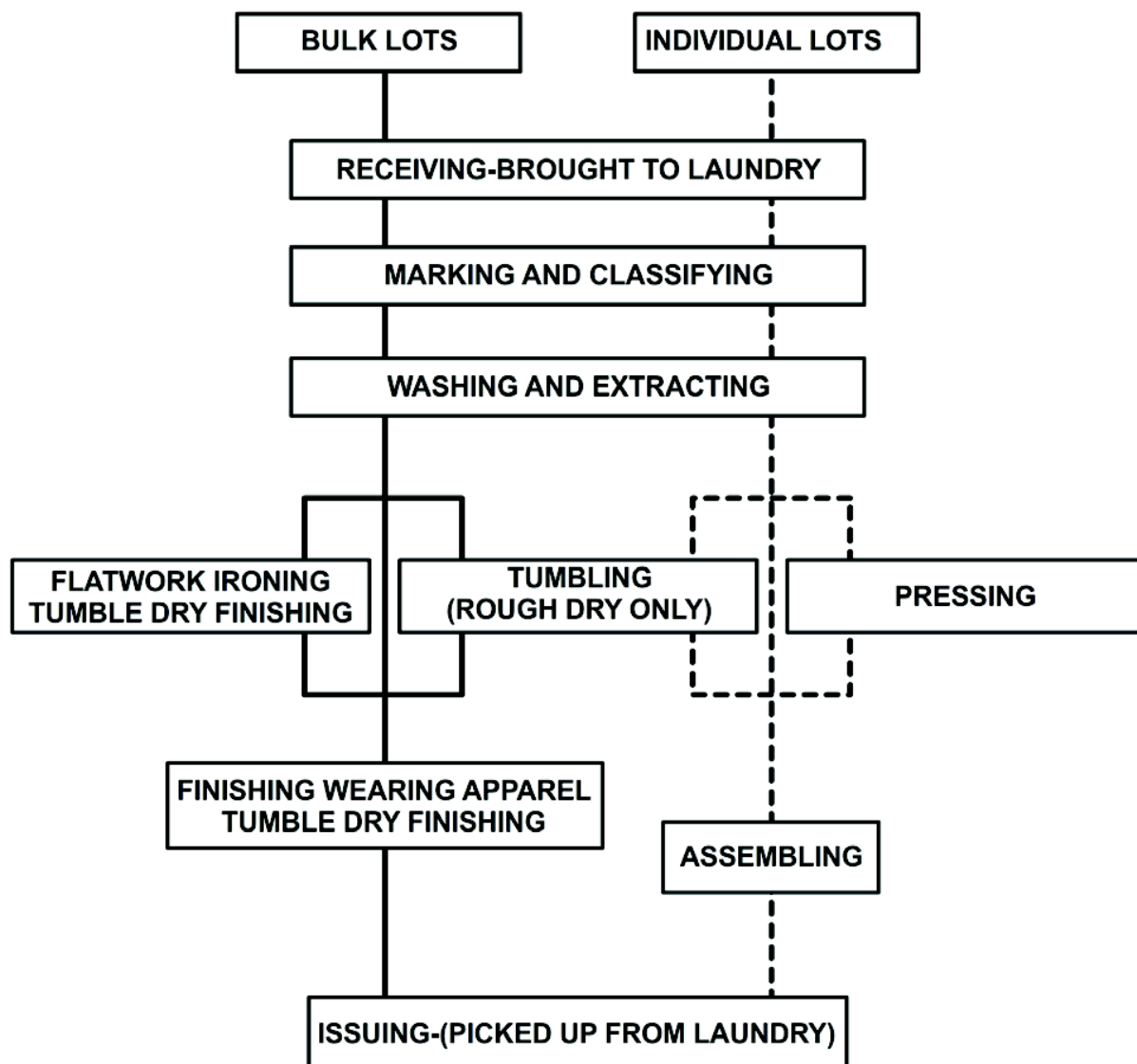


Figure 2-6 — Laundry receiving area workflow.

Identifying Individual Lots

One of the concerns in the laundry is preventing the loss of clothing. Therefore, an effective system of identifying laundry is required because several personnel will handle the clothing during the laundry process. The Navy uses two identification systems: laundry lists and laundry marks.

Steps to Identify Individual Lots

Ship's laundries ask customers that send in individual lots, usually officers and chiefs, to list the items on a Ship's Store Laundry List, NAVSUP Form 233. The customer name, division, and last four of the social security number is written at the top of the form. The types and number of articles are written in the lower section of the form. The list, along with the individual lot to be laundered, is given to the laundry operator working in the receiving area.

Review the laundry list and ensure that all of the articles in the individual lot are marked on the form. Next, ensure that the articles in the individual lot are marked with a laundry mark. A laundry mark consists of the first letter of the last name and the last four numbers of the social security number. For

example, the laundry mark for Master Chief Ships Serviceman (SHCM) Paul T. Boat, social security number 123-45-6789, would be B-6789. This method is used throughout the Navy to create a laundry mark. All items in the individual lot must contain a laundry mark.

Location of Laundry Marks

The guidance and procedures for stenciling various uniform articles is contained in the United States Navy Uniform Regulations, Chief of Naval Personnel (NAVPERS) 15665I. With proper stenciling, the receiving laundry operator, can easily and quickly check in the laundry for processing. In addition, laundry operators can check and assemble articles without unfolding the articles. The proper stenciling of uniform articles should reduce the number of laundry claims that are paid for the ship's store profits. *Table 2-2* lists some of the common articles received in the laundry and the prescribed location for ownership markings. A complete list of uniform articles and the ownership marking locations is listed in the United States Navy Uniform Regulations.

Table 2-2 — Stenciling Locations for Common Uniform Items

Uniform Item	Location of Ownership Marking
Coveralls	On the waistband inside front at the right of the center line.
Shirt, Physical Training Uniform, Short Sleeve	Last name and initials on bottom inner right side of hem.
Shorts, Physical Training Uniform	Last name on the inside of front left leg, 1 inch from the seam.
Socks	Initials only on the foot.
Towel	Right corner on hem, parallel to end.
Undershirt, Blue	Last name and initials on the outside of the front, 1 inch from the bottom of the shirt at the right of the center.
Undershirt, White	On outside of the front, 1 inch from the bottom of the shirt and at the right of center.

Identifying Bulk Lots

Bulk lots are delivered to the laundry in large, marked divisional laundry bags. The laundry operator working in the receiving area must ensure that the divisional laundry bag is stenciled in large, legible letters. An alternative method of making bulk lot markers is to cut and hem pieces of cloth into 8- to 12-inch squares. Mark the individual squares for each division, service group, or activity that delivers bulk lots to the ship's laundry. All clothing articles must be stenciled in the correct location before being delivered to the ship's laundry. Divisional laundry petty officers should only accept clothing articles that have been stenciled.

Types of Stencil Equipment

Shipboard laundries use different methods of marking laundry articles: marking pens and stencils and cloth markers. The method used depends on whether the articles are received in bulk or individual lots. It also depends on the type of article, the method of laundering, and the availability of marking equipment.

Laundry-Marking Pens

Laundry supervisors can obtain black or white laundry markers and charge them to the ship's operating target (OPTAR) fund. Stencil uniform articles on a semi-firm surface, such as cardboard,

ensuring that the mark does not bleed through the fabric. Be careful not to press too hard. Ensure that the ink from the stencil is completely dry before placing the laundry item into the ship's laundry.

Receiving Individual Lots

Count every item on the individual lot list and enter the total on the laundry list. Verify that the individual clothing articles are properly marked with the appropriate information. Notify the laundry supervisor immediately if the count numbers do not agree. The laundry supervisor will contact the individual to inform him or her that the count does not match the submitted laundry list.

Bundles received during the day are considered to be a single lot consisting of individually marked bundles. If the number of bundles exceeds a single lot, break the bundles into two lots. Assemble the individual bundles in the first lot before the second lot comes to the assembly bins. A single lot consisting of 20 bundles is easy for the laundry operator to handle. Never exceed 50 bundles in one lot. The number of bundles in a lot depends on the classification of the items in the bundles.

Classification is the process of separating laundry articles according to color, fabric type, and degree of soil. Some of the examples of classifications are white cottons, light-colored fabrics, and dark-colored cottons.

Net laundry bags should be used to keep rough-dry (socks, underwear, and handkerchiefs) clothing during the laundry process. Net laundry bags are made of open mesh nylon and are useful for separating smaller articles from larger articles.

There are two general types of nylon net laundry bags available: woven and knitted. Woven net bags resist stretching and retain their size. Knitted net bags have tendency to stretch and increase in size. The following information shows the size and weight capacity of knitted net bags:

Net Sizes	Capacity
10 X 15 inches	2 to 4 pounds
24 X 36 inches	8 to 12 pounds

Nylon net laundry bags should never be overloaded. Water and detergent cannot flow and remove the soil through nylon net laundry bags if the bag is overloaded.

Receiving Bulk Lots

Bulk lots must be properly marked before the lots can be properly checked into the laundry. The key difference between individual lots and bulk lots is that bulk lots can simply be weighed. The ship's laundry should have an area that contains a hanging scale that can be used to weigh bulk laundry bags. Log the weight of the bulk laundry bag into the bulk work log along with the number of the bags, colors, division, and so on. Ensure that the delivering laundry petty officer signs the bulk work log.

Do not accept overfilled laundry bags because the bags can create handling problems during the laundry process. In addition, overfilled laundry bags create delays on the wash deck because the contents must be split into separate lots. Splitting the lots can increase the risk of losing clothing articles. Tie all bulk laundry bags with a rope to prevent clothing articles from falling out during handling. Ensure that colored and white clothing articles are not mixed in the same bulk bag. Mixed colors and white clothing articles delay the laundry process because the articles must be separated.

Do not accept bulk laundry bags with any of the discrepancies described above. Laundry supervisors should hold periodic meetings with divisional laundry petty officers to address laundry policies and policy changes. Keep soiled bulk laundry separated from clean laundry. In smaller laundries, where the space is limited, make every effort to have the clean laundry picked up as soon as the laundry process is completed.

WASH DECKS

The next step in the laundry process occurs on the wash decks. The goal of the washing process is to remove the soil from the clothing articles being washed. The washer-extractor loosens the soil from the fabric, suspends it in the water, and rinses it away. There are four baths in the wash cycle:

- Break suds
- Flush suds
- First rinse
- Second rinse

During the first bath, detergent loosens and removes the soil from the article so that the soil may be rinsed away.

Laundry personnel should be familiar with the different types of fabrics. Nearly all of the shipboard uniforms can be washed in the ship's laundry without becoming damaged, if the uniforms are resistant to the detergent that is used. Laundry operators should read and follow the clothing care labels to prevent accidental damage to uniform items.

Separate laundry articles according to color, fiber content, and degree of soiling to minimize the effects of detergent on fabrics. Wash lightly soiled articles separately from heavily soiled items. Separating lightly and heavily soiled articles will reduce the chance of heavily soiled items from causing lightly soiled items to look gray or dull. Wash colored fabrics separately from white fabrics to avoid color transfer. Synthetics or blends do not absorb water; water gathers on the surface only.

Do not exceed the load limits of the laundry equipment. Exceeding the load limits of the laundry equipment will reduce the maximum mechanical action and cause clothes to become wrinkled. The final extract should be consistent with the Navy wash formula.

Types of Soil

Generally speaking, there are four types of soils: chemical-soluble, water-soluble, insoluble, and special. Some of the soils can be removed during the washing process and some cannot. Laundry operators need to be able to identify and decide whether the soiled article will require special treatment.

Chemical-Soluble Soil

Chemical-soluble soils will dissolve in chemical solvents. Chemical-soluble soils include oils, greases, certain waxes, and vegetable, mineral, and animal oils. This type of soil may require special treatment because the soil is not soluble in water.

Water-Soluble Soil

Water-soluble soils will dissolve in water. Water-soluble soils include substances such as sugar, starch, gums, salt, flavoring agents, and syrups. Water-soluble soils also include a wide variety of substances generally found in foods and beverages such as mustard, catsup, soups, and soft drink. Perspiration stains are also included in this category. Normal laundering procedures will remove these types of soils.

Insoluble Soil

Insoluble soils do not dissolve in water or chemical solvents. Insoluble soils make up the bulk of soils that are removed from the laundry. Insoluble soils include dirt, sand, carbon, ashes, concrete dust,

lint, hair, cosmetics, and dandruff. Insoluble soils are usually less visible than oils, greases, or food stains, but are damaging to clothing fabric because of their abrasiveness.

Most insoluble soils are dispersed during the wash cycle. However, completely removing insoluble soils may prove more difficult. There are occasions when insoluble soils redeposit onto garments during the laundry process, causing the “graying” of the fabric.

Special Soil

Special soils are insoluble in water or laundry detergents. Special soils include ink, paint, nail polish, and various types of adhesives. Spotting operations may be required to completely or partially remove special soils from fabrics.

WASHER-EXTRACTORS

The Naval Surface Warfare Center-Carderock Division, Ships System Engineering Station, maintains a website of information about laundry and other equipment. The information on the website can be used to identify, select, and procure laundry equipment. The laundry website is located at the following web address: <http://usnhabeqptcatalog.gdit.com>. Washer-extractors installed on board ships differ mainly in the capacity of the load.

Edro (DynaWash®) Model

The Edro Corporation DynaWash® model (*Figure 2-7*) is most commonly used on board naval ships. The Navy uses the Edro Corporation DynaWash® 60- to 200-pound capacity, three pocket washer-extractors for shipboard laundries. Applications of the DynaWash® washer-extractors range from a single 100-pound capacity or two 60-pound capacity machines on small surface combatant ships to one 60-pound, two 100-pound, and six 200-pound capacity machines on board aircraft carriers. *Table 2-3* lists some of the models from the 200-, 100-, 60-, 20-, and 16-pound categories.



Figure 2-7 — DynaWash® washer-extractor.

Table 2-3 — Washer-Extractor Models

Description	Manufacturer/Model Number
200-pound washer-extractor	Edro Corporation DW2000MNSWE-14A
200-pound washer-extractor	Edro Corporation DW2000MNSWE-24A
100-pound washer-extractor	Edro Corporation DW1000CNSWE-14A
60-pound washer-extractor	Edro Corporation DW600PNSWE-14A
20-pound washer-extractor	Edro Corporation DX25N
16-pound washer-extractor (submarine use only)	Edro Corporation DS16 SUB

Laundry equipment installed on aircraft carriers provides service for up to 6,000 personnel on a daily basis. Aircraft carriers, during a standard 6-month deployment, will operate 16 to 20 hours per day, 6 or 7 days a week, and process nearly 150,000 pounds of laundry per week. Laundry operations must remain at 100 percent capacity to support deployment schedules that require ships to remain at sea for sustained periods of time. The inability to provide efficient laundry services due to equipment downtime has a severe detrimental effect on the ship's crew morale.

Safety Features

Laundry personnel must understand the safety features and procedures to follow to prevent personal injury and damage to the equipment. The following list of safety features generally applies to all models; however, review the technical manual for specific equipment for any additional safety features:

- An interlock mechanism prevents the outer shell door of the washer-extractor from opening during the extract cycle
- Both hands must be used to operate the jog switches on the control panel
- The control switch or the master switch can be used as an emergency stop
- The vibration switch may stop incorrectly loaded machines during the extract cycle
- The air pressure switch will not allow the machine to operate on less than 80 pounds of air pressure
- The braking system engages during power loss or an emergency stop
- The interlock mechanisms eliminate the possibility of the wash motor activating while the outer shell door is open

General Safety Requirements

Laundry operators should observe the following general safety requirements:

- Be familiar with the location and availability of emergency equipment, such as the eyewash stations (*Figure 2-8*) and first-aid boxes
- Make sure that the work area around your equipment is dry and clear of obstructions
- Make sure all lights in the area are in good working condition
- Follow the posted operating instructions and observe all safety precautions
- Only qualified personnel should operate laundry equipment
- Make sure all safety guards, screens, and devices are in place before starting

- Use hearing protection while in high noise areas

Specific Safety Requirements

Laundry operators should pay close attention to the following specific safety requirements:

- Never bypass or disconnect any safety feature
- Keep a safe distance away from moving parts when operating a machine
- Keep hands, body, and clothing away from moving machine parts
- Never use your hands or body to stop moving parts even if the power has been turned off
- Never leave machinery unattended
- Do not clean or service a machine while it is in operation
- Ensure inner pocket doors are securely latched prior to jogging the wash drum



Figure 2-8 — Typical eyewash station.

Maintenance

Washer-extractors are important and expensive pieces of equipment. Lots of money and time may have to be spent to make a washer-extractor operational if it breaks down due to a lack of maintenance or care. In addition, the crew of the ship may be subjected to unsanitary living conditions until the repairs to the washer-extractor have been completed. Therefore, laundry operators must ensure that the machines are properly cared for and maintained.

The senior laundry petty officer is responsible for the care and maintenance of the laundry washer-extractors. The machine operators are responsible for performing the required maintenance. The inside and outside of the washer-extractor must be kept as clean as possible. Generally speaking, the soap solutions and hot water used in washing clothes help to keep the inside of the washer-extractor clean and sanitary. However, soap scum and other accumulations must be removed daily from the outside of the washer-extractor. The removal of soap scum and other accumulations can be done with an oxalic solution. The oxalic solution is made by dissolving 1/2-pound of oxalic acid crystals into 1 gallon of water.



WARNING

Wear goggles and protective gloves when mixing and using the oxalic acid solution. Dispose of the remaining solution as directed by a supervisor.

Apply the oxalic solution with a brush or a rag to the areas requiring cleaning. Scrub the areas vigorously and rinse the areas with clean water. A fine abrasive powder, such as pumice stone, sprinkled on a damp cloth will help to remove grease and film from the tub. Another method that works quite well is to use a scouring powder and a brush to clean dirty areas.

Operators should be on alert for possible mechanical problems that may occur between scheduled maintenance checks. Some of the possible mechanical problems may include, but may not be limited to, the following:

- Loose latches on cylinder doors
- Leaky valves
- Improperly working extractor brakes
- Improperly working thermostat
- Inoperable switches
- Improperly operating timer
- Improperly engaging extract
- Incorrect water levels
- Inoperable safety features

Mechanical and electrical maintenance on washer-extractors should only be performed by qualified shipboard maintenance personnel. Laundry personnel should not perform mechanical or electrical maintenance or operate any of the equipment until cleared by the maintenance personnel.

Washer-Extractor Controls

The DynaWash® control system is simple and easy to understand. A programmable logic controller (PLC) or microprocessor is used to initiate an automatic wash cycle, which improves laundry quality, prevents mechanical failures, and increases the life expectancy of the washer-extractor. The PLC system makes washing clothes elementary. The following is a description of the washer-extractor controls:

- Program select buttons—selecting these switches will activate the appropriate Navy wash formula; there are three buttons that correspond to the three Navy wash formulas and one button that will run a maintenance/test formula
- Temperature controller—controls the desired temperature of the water in the washer-extractor; a light emitting diode (LED) reading shows the temperature of the water in the machine; the temperature of the water is adjustable; if the water is not hot enough, the electric coils or steam coils will be engaged to increase the water temperature

NOTE

The wash cycle will not advance before the water temperature reaches the desired temperature.

- Jog button—this button used in conjunction with the reverse or forward button allows you to move the washer cylinder when the wash door is open; the movement of the wash cylinder allows the operator to load or unload the three pockets inside the cylinder; the use of two hands to jog the wash cylinder is a safety feature

- Forward/Reverse button—moves the cylinder in the appropriate direction when pressed simultaneously with the jog button; the forward button moves the wash cylinder in a clockwise direction
- Emergency stop button—safety feature that shuts the washer-extractor down
- Step indicator lights—informs the operator what step the washer-extractor is currently on
- Time while heating (TWH) switch—normal operation is in the OFF position; the ON position will bypass the requirement to not advance until the programmed water temperature is reached; the cycle will time out while the internal booster heats up the water
- Door switch—located on S4B style washer-extractors; depress the switch to activate the door lock solenoid, which releases the electric door lock on the load door

Edro Corporation washer-extractors use the DynaTrol touch screen control. The DynaTrol touch screen control provides the control interface for the laundry operator. *Figure 2-9* is an example of the DynaTrol touch screen control.

Washer-Extractor Operation

Washer-extractors consist of two parts:

- Outer shell—holds the water washing supplies
- Cylinder—holds the clothes

The cylinder is perforated with holes around its periphery that allows water and suds to enter and clean clothes during the wash cycle. Water is extracted from the cylinder using centrifugal force. A separate extractor motor spins the cylinder at a high speed during the extracting cycle.

The washer-extractors manufactured for the Navy come in a variety of sizes. The operation of the washer-extractor is easy because many of the processes are automatic. The first step before operating a washer-extractor is to load the machine.

Divide the wash load into three equal piles of clothing. There should be no more than a 10 percent difference in the weight of the piles. Overloading a washer-extractor can cause the machine to break down due to the greater strain placed on the main shaft bearings and the other moving parts. In addition, overloading the washer-extractor results in poor washing because the water and the cleaning solution lack the adequate space to sufficiently agitate and remove the soil from the clothing. Under-loading a washer-extractor will result in a waste of water and supplies. Operate a washer-extractor using the following procedures:

1. Verify that the power is turned on and that the steam, water, and air valves are opened as applicable.
2. Open the shell door. Jog the cylinder until the inner door is aligned with the outer door on multi-pocket machines. Load the open pocket or multi-pocket machine with the proper amount of laundry. Never exceed the maximum rating or the individual pocket on multi-pocket



Figure 2-9 — DynaTrol touch screen operator control.

machines. Repeat the loading process for the remaining pockets as applicable. Ensure that multi-pocket machines are evenly loaded to prevent an out-of-balance condition.

3. Verify the proper temperatures for the select formula and make adjustments as appropriate.
4. Select the desired formula and begin the automatic operation by depressing the formula and/or run button as appropriate. For DynaTrol (touch screen) controlled machines, touch the button for the appropriate formula, then touch the Load Program button. Press Start.
5. Allow the machine to operate through the full automatic operation. Monitor the machine operation, and inform the laundry supervisor of any abnormal conditions.
6. Unload the machine following the completion of the cycle, and transfer the clothes to the dryer or press station, as applicable.

Train laundry personnel using the technical manual for the washer-extractor. Different machines may have specific operating requirements that must be followed.

Wash Water

Water is the most important item required in the ship's laundry. The quality and quantity of water has an important effect on the washing process. The quantity of suitable wash water is subject to greater limitations when a ship is at sea. Generally, there are two types of water: soft and hard.

Soft Water

Soft water is water that has not picked up salts or other substances from the earth. Another definition of soft water is water that has the substances removed and neutralized.

Hard Water

Hardness in wash water kills the power of soap. When soap is added to hard water, the calcium and magnesium salts combine with the soap to create an insoluble deposit known as lime. This reaction makes soap useless for washing. Lime deposits trap the soil and put it back onto the fabric in the form of scum. If no dirt is present, the scum is seen as a white film on clothes. There are two types of water hardness:

- Temporary hardness—water containing calcium and magnesium bicarbonate is considered temporarily hard because boiling the water will remove the elements; scale on the inside of steam kettles is created by the insoluble carbonates being deposited as the water evaporates
- Permanent hardness—water that contains calcium and magnesium chlorides is not affected by boiling and is permanently hard; permanent hard water requires special treatment with chemicals or distillation

Water-Softening Methods

There are two methods that can be used to soften water: base-exchange and distillation.

- Base-exchange—softens the water by exchanging calcium and magnesium compounds for sodium compounds that do not cause hardness
- Distillation—softens the water by evaporation and condensing the vapor back into water making it useful on board ships; distilled sea-water is not pure; the water contains approximately 1/20,000 of the original concentration of salts

Laundry Detergent

Solid cake capsules are used by the Navy throughout the fleet. One of the key benefits of using solid cake capsules is that the capsule eliminates the guesswork. The proper mixture of chemicals is dispensed into the wash cycle depending upon the type of clothing being washed.

Two-shot detergent is used as a backup for solid cake capsules. Two-shot detergent is intended for the shipboard washing of cotton, synthetic, and blended items using freshwater. Bleach is an integral part of two-shot detergent; therefore, two-shot detergent will not damage colored fabrics. Two-shot detergent does not require any special handling and is safe to use on all fabrics. Sour is used in the last rinse cycle to neutralize alkalinity and to decompose any remaining traces of the two-shot detergent still in the fabric.

Washing Formulas

Three wash formulas were developed by the Navy to produce whiter and brighter clothes, to conserve energy, and to meet environmental regulations. They are Navy wash formulas I, II, and III. The three formulas have been tested in laundry labs at the Navy Clothing and Textile Research Facility. The washer controls are programmed with the three formulas. Laundry personnel should be familiar with the formulas that are posted on the wash deck.

Rinsing

Rinsing removes soil and cleaning solutions from the clothes. Poor rinsing results in grayness, disagreeable odors, harsh finishes, and poor-quality work. The number of rinses should follow the Navy wash formula and should not be modified. Under normal conditions, the Navy wash formula will produce the desired result. Heavily soiled clothing that does not become clean in the first wash should be washed again.

Laundry Sour

Sour is added to the last rinse cycle to neutralize the remaining alkali and dissolve iron and other metallic salts. These chemicals can cause odors and discoloration in fabrics after drying. Sour also removes sodium bicarbonate during the last rinse. Sodium bicarbonate is converted to sodium carbonate, which is quite alkaline and can damage fabrics.

In addition, sour decomposes any remaining bleach, preventing discoloration, and aids in the sterilization of clothing. Sour sets acid dyes that are often used in bright-colored fabrics and preserves the tensile strength of fibers. Sour is also effective as a rust stain remover. *Table 2-4* lists the two-shot measurement amounts.

Table 2-4 — Two-Shot Detergent Amounts

Wash Size (Pounds)	Fresh Water (Ounces)
16	2.6
20	3.2
35	5.6
60	9.6
100	16.0
135	21.6
150	24.0
200	32.0

There are many different laundry sours that vary in strength. Some of the varieties of laundry sours include acetic acid, fluorosilicic acid, hydrofluoric acid, and several types of fluoride (ammonium, sodium acid, and sodium silico). The Navy normally uses fluoride laundry sour. Laundry sour is automatically added during the wash cycle by the solid cake dispensing system.

DRY CYCLE

Clothes that have completed the wash cycle are processed through the dry cycle. The dry cycle is important in achieving the desired finished work. The Navy uses several types of tumbler dryers. However, the 50-pound tumbler dryer is mainly used aboard ships.

Tumbler Dryers

The Navy uses both steam and electric dryers (Figure 2-10). Each dryer has an exhaust fan enclosed in the bottom of the machine. The fan pulls air out through the heat coil box where the air is heated by either steam or electrical coils. The air enters the basket through perforations and dries the articles of clothing. The exhaust fan removes the air from the basket and forces the air out through the primary filter and the exhaust.



Figure 2-10 — Typical ship tumbler dryer.

Controls and Indicators

Table 2-5 identifies the controls and functions of a typical tumbler dryer. Most of these controls and their operation are self-explanatory. However, check the technical manual for the dryer on your ship to determine the location and function of each control.

Table 2-5 — Typical Tumbler Dryer Controls and Functions

Control	Function
Temperature gauge	Indicates dryer temperature
Start button	Starts dryer
Temperature range selector	Regulates outlet temperature
On/Off power switch	Turns power on and off
Cool-down cycle lamp	Indicates cool-down cycle is on
Drying cycle lamp	Indicates drying cycle is on
Drying cycle timer	Regulates drying time
Lint trap access door	Provides access to primary lint screen
Lint collector screen	Collects lint

Primary Lint Trap

The primary lint trap is located in the bottom of the machine. The primary lint trap is accessed through the lower lint trap on the bottom of the dryer. Clean the primary lint trap every 2 hours of operation. Cleaning the primary lint trap will eliminate fire hazards and remove blockages that increase the drying time of clothing articles.

Secondary Lint Trap

Exhaust air that has passed through the primary lint trap may still contain lint. The remaining lint builds up in the exhaust ducts blocking the airflow. Exhaust ducts with long runs and elbows attract lint buildup, which creates fire hazards and backpressure. Inspect and clean vents and ducts monthly.

Secondary lint traps help to cut down the buildup of lint in the ducting and vents. The configuration of secondary lint traps may be different depending on the size and location of the dryers in the ship's laundry. However, secondary lint traps are easy to remove and install. Clean secondary lint traps after every 8 hours of dryer operation.

Steam and Electric Coils

The steam and electric coils are located on top of the dryer. The steam and electric coils act as heat exchangers, making the coils prone to collecting lint and dirt. The buildup of lint and dirt slows the transfer of heat and reduces airflow. Check heating coils for the presence of lint and dirt and clean the coils daily.

PRESSING AND FINISHING

The press deck processes laundry received from washing or tumbling operations. By following the washing and drying procedures outlined earlier, you may successfully finish uniform items made of synthetics or blended fabric by tumble-drying. However, you must press cotton items.

To press clothing correctly, you must be sure that laundry personnel on the press deck know how to operate a press. This requires practice in the use of standard press lays for shirts and trousers. It also requires knowing how the laundry press operates and following all safety precautions.

Laundry Press

A typical laundry press is shown in *Figure 2-11*. Laundry presses consist of a stationary padded buck that is fastened to a rigid metal frame that is heated by steam or electric elements. Set the press head temperature between 300 and 325 °F to allow for the proper drying without scorching the fabric. However, high temperatures may not be the only cause of scorching on fabrics. Ensure that clothes are properly rinsed on the wash decks, because soap residue will also cause discoloration. A table for holding the items being pressed is attached to the frame of the press under the buck.



Figure 2-11 — Typical laundry press.

The buck of a press is the main work area. Set the buck thermostat between 260 and 275 °F to keep the padding dry. The shapes and sizes vary with the function that the buck was designed to perform. The padding of the buck is designed to ensure that items are satisfactorily pressed. The amount and condition of the padding on the press affects the head pressure. Laundry operators should understand and be able to adjust the head pressing pressure.

Table 2-6 lists the various presses used on board ships. Although there are several models of presses, each press basically operates the same.

Table 2-6 — Laundry Presses Used On Board Ship

Description	Laundry Press Manufacturer and Model
Utility press, 54 inch	Forenta, Model 53VAN
Utility press	Forenta, Model 53VANE
Pants topper press, 36 inch	Forenta, Model 3516VSN
Pants topper press, 36 inch	Forenta, Model 3516VSNE

The following types of presses are usually installed on board ships:

- Tapered head—general pressing of wearing apparel
- Rectangular head—general pressing of wearing apparel and flatwork items

Spray guns attached to presses are used to dampen garments that are too dry to press. The spray guns are also useful in compensating for the moisture lost while pressing other parts of a garment.

Press Layouts

Two or more presses that are placed together are called a unit. A unit of presses allows a single operator to alternately press garments. The placement of presses within a unit or units in the laundry spaces is called the layout of equipment. The layout of equipment on Navy ships is determined by Naval Sea Systems Command (NAVSEA) and should not be modified without prior approval.

Figure 2-12 shows a single-operator station consisting of two utility presses and one pants topper press. A large ship may have several of these stations.



Figure 2-12 — Laundry press single-operator station.

Safety Features

The laundry press head will not close unless the operator uses both hands to push the two close buttons. The two-hand operation requirement keeps the operator from closing his or her hand under the press head. A slight lift on the control head will lift the press head, which allows the head to easily release in an emergency. The press head will not lock if the control bar hits an obstruction on the down stroke. In addition, press heads will not lock or close if an object greater than 3/4 inch thick is placed between the head and the buck. To test this safety feature, roll up a bed sheet and place the sheet under the press head. Try to close the head of the press. If the head is adjusted properly, it will not lock.

Many laundry personnel have caught their hands between the press head and the pad. To ensure that this does not happen, observe the following safety precautions:

- Never operate the press if any control buttons are sticking
- Never disable the press head closing button to allow one-hand operation
- Do not allow anyone to stand near the press while operating it
- Ensure that only one operator at a time is working at a press station

Utility Press

Utility presses are air-operated. This type of press is controlled by push buttons underneath or on the front of the press table. The push buttons are used to lower and lock the head and must be pressed at the same time. A control bar around the exhaust hood will release the head when slightly lifted by the operator.

Examine the cover padding before heating and operating the utility press. To check the head pressure, insert a bed sheet with a portion exposed and close the press head. Attempt to pull the bed sheet from the closed press head. The sheet should resist all efforts to be removed from under the head. Correct head pressure can be determined by the position of the roller at the end of the head operating arm. When the head is closed, the roller should move up the cam slot to approximately 3/4 inch from the top of the slot.

If the padding is bad, do not use the press until the pad has been replaced. If the cover is in an unsatisfactory condition, replace the cover with a new one.

Gradually heat a steam press by partially opening the steam valve. Leave the steam valve partially open for 20 minutes. After 20 minutes has elapsed, open the steam valve completely. The steam press will now be ready for use. Allow electric presses to heat up to the proper operating temperature for 15 to 20 minutes.

The time required to press a garment depends upon the following:

- Type of material
- Moisture in the material
- Head pressure
- Steam pressure (less than 100 pounds per square inch (psi) will require longer time) (steam presses only)
- Effectiveness of the steam trap in carrying away the condensed steam to allow unrestricted flow of live steam into the head chamber (steam presses only)

An article with a rough-dry appearance usually requires more normal pressing time. Ensure that the article that is going to be pressed is damp enough before starting the operation. Spray the article with

the attached spray gun if the article is not damp enough for pressing. If the article being pressed does not cover the entire area of the buck, spray the exposed parts of the pad to dampen the press prior to closing.

Keep the press head down for about 15 seconds for normal pressing. Experience in pressing will tell the operator when to dampen an article and how long it will take to press the particular type of material.

Press Maintenance

Operators should only perform minor maintenance on presses. However, operators should ensure that any major maintenance actions or repairs to a press are recorded in the equipment maintenance log. Ensure that steam pressure to the applicable presses is at 100 psi. The air pressure to presses should be from 68 to 72 psi gauge (psig).

Operators should perform the following maintenance on presses:

- Thoroughly clean presses (daily)
- Clean and wax press heads when needed
- Change pads and covers when needed

NOTE

The first three operator maintenance tasks are the same for both steam and electric presses.

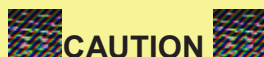
- Dust off the entire press table of the laundry press before starting pressing operations (daily)
- Wash off the press table with hot, soapy water and dry (daily)

Cleaning Press Heads

Operators must ensure that press heads are clean at all times to prevent clothing from picking up stains from the press head. Operators need the following items to clean the press head:

- Press head cleaner
- Press head wax
- Press head mitts

The purpose of the press head mitt is to keep the operator from being burned while cleaning the press head. Press head mitts have two sides, a smooth side and a side that is made out of steel wool. Use the smooth side of the mitt to evenly apply the press head cleaner. Scrub the press head with the steel wool side of the mitt. Wipe the press head with clean rags while wearing the press head mitt to prevent burns.



Never use rags that may have flammable substances on them to wipe the press head.

Apply wax to the press head after the cleaner has been thoroughly removed. Sprinkle the press head wax on one side of the wax cloth and fold the cloth together. Use the press head mitt to hold the wax cloth evenly against the head until the entire surface has been waxed. Use a clean rag to remove any

excess wax. Use old bed linen to test the press head for excess cleaner or wax by lowering the press head on the linen. If the linen remains clean, then the press is ready for use.

Changing Pads

Presses must be properly padded at all times. Flattened buck pads produce poor-quality work, break buttons on clothing, and transfer burn odors to the clothing. Therefore, the operator should change the buck pads as required. *Figure 2-13* illustrates the materials that make up the buck padding. The following information lists the materials used in the press buck and the recommended replacement timeframes:

- One steel wool pad—replace every year
- Two flannel pads—replace every 2 months with normal use
- One press cover—replace as required

The procedure for changing the padding on the buck is simple. Unclamp or unhook the cover beneath the buck and remove the old padding. The steel wool pad on the bottom is very expensive and should only be changed when worn or rusted (about once a year). On the top of the steel wool pad, place two flannel pads with the press cover on top of them. Pull the drawstring tight and tie it off. Finish changing the pad by connecting the tension springs and clamps under the buck of the press.

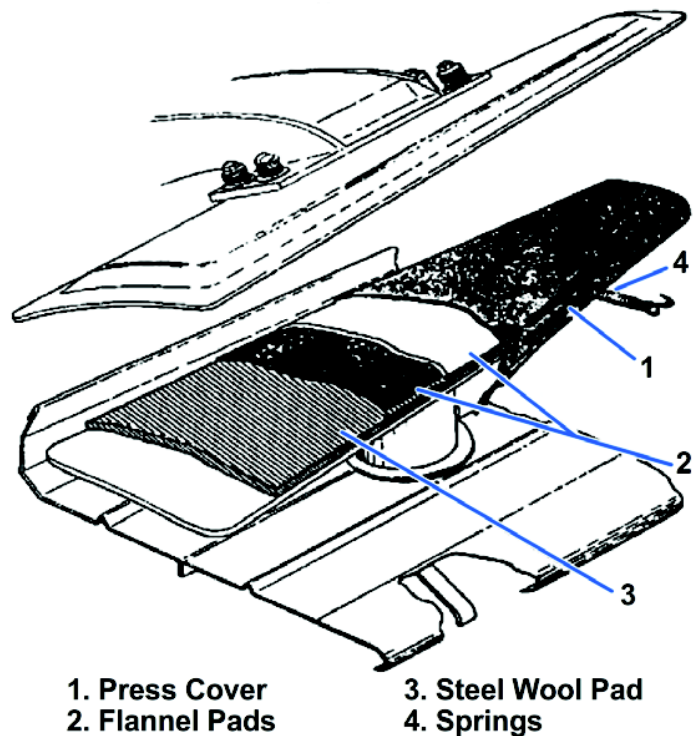


Figure 2-13 — Laundry press padding.

Press Lays

In machined pressing, a garment is finished in a series of lays. A lay is a position of the garment on the buck. The series of lays should cover the entire garment. Operators can use a hand iron to smooth areas of the garment that cannot be pressed by the machine.

The sequence of lays for shirts and trousers are described in the following paragraphs. Keep in mind that the sequence described is considered the minimum for each article when a quality pressing is desired. In addition, the lays described in the following paragraphs are not standard with all presses. For example, one press may use two lays for pressing the front of a shirt—one lay with the pocket flap up and the other lay with the flap down. In contrast, another press may use one lay for the front of a shirt and still produce acceptable work.

Consider the following when determining the sequence of lays for a garment:

- The minimum number of lays required to produce satisfactory work
- The logical sequence of lays needed for easy and quick handling
- The part(s) of the garment to be pressed last to prevent damage to the finish of the most conspicuous parts of the garment

The lays discussed in the following paragraphs are used in the ship's laundry. The following descriptions of the lays will not include the use of a hand iron for touch-up work on places difficult to reach with the press. However, use a hand iron as necessary to produce quality work because a nearly finished garment should not require much touch-up.

Shirts

Figure 2-14, frames 1 through 10, illustrates the sequence of lays used for a shirt in a shipboard laundry. The press lays illustrated are considered the minimum required to press a shirt properly. Figure 2-14, frame 1, shows the pressing of a shirt collar using a standard press. The pressing of the shirt collar can also be completed using a collar/cuff press, if one is available.

Use spray guns as needed to keep shirts damp during pressing. The use of spray guns to keep the shirt damp improves the finished appearance of the shirt. As an operator becomes more experienced at press operations, he or she will be able to press two shirts at a time.



Figure 2-14 — Pressing a shirt.

Trousers

Keep trousers in a damp box with a wet net over them until ready to begin pressing. Straighten out the trouser pockets when removing the trousers from the damp box. Hand shape the trousers and dampen, if necessary. Press the pockets of the trousers using the small end of the buck.

Begin with the left-front pocket and rotate the trousers clockwise around the buck. Next, press the left-rear pocket, the right-rear pocket, and the right-front pocket. Switch to the larger side of the buck to press the legs of the trousers. *Figure 2-15, frames 1 through 4, illustrates pressing the legs of the trousers.*

Operators may need to press trousers a bit longer, especially the inside pockets, if the steam pressure in the laundry is below 100 psi. Match the inseams of the trousers before pressing the legs. Ensure that the outer seams match the inner seams on both legs. If the seams are not matched before pressing, the creases will run uneven on the legs. After pressing, hang the trousers on a hanger equipped with a trouser guard. The trouser guard on the hanger prevents lines from setting into the legs of the trousers during storage.

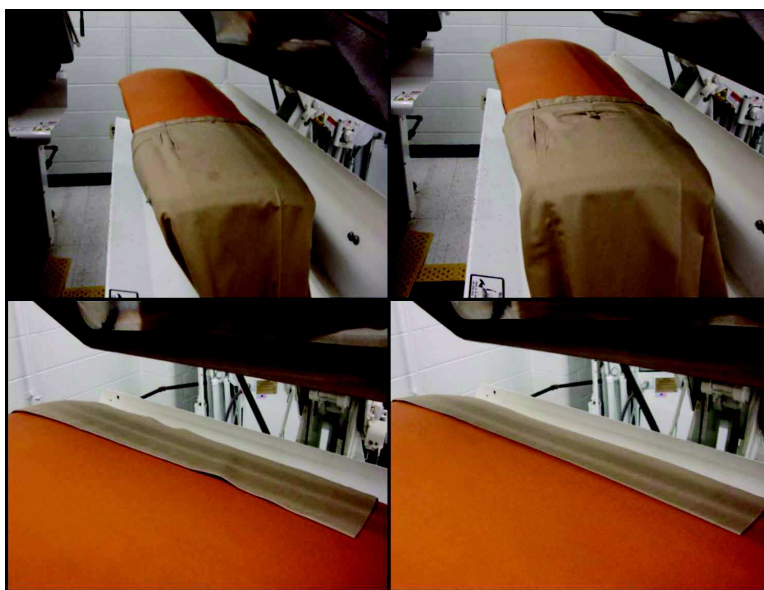


Figure 2-15 — Pressing trousers.

Other Articles

Use a regular iron to press the band on the small end of the press to finish cap covers. Garrison caps can be pressed using two lays, one for each side of the cap. Do not press caps with leather bands on a laundry press, because the leather band cannot withstand the temperatures of the press head.

Cut out and use a cardboard form when pressing ties. Press ties using two lays. Do not press wool worsted ties on a laundry press; instead, use a press with a covered head.

Be careful when pressing tablecloths or napkins. The preferred method of pressing tablecloths and napkins is to use a flatwork ironer. However, if a flatwork ironer is unavailable, a conventional press can be used as a substitute. If tablecloths and napkins are not preconditioned (damp) before pressing, they will scorch. Tablecloths and napkins that are too wet will not finish properly. Cover tablecloths with a wet cloth until ready to press to keep them from drying out.

Flatwork Ironer

Flatwork items are made from synthetic, synthetic blend, and cotton blend fabrics. Flatwork items can be successfully finished in a dryer without the need for pressing, which reduces the press deck load. In addition, using a flatwork ironer reduces the drying workload and produces a better finish than rough-drying.

SHs will probably serve at some time on a ship that has a flatwork ironer. Flatwork ironers are normally installed on larger ships, such as aircraft carriers. Flatwork is ironed as it comes from the washer-extractor. Most of the items processed through the flatwork ironer are bed linens and tablecloths. Handkerchiefs, hand towels, aprons, undershirts, and white trousers can also be finished on the flatwork ironer. Ships without flatwork ironers either press or rough-dry flatwork items such as tablecloths. *Figure 2-16* shows a flatwork ironer in operation.

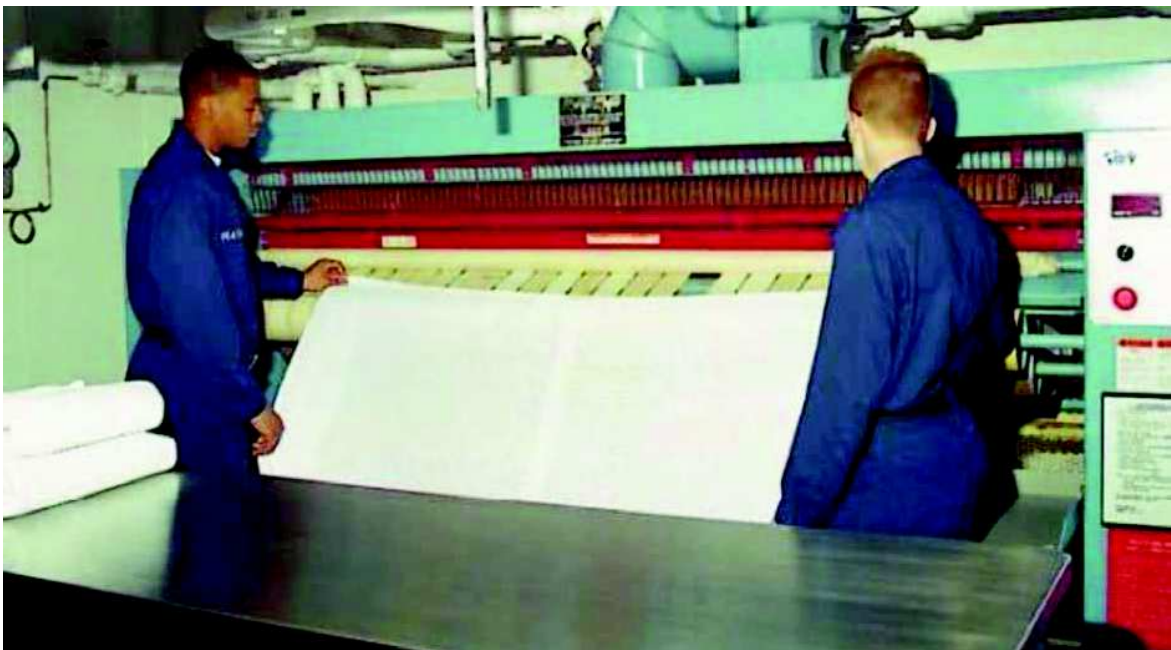


Figure 2-16 — Flatwork ironer in operation.

Ironer Controls

The flatwork ironers used on Navy ships have either 60-inch or 85-inch steam-heated or electrically-heated cylinders. Each ironer has three padded pressure rolls that press the flatwork against the cylinder. The work is carried into the ironer on feed ribbons that route the work over the cylinder. At the rear, an apron or ribbon presses the work against the underside of the cylinder and returns it to the front. The motor of the flatwork iron is electrically driven.

The following information will provide a brief overview of the main components of a flatwork ironer:

- Start button—puts the rolls in operation
- Return ribbon—holds flatwork in contact with the heated cylinder until discharge to the delivery table
- Delivery table—catches all discharged material
- Finger guard—prevents the hands of the operator from getting near the padded pressure rolls
- Padded roll—smooths and flattens fabrics as they are fed to the heated cylinder
- Feed ribbon—feeds the flatwork
- Feed ribbon drive roll—turns the feed ribbons
- Speed control lever—controls the speed in which flatwork is passed through the ironer
- Foot pedal—engages the compression roll
- Speed control plate—increases or decreases the speed of the rolls
- Emergency stop button—located either on the front or back, left or right side; immediately stops the machine in case of an emergency

Care and Maintenance

The maintenance of the flatwork ironer is the responsibility of engineering personnel. Only trained personnel should perform any type of maintenance on the flatwork ironer.

The instructions for the performing operator maintenance are located in the manufacturer's technical manual. Operator maintenance on the flatwork ironer includes changing ribbons, aprons, pads, covers, and friction material on drive rolls. Only trained laundry personnel should perform operator maintenance actions.

The following information will describe some of the flatwork iron maintenance activities:

- Waxing—produces a smooth finish on flatwork, prolongs ribbon life, and prevents linen from sticking to the heating cylinder; wax the flatwork ironer before daily use or after every 6 to 8 hours of use; use the wax recommended by the manufacturer; use the following procedures to wax a flatwork iron:
 - Cut a strip a cloth about 3 feet wide and as long as the cylinder to wax the ironer
 - Sprinkle wax evenly over half of the strip and fold the other half over it
 - Hold the cloth tightly and feed closed or folded end into the ironer
 - Run the waxed cloth through the flatwork ironer several times (be careful because the wax can become extremely hot)
 - Be careful not to overwax the flatwork ironer; overwaxing will cause the return ribbon material to deteriorate

- Never sprinkle wax directly onto the flatwork ironer
- Replacing flatwork ironer ribbons—engineering personnel replace ribbons when they become worn, discolored, or torn; wax the ironer after the ribbons have been replaced
- Replacing friction material on the return ribbon roll—the return ribbon drive roll operates the flatwork ironer return ribbons; ribbon drive rolls must be covered with special 6-inch wide special friction material; use the following guidelines:
 - Contact maintenance personnel to replace smooth or worn friction material
 - Jamming or wrinkling of linens under the return ribbons indicates incorrect speed of ribbons
- Changing combination pads and covers—install new padding when the pressure roll loses resiliency or becomes scorched or burned; use the following guidelines:
 - Padding at one end of flatwork ironers may become compressed; to fix this issue, pass heavy bath towels or other thick flatwork through the thick end
 - Ensure only a minimum amount of pressure is applied to padding to ensure padding maximum life; flatwork ironers will not dry better with increased pressure

Safety Precautions

There are a number of safety precautions that must be followed before operating a flatwork ironer:

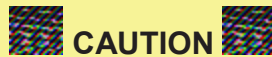
- Do not try to remove jammed linen or material while the machine is operating; serious injury may occur to the operator or the flatwork ironer may become damaged if the flatwork ironer is repositioned or serviced while operating
- Shut the power off at the source before removing any jammed linen or materials
- Never reach over, under, or behind finger guards or any areas near the heated roll or moving parts
- Check the operation of the safety finger guard at the beginning of every shift; touching the safety finger guard should activate a switch that will stop the ironer
- Notify a supervisor if the finger safety guard is inoperable; do not operate the ironer until the safety guard has been repaired
- Ensure that safety guards and end panels are in place before operating the ironer
- Ensure ribbons and tapes are in place and operational; ribbons and tapes are designed to prevent jamming and to hold linen
- Damage to the equipment or injury to the operator may occur if items other than flatwork are put through the machine
- Do not stand, sit, or kneel on any shelf at the front or rear of the ironer; the shelves will not hold a person's weight
- Read and follow all safety labels

Operators should take the time to become familiar with the danger areas of the flatwork ironer. Contact the engineering department if something about the flatwork ironer is not operating correctly. Remember, only qualified and experienced personnel should attempt mechanical repairs on the ironer.

Flatwork Ironer Operation

Before operating the flatwork ironer, operators should fully understand the use of each control and the safety precautions. The compression roll should be disengaged (top position) and flatwork ready to be fed into the machine. Follow the steps below to operate the flatwork ironer:

1. Start the ironer by pressing the green button.
2. Set the ironer to the lowest speed by adjusting the speed control handle.
3. Open the steam supply valve slowly. Open the valve one-half a turn at first and gradually allow steam to enter the cylinder. Continue to open the valve slowly until it is opened all the way. The steam pressure for the ironer should be about 100 psi. It normally takes about 30 minutes to heat the cylinder fully.
4. Engage the compression roll and wax the ironer.
5. Start feeding the flatwork. The speed of the machine can be increased as required. Stop the flatwork ironer, during normal operation, by touching the red finger safety guard or by depressing the red emergency stop button.



Never change the speed of the ironer when the ironer is on; doing so may damage the variable speed mechanism.

6. To stop the ironer, close the steam supply, raise the compression roll, and allow the machine to run without steam for 20 to 30 minutes. This allows the components to cool before the power is shut off. This cool-down phase also prevents damage to the return ribbons and protects the compression roll padding from being flattened.

The flatwork ironer is not designed to process nylon or rubberized fabrics. Processing these types of materials may result in fire or damage to the ribbons or cylinder surface. Do not leave the ironer on for longer than 5 minutes without raising the compression roll to keep the iron from overheating and burning the roll.

Flatwork Ironer Feeding

Use the following steps to feed flatwork into the ironer:

1. Check the dampness of the pieces before feeding.
2. Adjust the extracting time as needed to ensure each piece is dried properly when it comes out of the ironer. If the pieces are not dry enough, they will come out of the ironer damp. If too dry, they will come out with a rough-dry appearance.
3. Do not let flatwork sit in the laundry baskets after removing the work from the extractor.
4. Iron flatwork immediately while it is at the right amount of dampness, or cover it to retain the right amount of moisture.
5. Shake out the work and lay it over the edge of the laundry basket or on a table when feeding.
6. Feed flatwork into the ironer wrong side up, so that the smooth side comes in contact with the cylinder. This gives a smooth finish to the outside of the flatwork. Fold the smooth side out as the work comes from the machine.

Two people should feed large items into the flatwork ironer. Grasp the top corner of the item with the hand nearest the ironer. Stretch the forward edge so that the item enters the ironer straight and

smooth. Hold the item with both hands to keep it firm and straight after the feed roll ribbon picks the item up. Fold the item as it exits the flatwork ironer.

Feed small articles into the flatwork ironer along one or two areas along the length of the cylinder. Feeding small items along more than one area of the roller will keep the wear of the padding even. Irregular wear on the padding lowers the quality of the work, requiring the padding to be replaced.

FINISHED WORK

Individual and bulks lots of completed laundry have different assembly and handling requirements. Generally speaking, bulk lots can be loaded directly into the laundry bags that the items were delivered in to the laundry. However, items in individual bundles require:

- Careful handling
- Thorough inspections
- Accurate accounting

Handle finished laundry with care. Collect it promptly and place it in the correct bin. Do not allow unfolded clothes from the net bags to pile up around the laundry. Do not allow clothing to fall to the deck. Clothing will need to be reworked when the finished work is soiled or wrinkled by rough or careless handling.

Assembly of Individual Lots

Place each customer's laundry list in assembly bins in alphabetical order after receiving the items in the assembly area. Next, place the finished laundry into the appropriate bin. Remove the items from the net bags, fold, return the items to the bag, and check off each item on the laundry list. Ensure that the correct sock bag is attached to the mesh bag with a laundry pin. Make sure the correct name is shown clearly on the net bag when the bag is wrapped and bundled; place the bag into the correct bin. Finally, review the laundry list to ensure that all finished presswork (shirts and trousers) has been identified. Staple or tape the laundry list to the hanger.

Assembly of Bulk Lots

Bulk lots are tumble-dried and put back into the divisional laundry bags unfolded. However, bulk items, such as tablecloths, should be pressed and organized into even stacks before being placed into the laundry bag. Flatwork, such as sheets and towels, should be folded before being returned to the laundry bag. The following system may be used when processing bulk lots:

- Weigh each laundry bag, noting the weight in the bulk lot laundry log
- Ensure that the divisional petty officer signs the bulk work log; annotate the delivery weight in both the "Received By" and "Delivered By" columns

NOTE

Refer to the log when a division brings its laundry back to the laundry room claiming a loss of clothing. Compare both issue and receipt weights. A 1-pound loss in weight from a 5-pound bag would indicate the loss may have occurred in the berthing rather than the laundry.

Quality Assurance

Quality assurance in the laundry begins in the receiving area and ends with the return of clean laundry to the individual. Every individual expects the return of all articles from the laundry completed in a professional manner.

Check each piece of finished material for cleanliness, stains, scratches, marks, and other blemishes when it is received in the laundry assembly room. For example, a shirt should be thoroughly clean, free of blemishes, smoothly ironed, and contain the proper creases. This type of critical inspection should apply to every article of clothing. Laundry operators should remember that they have the final quality control responsibility before returning the laundry back to the customer.

Send backs are articles in individual bundles and bulk lots that require reprocessing. Articles that are sent back to the laundry for reprocessing should be reworked immediately. Every effort should be made to reprocess the articles so that deliveries can be made on schedule. Ensure that sent back work is being monitored until the processing has been satisfactorily completed. Do not return articles to the owner unless they represent the best quality of work and care that can be given to them.

Issue

Laundry should be issued only to persons that are authorized, to persons designated on the schedule, or to the individual owners. Ensure that signatures are obtained and the count reflected is accurate. Ensuring that these steps are taken will establish the validity of laundry claims. Report any problems to a supervisor when issuing to officers, CPOs, culinary specialists, or other personnel.

Figure 2-17 shows a laundry operator verifying laundry bags before issue.



Figure 2-17 — Laundry issue.

CUSTOMER SERVICE

The success of any sales or service operation in meeting its purpose and objectives is dependent to a considerable degree on the face-to-face relationship between the customers and the SHs serving them. Quality laundry and prompt service are important; however, a conscientious, responsive operator can only assure customer satisfaction. SHs must understand the importance of the job to the general morale of the ship’s crew.

Steps should always be taken to improve customer service. Treat the customer with respect and be responsive and helpful when a customer has a question or concern. A happy and satisfied customer will seldom complain. However, an unhappy customer can quickly create issues.

Evaluating Customer Service


Customer complaints are good indications of trouble areas in the ship’s laundry. Many of the complaints that are received on board ship are laundry related; most of the complaints involve lost, misplaced, or damaged clothing. There will be occasions that procedures or processes must be altered to improve customer service. Further, extra training may be required for laundry personnel. Take the time to carefully examine the laundry operations to identify areas that can be improved.

Resolving Customer Complaints

There will be instances when senior SHs are expected to investigate customer complaints. The most common complaint in the ship’s laundry is missing or damaged clothing. The first step in conducting an investigation is to determine if the clothing was actually received for cleaning or repair. If the clothing was received, the next step is to determine the circumstances of the loss or damage. The final step in the investigation process is to have the customer submit a claim for clothing reimbursement.

Claims for clothing reimbursement are submitted through the sales officer to the CO. After the sales officer makes a recommendation, the CO will determine the amount to be paid as reimbursement for the loss or damage to clothing. The reimbursement value of clothing is based on factors such as the original cost, current market value, length of time in use, and whether the article is repairable. Articles that are repairable will be deleted from the claim and repaired without charge.

If the ship’s laundry is responsible for damage or loss of clothing, then the proper reimbursement must be determined. Clothing reimbursement is based on a depreciation scale of 30 percent for the first year, and 10 percent for each succeeding year up to a maximum of 70 percent. *Figure 2-18* is an example of the reimbursement determination for a khaki shirt or trousers.

Calculation of Reimbursement Amount		
	<div>Khaki Shirt</div>	Item
	<div></div>	Replacement Value
	<div>New</div>	Years
	<div>Calculate</div>	
Reimbursement		<div></div>

Reimbursement will be based on a depreciation scale of 30% for the first year and 10% for each year up to a maximum of 70%.

Figure 2-18 — Clothing reimbursement calculator.

Interactive Content
Click Arrows to Select Items

SHIP'S 3-M SYSTEM

The following paragraphs will provide information on the ship's 3-M system, the various work center personnel, and their duties.

Ship's 3-M System

The 3-M system is the center for managing maintenance aboard all ships and applicable shore station equipment. The 3-M system provides all maintenance and material managers throughout the Navy with the tools to plan, acquire, organize, direct, control, and evaluate the manpower and material resources expended or planned for expenditure in support of maintenance. The ship's 3-M system is made up of two individual systems: the Planned Maintenance System (PMS) and Maintenance Data System (MDS).

Planned Maintenance System

The PMS provides each user with a simple and standard means of planning maintenance on equipment. PMS dictates the minimum requirement to keep equipment in a fully operational condition within specifications. Maintenance performed on schedule will help to identify parts that need to be replaced before the part fails. Therefore, PMS is a preventative type of maintenance.

Maintenance Data System

The MDS is used to collect maintenance data and store it for future use. The MDS is derived from the current ship's maintenance project (CSMP), automated work request, and the Board of Inspection and Survey (pre-INSURV) deficiencies, and is a means for the fleet to report configuration changes to the fleet.

3-M Personnel and Duties

The following paragraphs will provide an overview of the 3-M group supervisor, work center supervisor, and maintenance personnel.

Group Supervisor

Group supervisors are responsible for the proper execution of 3-M systems functions within their respective work centers. Ship divisions, such as S-3, may have CPOs designated as group supervisors that are responsible for two or more work centers.

Work Center Supervisor

Normally, the senior enlisted person will be designated as the work center supervisor. The work center supervisor is responsible for the effective operation of the 3-M components in the work center. Work center supervisors assign personnel to perform various PMS tasks.

Maintenance Personnel

Junior SHs are assigned as the maintenance personnel in the S-3 division and directly report to the work center supervisor. In general, maintenance personnel perform assigned scheduled maintenance using maintenance requirement cards (MRCs), tag guide lists (TGLs), and equipment guide lists (EGLs), as indicated by the weekly schedule of the division.

When performing PMS, maintenance personnel should notify the work center supervisor when:

- Items listed on an MRC are not understood, appear to be incorrect, or cannot be accomplished as written on the MRC

- Tools, materials, and so on as prescribed by the MRC are unavailable
- Any doubt exists about the capability, training, or experience to perform the maintenance
- Factors exist that could make the performance of the maintenance unwise or dangerous
- Equipment deficiencies or casualties are discovered

Maintenance personnel inform the work center supervisor when planned maintenance requirements have been completed and sign the accountability log. The work center supervisor must be informed of any problems encountered under current schedules and/or MRCs. A sailor performing a maintenance check on a battle lantern is shown in *Figure 2-19*.

Work Center PMS Manual

The Work Center PMS Manual reflects the portion of the PMS Master File (maintained by 3-M systems coordinator) that contains only the planned maintenance requirements applicable to a particular work center. It will be retained in the working area near the Weekly PMS Schedule. Maintenance personnel should be familiar with the following information contained in the Work Center PMS Manual:

- List of Effective Pages (LOEPs)
- Maintenance Index Pages (MIPs)
- MRCs

List of Effective Pages

The LOEPs provide a list of the MIPs and the system equipment that does not require PMS and is assigned to each work center.

Maintenance Index Pages

The MIPs are prepared and issued for each installed system or equipment for which PMS support has been established. MIPs are basic PMS reference documents. Each MIP is an index of a complete set of MRCs applicable to a ship's systems, subsystem, or equipment.

Maintenance Requirement Cards

MRCs provide the detailed procedures for performing maintenance requirements and describe who, what, how, and with what resources a specific requirement will be accomplished. Personnel performing maintenance should always follow the safety precautions noted on the MRCs and should be familiar with any chemicals used during the maintenance action. This also includes the correct use of any personal protective equipment required during the handling of chemicals or during the



Figure 2-19 — Sailor performing a maintenance check.

maintenance procedures. For further information on 3-M, review the Ship's Maintenance and Material Management (3-M) Manual, NAVSEA Instruction (NAVSEAINST) 4790.8(series).

SUMMARY

The purpose of the ship's laundry is to provide clean clothes to the crew, which promotes good morale. SHs should understand the proper procedures for receiving, processing, and issuing laundry. You should now be able to determine the purpose and importance of all laundry logs and understand the proper safety procedures when storing laundry supplies and working in and handling laundry. It is the responsibility of every SH to understand the importance and to adhere to all of the safety requirements that pertain to the ship's laundry.

End of Chapter 2

Ship's Laundry

Review Questions

- 2-1. What Chief of Naval Operations Instruction provides the guidelines for safety in the ship's laundry?
- A. 5100.19
 - B. 5100.20
 - C. 5100.21
 - D. 5100.22
- 2-2. What chapter of the Naval Ships' Technical Manual lists the safety precautions and features for laundry equipment?
- A. 611
 - B. 633
 - C. 655
 - D. 670
- 2-3. Which of the following conditions can result from heat exhaustion?
- A. Nausea
 - B. Blistering
 - C. Eye pain
 - D. Depression
- 2-4. Medical personnel should be notified when the ship's laundry reaches or exceeds what minimum temperature, in degrees Fahrenheit?
- A. 81
 - B. 83
 - C. 85
 - D. 87
- 2-5. What type of thermometer should be permanently mounted in the wash and press deck areas of the ship's laundry?
- A. Dry-bulb
 - B. Wet-bulb
 - C. Liquid crystal
 - D. Light emitting
- 2-6. What Chief of Naval Operations Instruction contains the policies and responsibilities to ensure that the environment remains protected?
- A. 5060.1
 - B. 5070.1
 - C. 5080.1
 - D. 5090.1

- 2-7. What shipboard tank system contains the wastewater produced by the ship's laundry?
- A. Cleaning, holding, and transfer
 - B. Collection, holding, and transfer
 - C. Collection, heating, and transfer
 - D. Collection, holding, and transport
- 2-8. To discharge wastewater, a ship must be what minimum distance, in miles, from the shoreline?
- A. 20
 - B. 30
 - C. 40
 - D. 50
- 2-9. The ship's laundry is normally designated as what security space group?
- A. I
 - B. II
 - C. III
 - D. IV
- 2-10. A ship's laundry is designated as a group III space when storing what type of items?
- A. Lethal
 - B. Retail
 - C. Explosive
 - D. Hazardous material
- 2-11. Which of the following laundry personnel is generally responsible for the operation of the ship's laundry?
- A. Operator
 - B. Supervisor
 - C. Management
 - D. Temporary duty
- 2-12. Which of the following laundry personnel is usually a chief petty officer or senior petty officer?
- A. Operator
 - B. Supervisor
 - C. Management
 - D. Temporary duty
- 2-13. Which of the following laundry personnel may be assigned to the ship's laundry from embarked units?
- A. Operator
 - B. Supervisor
 - C. Management
 - D. Temporary duty

- 2-14. Which of the following laundry personnel should be cross trained in all areas of laundry operation?
- A. Operator
 - B. Supervisor
 - C. Management
 - D. Temporary duty
- 2-15. Other than cross training laundry personnel, what is another advantage to rotate the duties in the ship's laundry?
- A. Saving time
 - B. Saving money
 - C. Motivating personnel
 - D. Reducing wear on equipment
- 2-16. What total number of hours is a typical shift in the ship's laundry?
- A. 6
 - B. 8
 - C. 10
 - D. 12
- 2-17. Which of the following is NOT a factor that will affect the laundry schedule and working hours?
- A. Amount of laundry that must be processed weekly
 - B. Number and performance level of the laundry crew
 - C. Capacity of laundry equipment
 - D. Length of time at sea
- 2-18. What total number, in pounds, should a shipboard laundry facility be able to process per accommodation per week?
- A. 8
 - B. 16
 - C. 24
 - D. 36
- 2-19. Which of the following is NOT a consideration in the breakdown of the total work to finished work in the ship's laundry?
- A. 18 percent will require pressing
 - B. 80 percent will require tumble drying
 - C. 2 percent will need flatwork ironing
 - D. 20 percent will be colored clothing

- 2-20. What laundry log is used to record officer and chief petty officer lots received in the laundry?
- A. Heat
 - B. Bulk work
 - C. Press deck
 - D. Equipment maintenance
- 2-21. When laundry spaces are manned, temperatures should be recorded in the heat-stress log at what specific interval, in hours?
- A. 4
 - B. 8
 - C. 12
 - D. 24
- 2-22. Ship's laundry areas should be equipped with what safety item?
- A. Firefighting locker
 - B. Eyewash station
 - C. Emergency shower
 - D. Decontamination station
- 2-23. What water temperature range, in degrees Fahrenheit, is required to effectively dissolve the solid cake chemicals?
- A. 100 to 110
 - B. 110 to 120
 - C. 120 to 130
 - D. 130 to 140
- 2-24. Solid cake chemicals normally come in what type of plastic containers?
- A. Rectangular
 - B. Stackable
 - C. Individual
 - D. Recyclable
- 2-25. What color will the solid cake Surge Plus detergent turn if the chemical has expired?
- A. Red
 - B. Yellow
 - C. Brown
 - D. Blue
- 2-26. What type of bulk laundry lots are towels and linens from officer staterooms and chief petty officer messes?
- A. Division
 - B. Flatwork
 - C. Service
 - D. Medical

- 2-27. What type of bulk laundry lots contain cooks' and barbers' clothing?
- A. Division
 - B. Flatwork
 - C. Service
 - D. Medical
- 2-28. What type of bulk laundry lots contain crew clothing?
- A. Division
 - B. Flatwork
 - C. Service
 - D. Medical
- 2-29. What Naval Supply Systems Command Form is known as the Ship's Store Laundry List?
- A. 222
 - B. 233
 - C. 244
 - D. 255
- 2-30. What Chief of Naval Personnel Regulation contains the guidance for stenciling uniform articles in the Navy?
- A. 15662I
 - B. 15663I
 - C. 15564I
 - D. 15665I
- 2-31. Which of the following items is stenciled on the waistband inside front at the right of the center line?
- A. Coveralls
 - B. Utility trousers
 - C. Physical Training Uniform shorts
 - D. Physical Training Uniform sweatpants
- 2-32. What is the maximum number of bundles that should make up one laundry lot?
- A. 30
 - B. 40
 - C. 50
 - D. 60
- 2-33. Laundry articles are separated by color, degree of soil, and what other classification?
- A. Size
 - B. Type of fabric
 - C. Owner name
 - D. Laundry mark

- 2-34. What is the capacity, in pounds, of a 10- by 15-inch knitted net bag?
- A. 2
 - B. 2 to 4
 - C. 3 to 6
 - D. 8
- 2-35. What type of scale is used in the ship's laundry to weigh bulk lots?
- A. Floor
 - B. Modular
 - C. Hanging
 - D. Sliding
- 2-36. What total number of baths make up one wash cycle?
- A. One
 - B. Two
 - C. Three
 - D. Four
- 2-37. Exceeding what limit of laundry equipment will cause the clothing to become wrinkled?
- A. Load
 - B. Time
 - C. Speed
 - D. Temperature
- 2-38. What type of soil includes sugars, starch, salts, and flavoring agents?
- A. Water-soluble
 - B. Chemical-soluble
 - C. Insoluble
 - D. Special
- 2-39. What type of soil includes oils, grease, and animal oils?
- A. Water-soluble
 - B. Chemical-soluble
 - C. Insoluble
 - D. Special
- 2-40. What type of soil includes ink, paint, and adhesives?
- A. Water-soluble
 - B. Chemical-soluble
 - C. Insoluble
 - D. Special

2-41. What type of soil consists of dirt, sand, and ashes?

- A. Water-soluble
- B. Chemical-soluble
- C. Insoluble
- D. Special

2-42. What corporation manufactures the DynaWash® washer-extractor?

- A. Erro
- B. Edro
- C. Ecco
- D. Esso

2-43. The interlock mechanism of the washer-extractor prevents what door from opening during the extract cycle?

- A. Inner shell
- B. Outer shell
- C. Pocket cover
- D. Maintenance access

2-44. What switch must the washer-extractor operator use two hands to operate?

- A. Jog
- B. Wash
- C. Power
- D. Emergency

2-45. What washer-extractor system engages during a power loss or emergency stop?

- A. Locking
- B. Reverse
- C. Braking
- D. Extraction

2-46. What minimum air pressure, in pounds per square inch, is required for a washer-extractor to operate?

- A. 60
- B. 80
- C. 100
- D. 120

2-47. What type of detergent is used as a backup for solid cake capsules?

- A. Two-shot
- B. Three-shot
- C. Four-shot
- D. Five-shot

- 2-48. What chemical compound does laundry sour eliminate during the last rinse?
- A. Sodium chloride
 - B. Sodium cyanide
 - C. Sodium bicarbonate
 - D. Sodium phosphate
- 2-49. Naval ships generally have _____-pound tumbler dryers.
- A. 30
 - B. 50
 - C. 70
 - D. 90
- 2-50. The primary lint trap is located on what side of the tumbler dryer?
- A. Top
 - B. Left
 - C. Right
 - D. Bottom
- 2-51. What tumbler dryer fan interacts with the primary lint trap?
- A. Intake
 - B. Exhaust
 - C. Radial
 - D. Rotating
- 2-52. What temperature range, in degrees Fahrenheit, should the press head be set?
- A. 225 to 250
 - B. 260 to 275
 - C. 300 to 325
 - D. 400 to 425
- 2-53. What type of laundry press head is used for the general pressing of wearing apparel?
- A. Round
 - B. Tapered
 - C. Square
 - D. Rectangular
- 2-54. What component of a press is heated by steam or electric elements?
- A. Buck
 - B. Frame
 - C. Table
 - D. Handle

- 2-55. The correct pressure of the press head can be determined by ensuring that the roller at the end of the operating arm is what total number of inches from the top of the slot?
- A. 1/4
 - B. 3/4
 - C. 1/2
 - D. 1
- 2-56. Which of the following items is NOT required to clean a press head?
- A. Cleaner
 - B. Wax
 - C. Mitts
 - D. Scraper
- 2-57. What is the final step in changing the pads on the press buck?
- A. Connecting the tension springs and clamps
 - B. Pulling the drawstring tight and tying it off
 - C. Placing two flannel pads
 - D. Unhooking the cover
- 2-58. What flatwork ironer component holds flatwork in contact with the heated cylinder?
- A. Return ribbon
 - B. Padded roll
 - C. Feed ribbon
 - D. Feed ribbon drive roll
- 2-59. What flatwork ironer component loads the flatwork?
- A. Return ribbon
 - B. Padded roll
 - C. Feed ribbon
 - D. Feed ribbon drive roll
- 2-60. What flatwork ironer component smooths and flattens the articles?
- A. Return ribbon
 - B. Padded roll
 - C. Feed ribbon
 - D. Feed ribbon drive roll
- 2-61. What minimum pressure, in pounds per square inch, should the steam pressure indicate for a flatwork ironer to operate?
- A. 60
 - B. 80
 - C. 100
 - D. 120

- 2-62. Other than rubberized, what other type of fabrics should NOT be processed through a flatwork ironer?
- A. Cotton
 - B. Polyester
 - C. Nylon
 - D. Wool
- 2-63. What is the first step in assembling individual laundry lots?
- A. Place the customer's laundry list in the assembly bins
 - B. Place the finished laundry in the appropriate bin
 - C. Ensure that the correct sock bag is attached to the mesh bag
 - D. Staple or tape the laundry list to the hanger
- 2-64. What person should be notified first when a problem is encountered during the issue of laundry?
- A. Supervisor
 - B. Leading chief
 - C. Division officer
 - D. Commanding officer
- 2-65. What is the first step in conducting a missing or damaged laundry investigation?
- A. Submit a claim for clothing reimbursement
 - B. Determine if the clothing was received by the laundry
 - C. Determine the current market value of the clothing
 - D. Establish the clothing article chain of custody
- 2-66. Clothing reimbursement is based on a depreciation scale of what percentage for the first year?
- A. 10
 - B. 20
 - C. 30
 - D. 40
- 2-67. What ship's maintenance and material management planning system dictates the minimum requirement to keep equipment in a fully operational condition?
- A. Planned maintenance
 - B. Maintenance data
 - C. Operational planning
 - D. Work breakdown

- 2-68. What individual is responsible for the proper execution of maintenance and material management planning system function in their work centers?
- A. Maintenance
 - B. Work center supervisor
 - C. Group supervisor
 - D. Tool supervisor
- 2-69. What individual assigns various planned maintenance system tasks?
- A. Maintenance
 - B. Work center supervisor
 - C. Group supervisor
 - D. Tool supervisor
- 2-70. What component of the work center planned maintenance system manual is prepared and issued for each installed system or equipment?
- A. Ship's system listing
 - B. List of effective pages
 - C. Maintenance requirement cards
 - D. Maintenance index pages

RATE TRAINING MANUAL – USER UPDATE

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CHAPTER 3

BARBERSHOP

Some ship's serviceman (SH) may be assigned as a ship's barber, whose duties include cutting hair and sanitizing equipment and tools. A good ship's barber develops the skills needed to cut hair through the constant use and practice of basic haircutting techniques. These hair cutting techniques and required sanitation and upkeep of barbering tools are covered by Navy Enlisted Classification (NEC) code SH-3122. This chapter will provide an overview of the skills, techniques, and guidelines needed to be a barber and the haircutting process designed to give customers a regulation haircut.

LEARNING OBJECTIVES

When you have completed this chapter, you will be able to do the following:

1. Identify the purpose of the afloat barbershop.
2. Identify the regulations that govern the operation of the afloat barbershop.
3. Identify the importance of personal hygiene as a barber.
4. Identify the sanitation requirements for the afloat barbershop.
5. Identify the basic haircutting techniques.
6. Identify the proper care of barber tools.
7. Identify the proper use of barber tools.
8. Identify the responsibilities of the barbershop supervisor.
9. Identify the processes used to improve customer service in the ship's barbershop.

THE BARBERSHOP

The administration and operation of the barbershop is the responsibility of the supply officer (SUPPO). This responsibility may be delegated to a junior Supply Corps officer with the commanding officer's (CO's) approval. Delegating does not relieve the SUPPO of overall responsibility. Barbershop services aboard ship are provided to meet Navy grooming standards. A picture of current authorized military haircuts is available from the Navy Exchange Service Command (NEXCOM) and should be posted in the barbershop.

Formal Training

To learn how to cut hair, SHs may attend a 4-week barber course where they learn the basic skills of barbering. The course is designed to provide training in the techniques of men's and women's haircutting conforming to Navy grooming standards, maintaining barbering equipment, and meeting sanitation requirements. The course also covers barbershop management and skin diseases. Upon successful completion of the course, students will receive SH NEC-3122 and be designated barbers.

However, the lack of formal training and an NEC should not deter any SH from being a shipboard barber. In addition to this manual and the 4-week barber school, there are numerous trade publications and commercial training videos to assist prospective barbers in the process of learning the art of barbering.

Purpose of the Barbershop

The purpose of the afloat barbershop is to provide regulation haircuts to shipboard personnel. It is the responsibility of every Navy barber to know the Navy's policy on grooming standards found in the United States (U.S.) Navy Regulations. Barbers play a most significant role in achieving these standards resulting in high crew morale. Ultimately, it is the individual service member's responsibility to maintain personal grooming standards.

Standards of Service

Standards of service for the barbershop are listed in Navy Supply Systems Command (NAVSUP) Publication-487 (P-487). Effective barbers know and use them to maintain a well-run barbershop.

Supply Department Instructions

Instructions provide barbershop personnel with the information and guidelines for operating the barbershop, information about equipment and spaces, and requirements for conduct of barbers. These instructions are issued by the SUPPO and approved by the CO.

Ship's Instructions

Ship's instructions set the hours that the barbershop will operate. They usually include schedules for E-7 and above and crew. The ship's instructions normally include guidelines for the appointment system. The hours of operation and appointment schedule are usually posted on the door of the barbershop.

Medical Instructions

Sanitation and hygiene are critical elements in the safe operation the ship's barbershop. Specific sanitation and hygiene requirements are provided in the Manual of Naval Preventive Medicine, Navy Medicine (NAVMED) Publication P-5010-2 (NAVMED P-5010-2). The senior medical officer aboard will approve and sign local instructions covering the sanitation of the barbershop and personal hygiene. If a medical officer is not attached, the senior medical person aboard will prepare and sign the instructions. These instructions should be prominently posted in the barbershop.

All potential barbers must be medically screened and determined to be free of communicable disease prior to initial assignment as a ship's barber. Therapeutic practices such as treating pimples or ingrown hair are prohibited. The treatment of eye conditions is prohibited. Barbers may not use razors (including disposable), shaving mugs, lather brushes, or neck dusters. Personnel suspected of having any infections or communicable diseases shall not attend to patrons. If a patron is suspected of having a communicable disease or infection, the instruments used for that patron will be segregated and the medical department representative shall be contacted for disinfection procedures to be followed. Individual sanitary neck strips and/or freshly laundered towels must be used for each patron. Barbers are not permitted to eat, drink, or smoke while attending patrons. Clean, covered sanitary receptacles must be provided for waste materials and used linens. Receptacles should be lined with disposable bags. The removal of cut hair from decks must be done frequently by dustless methods.

Best Practices

The way barbers treat their customers builds good relationships between the barbershop and the rest of the ship. Practicing the following rules will enhance your relationship with the ship's crew:

- Open the barbershop on time

- Give courteous and friendly service
- Show respect for the feelings and rights of others
- Perform your duties to the best of your ability
- Set example of good conduct and behavior
- Practice good sanitary habits
- Practice personal hygiene
- Present a smart military appearance
- Be courteous when answering the telephone
- Listen attentively to customer complaints

Just as positive actions can enhance the relationship with your customers, there are negative actions that can impact on the barbershop as well. Some of these negative actions include:

- Criticizing other barbers in front of customers
- Using profane language
- Being sarcastic with unpleasant customers
- Accepting tips
- Showing favoritism among customers
- Discussing personal problems with customers
- Lounging on arms of chairs or furniture
- Playing loud and inappropriate music or television
- Loitering or allowing loitering
- Carrying on a conversation with someone while serving a customer
- Opening the barbershop late

PERSONAL HYGIENE

Personal hygiene is a subject most people would choose to keep private. However, aboard ship the reality is that poor personal hygiene cannot be tolerated. The ship's barber is one of the most visible and close contact positions aboard ship. The crew will quickly notice poor personal hygiene. Offensive body odor will have a negative impact on customer service.

Individual Hygiene

Barbers, like all sailors, should take pride in their appearance and pay close attention to their personal hygiene. Special care should be taken to avoid injuring the hands. Chapped, inflamed, or cut skin can allow bacteria and viruses to enter the bloodstream. When it comes to good hygiene, observe the following rules:

- Shower daily using a washcloth
- Use an antiperspirant deodorant
- Clean and brush teeth regularly after meals
- Floss teeth regularly

- Use mouthwash
- If male, shave daily
- Cut fingernails and clean them
- Thoroughly wash hands with warm soapy water between patrons, after touching inanimate objects that are likely to be contaminated, and before leaving the barbershop

Poor personal habits are sometimes hard to change. By developing a daily hygiene routine, change will become easier.

Good Posture

Most barbers do not realize the benefits of good posture. Standing for 8 hours at a time puts extra stress on the body. By practicing proper standing techniques, barbers can greatly reduce fatigue and musculoskeletal discomfort. To maintain good posture, develop the following habits:

- Balance body weight evenly on both feet about hip distance apart
- Keep shoulders back and relaxed
- Pull abdomen in; poor posture can cause a potbelly
- Hold your head high and straight but not rigidly

Good posture will prevent aching in the neck, shoulders, lower back, and feet. It is important to keep both feet on the anti-fatigue rubber mat while cutting hair to reduce back strain.

BARBERSHOP SANITATION

The purpose of barbershop sanitation is to prevent the spread of infectious diseases. Providing barbering service requires direct contact with the customer's skin, scalp, and hair. Good sanitation practices cannot be overemphasized. Medical department personnel should inspect barbershops quarterly. All instruments, metallic and non-metallic, in contact with patrons must be cleaned and disinfected between each patron. Only Environmental Protection Agency (EPA)-registered hospital grade and tuberculocidal disinfectants or sanitizing agents are approved for use in Navy barbershops. Before assuming the duties as ship's barbers, all personnel are required to be medically screened and free of communicable disease. Unless required by local medical departments for specific reasons, subsequent health screening, e.g. annual evaluation, is not routinely required.

Sanitizing

To prevent the spread of infections, all equipment will be sanitized. Use the following sanitizing equipment and supplies:

- Chemical disinfectants
- Wet disinfectants (jars containing authorized Navy disinfecting solutions)

Chemical Disinfectants

Chemical disinfectants are germicidal solutions or substances that eliminate or reduce the number of bacteria. They are used to disinfect barber equipment. The chemical disinfectants most commonly used are as follows:

- Clippercide® Spray 5-in-1 Formula or an equivalent spray that disinfects, lubricates, cleans, cools, and prevents rust; it is approved by the EPA and has an EPA registration number; it may be used for disinfecting removable clipper heads and other metal instruments

- Alcohol, 70 percent, is used to disinfect metal instruments or combs

NOTE

Kool Lube® is a cleaner, not a disinfectant.

Wet Disinfectants

Wet disinfectants are used in a sterilizer jar to disinfect and sanitize nonmetallic objects, such as combs. Items disinfected by this method should be completely immersed. Either a Barbicide® or Mar-V-Cide® solution may be used in sterilizer jars to disinfect tools. These solutions will be mixed according to the manufacturer's directions. A sterilizer jar being used to disinfect combs is shown in *Figure 3-1*.

Disinfecting Cabinet

The disinfecting cabinet is used to hold sanitized clipper blades and other metal instruments after they have been disinfected. These items have been disinfected with Clippercide Spray 5-in-1 Formula or an EPA-approved substitute before being placed in the cabinet. *Figure 3-2* shows a typical dry disinfecting cabinet.



Figure 3-1 — Sterilizer jar.

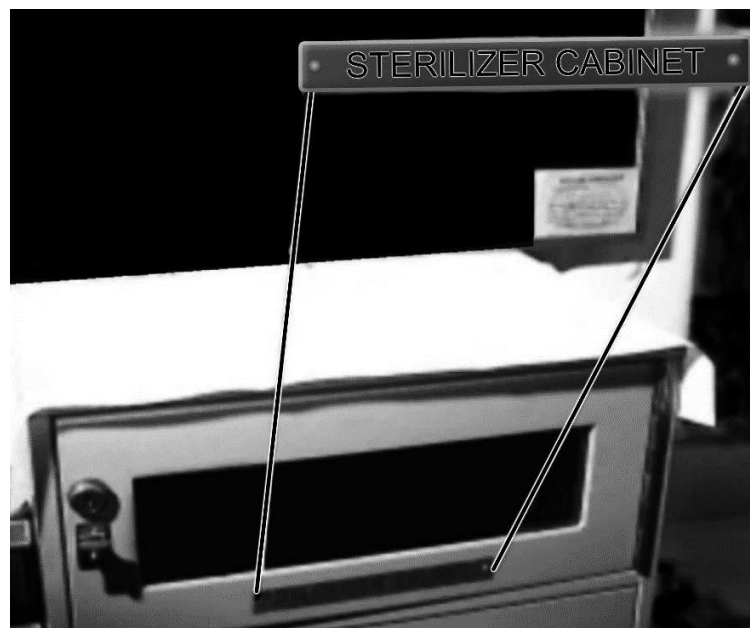


Figure 3-2 — Dry disinfecting cabinet used for storage purposes.

NOTE

Disinfecting cabinets are for storage only. Formaldehyde and ultraviolet light equipped cabinets are not acceptable methods of disinfection in Navy barbershops.

Cleaning and Disinfecting Barber Equipment

All barber equipment, metallic and non-metallic, in contact with patrons must be cleaned and disinfected between each patron. Wash them thoroughly in hot, soapy water to remove film, oil, and debris.

NOTE

The label and Safety Data Sheet (SDS) should be consulted for directions and information concerning handling and use precautions.

After cleaning combs and other nonmetallic equipment, they should be placed in an EPA-registered disinfecting solution, normally Barbicide. The instruments must be disinfected following manufacturer's instructions and warnings using an EPA-registered disinfectant. All products shall be used in accordance with a manufacturer's instructions. Depending on the patron load, the solutions in some facilities may require changing on a daily basis, while other facilities may not require this frequency. The label and SDS must be available and consulted for directions and information concerning handling and use precautions. Unless otherwise indicated by the label, all disinfecting solutions must be changed at least weekly. The medical department representative (preventive medicine service) will determine the frequency for changing solutions. All instruments disinfected in a chemical solution must be thoroughly rinsed in running potable water to remove the chemical prior to use. Put metal equipment in the disinfecting cabinet for storage purposes only.

BARBERSHOP EQUIPMENT AND TOOLS

To allow barbers to use the sanitation techniques previously discussed, ensure each barber has enough equipment and supplies. As a minimum, each barber's station should have the equipment shown in *Table 3-1*.

Table 3-1 — Recommended Minimum Barber Equipment and Supplies

Item	Quantity/Unit of Issue
Blades, #1, #1 ½, #2, #3 ½, #000, #0000	3 ea. (each)
Comb, 7" Flat Top or Flat Styling	2 ea.
Comb, 7 ½" Tapering	4 ea.
Comb, Afro Pic	2 ea.
Chair Cloth	2 ea.
Clippers, T-Edger or Finisher Rotary Clippers, Oster Classic 76 (most preferred)	2 ea.
Barber Smock	2 ea.
Brush, for Cleaning Clippers	2 ea.
Hair Clips, 3" or 4" for Female Hair	12 ea.
Hair Dryer, 1200 Watt	1 ea.
Handheld Mirror, Shatter Proof	1 ea.
Shears, French Type (most preferred)	3 ea.
Shears, Thinning	2 ea.
Barbicide Disinfectant	1 ea.
Clippercide	1 ea.

Item	Quantity/Unit of Issue
Powder, Talc	1 ea.
Neck Strips, Sanek®	1 bx. (box)
Other Items Needed	1 ea.

Sanitary Practices

The following sanitation practices should be followed in the barbershop:

- Only use Food and Drug Administration (FDA)-approved tonic and lotions; only use EPA-approved disinfectants or sanitizing agents
- Therapeutic practices, such as treating pimples caused by ingrown hair, are not allowed
- Cover the headrest of barber chairs with a clean sheet of paper or clean towel for each customer
- In case of "nicks," use only those materials approved by the Preventive Medicine Authority (PMA) to stop bleeding; apply these materials with freshly laundered towels or sterile cotton
- Use clean towels instead of brushes or dusters; common brushes and dusters are prohibited
- Use individual sanitary neck strips for each customer
- Change covering cloths daily or more often if necessary
- Use clean, covered sanitary receptacles for waste and used linen; receptacles should be lined with disposable bags
- Remove hair by a dustless method from the decks after every customer
- Keep your hands and fingernails clean at all times; make sure the length of your fingernails is within Navy regulations
- Do not cut the hair of anyone who has a disease or sore on the scalp; this requirement also includes the back of the neck within the hairline; report the name, rate, and division of a person with any of these conditions to the ship's PMA
- Refer the service member to medical discreetly
- Wash your hands and sterilize your equipment before serving each customer
- Equip each barber's unit with a sponge or paper towels to wipe the washbasin and the back bar
- Clean and sterilize equipment after each use; thoroughly wash combs and other non-metallic equipment with soap and hot water; metallic instruments will be brushed to remove hair and sanitized with an FDA-approved chemical
- Keep clippers clean at all times; remove foreign matter after each use; wipe with cotton saturated with sterilizing solution and dry with a tissue
- Do not attend customers if they have an infection or communicable disease

Maintenance of Barber Equipment

The serviceable life of barber equipment can be extended with regularly scheduled maintenance. Maintaining a maintenance schedule is the barbershop supervisor's responsibility. With the exception of the barber chair and electrical equipment, barber equipment is not normally covered by the ship's

Maintenance and Material Management (3-M) preventive maintenance schedule. Barbers should learn to follow the manufacturer’s preventative maintenance instructions provided with each piece of equipment. The equipment used in barbering is also used in civilian commercial establishments that do not have the same restrictions on the use of hazardous materials as does the Navy. Only use approved materials such as lubricants, oils, etc. in the completion of preventative maintenance. If in doubt about whether a material is authorized for shipboard use, seek guidance from your supervisor.

HAIRCUTTING

The foundation for a good haircut lies in expert clipper and shear work. Skill in using the clippers and shears greatly reduces the time required to complete a good haircut.

Good barbers are able to recognize the unique qualities and textures of each hair type. The types of hair include curled, kinked, waved, and straight. Each type presents different challenges when attempting to make the required 3/4-inch taper at the back of the neck. In each case, cut the hair to present a graduated appearance. The taper may be combined with a line at the back of the neck.

Using the Electric Clippers

An experienced barber is able to use electric clippers for most of a male haircut. Hand shears and the comb are used to complete the blending-in process with the top hair.

It is not hard to make a gradual, even taper with the clippers. Start with the cutting edge of the clipper at the base of the neck. Begin tapering at the hairline and gradually tilt the clipper to the angle desired. When the hairline is tapered to the desired angle, taper up to the curvature of the head. Then lift the hair with a comb and cut it by sliding the clipper over the comb.

With electric clippers, a smooth, even taper is possible with a little practice. One way to cut top hair is by sliding the clippers over the comb as shown in *Figure 3-3*. This method saves time and still results in a good haircut. As with most skilled trades, more experience equals better results.

Electric Clipper Blades

Electric clipper blades come in sizes and vary in cutting length as listed in *Table 3-2*. The blades fit the Oster® Classic 76® electric clipper, the most commonly used clipper in ship’s barbershops. These blades, as well as others, are available through the supply system.

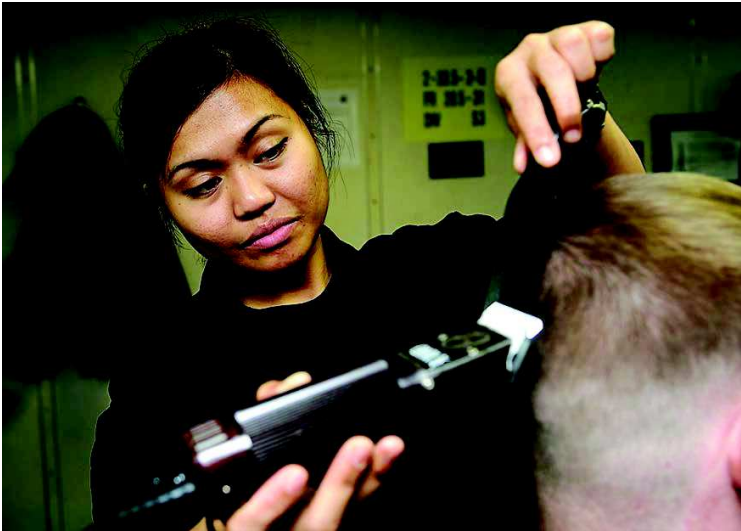


Figure 3-3 — Using electric clippers over comb.

Table 3-2 — Blade Sizes Used in Barbershops

Size	Length of Cut
0000	1/100" long (0.25 millimeters (mm))
000	1/50" long (0.5 mm)
0A	3/64" long (1.2 mm)
1	3/32" long (2.4 mm)
1A	1/8" long (3.2 mm)
18*	1/8" long (3.2 mm)
1 1/2	5/32" long (4 mm)
2	1/4" long (6.3 mm)
* A special blade for heavy or curly hair	

Using the Comb and Hand Shears

When holding the hand shears, put the small finger on the finger brace and the two forefingers on the shank (see *Figure 3-4*).



Figure 3-4 — How to hold barber's shears.

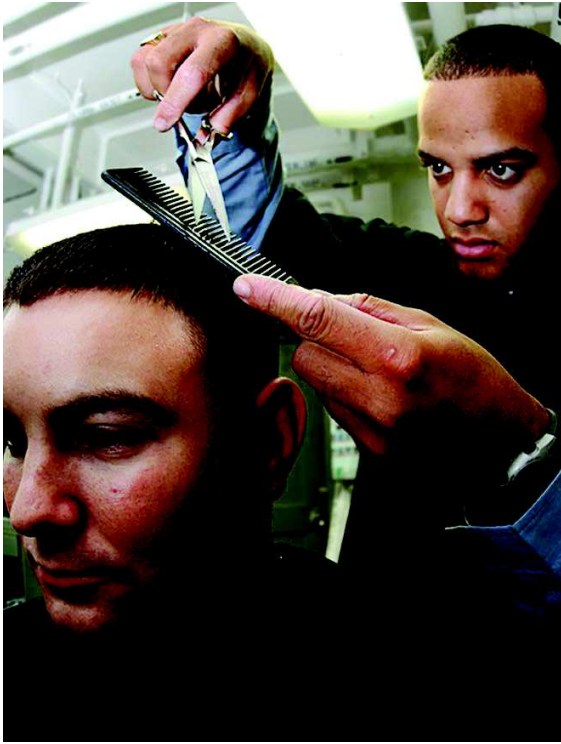


Figure 3-5 — Position of barber using shears and a comb.

With the teeth pointing upward, grasp the comb between the thumb and forefinger of the left hand where fine and coarse teeth meet. With the other three fingers, grasp the fine part of the comb. Using this grip, the comb is easily controlled and able to lift to cut hair or turn to comb the hair downward. Note the position of the barber using shears and a comb on the neck in *Figure 3-5*. Stand somewhat to the left of the working point of the shears. Extend the right arm, keep the shears horizontal, and point them to the left. By standing in this position, you have a good view of the exact point of contact between the shears and the patron's hair.

NOTE

The procedures and positions are for a person who is right-handed. If you are left-handed, reverse them.

Cutting Straight Hair

The use of clippers and a comb to cut straight hair is shown in the slideshow in *Figure 3-6*. Use the navigation buttons to navigate through each step in the hair cutting process.

The correct use of combs is very important when cutting and styling this type of hair. The type of comb used depends on the patron's hair texture, style of haircut, and length of hair. For a short haircut, use a regular comb, even with very curly hair. However, if the hair is long, tightly curled, and tangled, a comb like the one shown in *Figure 3-7* is more useful. The afro pick has teeth that are far apart, making it more effective in untangling tight curls like those in *Figure 3-8*. It is important to comb or pick out all of the hair before the haircut is started (*Figure 3-9*) or the result may be an uneven haircut.

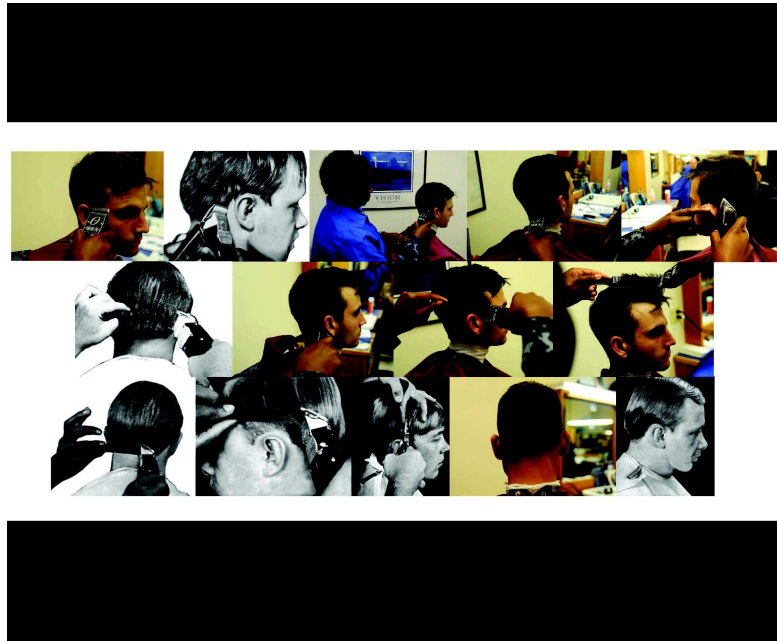


Figure 3-6 — Cutting straight hair.



Figure 3-7 — Afro pick.



Figure 3-8 — Curly hair, front view.

Cutting Coarse and Curly Hair

Barbers will cut many different types of hair. Coarse and curly hair requires using the same steps and most of the same procedures as straight hair. Be very careful when cutting coarse-type hair to prevent a “skinned look.” Coarse hair requires more time and care because of the thickness of the hair.

Cutting with the grain, or direction the hair lies, normally gives the best results. A brief overview of the cutting process is shown in the slideshow in *Figure 3-10*. Use the function buttons to navigate through each step of the process.

Finishing a Haircut

To finish a haircut, use the fine clippers like T-edgers or finishers to thin around the ears and the back of the neck. Make it look neat, clean, and even all the way around.

Cutting Female Hair

The next barber process to learn is the technique used to cut a woman's hair. As with men, there are as many different textures and styles of hair as there are heads. The best method to use is the layered cut.

The foundation for a good, layered cut lies in expert shear work. To make it easier to cut, you should slightly wet the hair. However, when cutting an African-American woman's hair, you should leave the hair dry (in this case, wet hair is harder to cut).

The tools you will need are the shears and a comb. You will also need a couple of large hair clips, about 3 or 4 inches long, and a blow dryer. Once you have assembled your tools, you are ready to start. Experienced barbers allow the customer to express her desires so they may form a picture in their mind of their task. Throughout the process, they keep a mental picture of the finished haircut in mind. Study and follow the steps below along with the illustrations in *Figure 3-11*. Use the navigation buttons to navigate through each step in the process of cutting female straight hair.



Figure 3-9 — Combing the hair with an afro pick.



Figure 3-10 — Cutting coarse and curly hair.

BARBERSHOP MANAGEMENT

The manager of the barbershop is responsible to the SUPPO for its operation. The barbershop must run efficiently to meet the grooming needs of the ship's crew. The supervision and training of the barbershop staff is a primary responsibility of any barbershop manager. In addition to training, managers make work schedules, provide the necessary equipment, and ensure proper preventative maintenance on all barbershop equipment so the staff can complete their tasks.

Layout of the Barbershop Operation

The physical layout of a ship's service activities should follow the principles of layout analysis. Each type of ship has its own peculiarities that should be taken into account. The barbershop has two distinct areas: the working area and the waiting area. The working area includes the barber chairs, standing mats, cabinets, lockers, and counters. The waiting area contains the customer waiting chairs, magazine rack, and coat/hat rack. In large ships with multiple barbershops, arrange and outfit all shops the same.

In addition to the type and amount of equipment in the barbershop, the number of people working in these spaces must be considered. Since barbers spend a great deal of time on their feet, their equipment should be located within easy reach to help reduce fatigue.

The equipment should be readily accessible, so there is no wasted motion. Experience shows each step in an operation should support and build towards the next in the sequential order they should be performed. The work area should be structured to support the work flow throughout the shop. A convenient arrangement allows barbers to produce more work with less effort.

Barbershop Facilities

Barbershop space will be limited regardless of the type of ship. The space should be large enough to provide adequate barber service, approximately 60 square feet per barber chair. The total accommodations, generally the number of ship's crew and embarked personnel, to be provided determines the number of barber chairs needed per the following guidelines:

- Submarines and surface ships with 100 or less accommodations have portable barber facilities with access to a hot and cold water faucet and a designated locker for the storage of barber equipment
- Ships with 101 to 300 accommodations have a barbershop with one chair; for each additional 300 accommodations, another chair is provided up to a maximum of 10 chairs; where accommodation is over 1,000, a separate officer and enlisted barber facility shall be provided, segregated by a partition
- Submarine tenders have two additional barber chairs authorized over the number needed to accommodate the ship's company; the excess capacity is designed to provide barber service to the crews of tended submarines



Figure 3-11 — Cutting female straight hair.

- On ships carrying troops, if two or more barber chairs are required for the troops, a separate troop barbershop should normally be provided

Barbershop Requirements

The barbershop should be a pleasant space to enter. The air in the barbershop should not be dry or stagnant, nor have a stale musty odor. Most barbershops are air-conditioned. The temperature should be kept at approximately 70 degrees Fahrenheit. Do not allow the temperature to get too cold or too hot.

The barbershop lighting should be checked each day to ensure there are no burned-out light bulbs. The illumination level should be approximately 49 footcandles to prevent undue strain on the barbers' eyes. The barbershop shall have a lavatory with hot and cold running water and a covered metal trash receptacle. If the barbershop has more than one chair, space the chairs 4 to 5 feet apart to allow enough "elbow" room for each barber. A typical barbershop layout is shown in *Figure 3-12*.

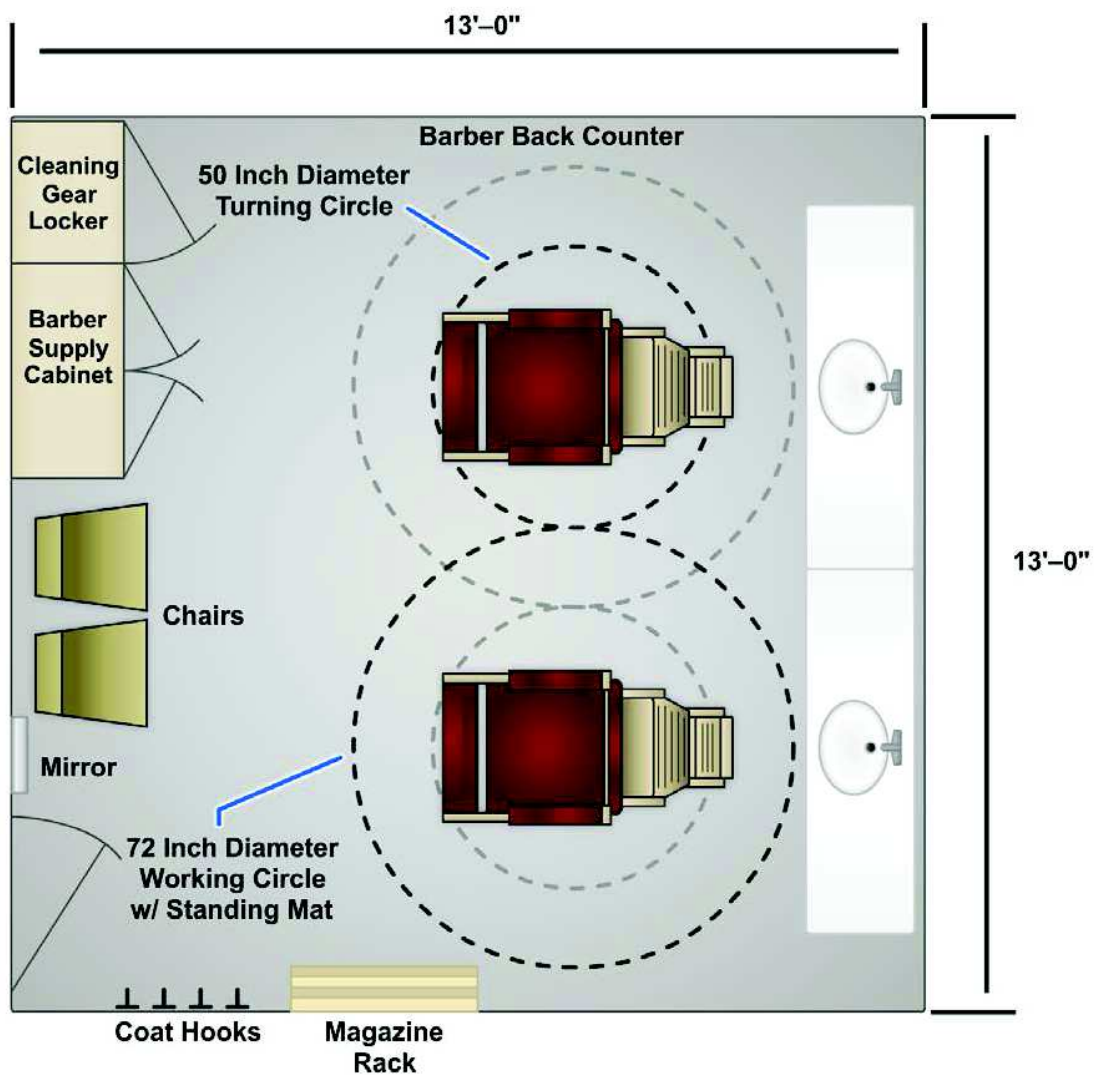


Figure 3-12 — Typical barbershop.

Work Schedules

The barbershop's supervisor will normally schedule the work in the barbershop. The supervisor will establish each barber's work schedule. Generally, this schedule includes the hours of operation and reserved time slots for officers and chief petty officers. It should also include the time needed to perform general maintenance. Time for professional training should also be included in the schedule. A good schedule is one that best meets the needs of the ship's crew. Close monitoring of the barbershop and customer feedback will provide indications that the schedule needs adjustments.

Number and Competency of Barbershop Personnel

The number and competency of barbershop personnel will vary according to type of ship and training provided. On aircraft carriers, there are normally separate barbershop facilities for E-7 and above. The main barbershop should have as many barbers assigned as required to provide adequate service to the crew depending of current manning levels. Additionally, hours of operation should attempt to accommodate shift work. A guided missile destroyer would have a one-chair barbershop, which is sufficient to meet the needs of the crew. Because of the unique nature of barbering, the barber starting the haircut should finish it. In any barbershop, training should be provided in all phases of barbering and on all types of hair. A viable training program should improve the haircut quality. Supervisors should seek customer feedback to determine the effectiveness of their training program. Barbershop personnel should strive for excellence in all areas of barbering. After gaining proficiency, they should pass on their knowledge to less experienced members of the division. Rotating competent barbers throughout the division will allow less proficient barbers a chance to learn this part of the rating.

Assignment of Duties

Duties are groups of tasks that an individual is required to perform. One of the principles of organization is that every duty must be assigned to a specific person for accomplishment. It is the supervisor's job to make these assignments. Good supervisors have thorough knowledge of the duties they are assigned to accomplish and the associated tasks needed to correctly perform them. They should know where publications, directives, and other reference materials related to their accomplishment are located. Once assigned a task, especially in the barbershop, barbers should understand they are expected to finish each haircut in the allotted time. They will be expected to meet their time schedules while maintaining an acceptable level of quality. Barbershop patrons will expect the barbershop to keep the posted operating hours and schedule and may be understandably upset when the schedule is not followed.

Rotation of Duties

Supervisors have a continuing responsibility to rotate divisional personnel through all the positions within the barbershop. Do not make the mistake of keeping a person at one job simply because he or she has mastered all aspects of that job. Supervisors that do so deny their personnel opportunities to learn other aspects of the SH rating. Rotation of duties is expected as a matter of professional development. It is through a regularly scheduled professional training program and the rotation of duties that the supervisor is able to mold the team into a model of operational efficiency. A well cross-trained team will be able to adjust to unexpected losses or emergencies beyond a supervisor's control.

Personnel Responsibilities

The senior SH working in the barbershop is normally the supervisor. The job of the supervisor includes ordering supplies, care of equipment, and training personnel to use proper barbering techniques to give quality haircuts. Barbershops should be run in a businesslike manner with proper

Appointment System

- Number of personnel on board
- Number of barbers and their competency levels
- Space available for patrons to wait (usually no more than two should wait for each barber)

Appointment schedule sheets are marked off for a specific number of haircuts for each barber during the day. Barbers keep their own sheets and post them 1 day in advance of appointment day. A space is available for the signature of each customer opposite the appointment time selected. The method used to schedule appointments will vary from command to command. Some may use a dry erase board, as shown in *Figure 3-13*.

BARBERSHOP APPOINTMENT LIST				
NAME	RATE	COMPANY	DATE	TIME OF APPOINTMENT
				0700
TILLSON				
KINSEY				0800
DESTEFANO				
				0900
PIERCE				
				1000
MCPON				
				1100
				1200

Likewise, customers who make appointments and find there is no barber available to serve them may be upset. Ensure barbershop procedures are well known by the customers and are followed explicitly by all barbers to improve efficiency and customer satisfaction.

CUSTOMER SERVICE

3-15

prompt services are all important. However, customer satisfaction can only be assured by a conscientious, responsive barber. The role of ship's barber is an important factor in support of crew morale and the ship's mission.

Every barber has the responsibility to do everything they can do to improve customer service. Barbers should be helpful and responsive to customer needs and to treat them as they, themselves, would like to be treated.

Resolving Customer Complaints

The main complaint in barbershops is the quality of haircuts. These complaints should be taken constructively and serve as the basis for focused training in these areas. Perhaps a barber needs more training or more practice. Barbershop supervisors are responsible for resolving customer complaints brought to their attention. Every attempt must be made to correct a bad haircut but, unfortunately for customers, they may have to live with a bad haircut until it is time for the next one.

Improving Customer Service

To improve the service a barbershop provides, good supervisors pay attention to customer suggestions. Some of the ways in which service can be improved are as follows:

- Contacting the fleet assistance team for a complete service review and to process improvement suggestions
- Maintaining a "never out" list, including an adequate number of barber smocks, hair cloths, and neck strips
- Completing all preventive maintenance and equipment repair in a timely manner
- Periodically monitoring barbershop operations to make sure that quality work and efficient service is provided to patrons
- Strictly following sanitation and hygiene regulations according to established guidelines
- Keeping a logbook for customers to sign and make comments

SECURITY

Although no sales are normally conducted in the barbershop, security of the barbershop is also important. The barbershop is a Group IV space and its keys should be handled according to procedures outlined in NAVSUP P-487. If operating a single shift barbershop, the supervisor should be the last person to leave the shop at the end of the workday. By ensuring required security measures are in force at all times, barbershop personnel will make sure their equipment is there when they need it.

SUMMARY

This chapter discussed the techniques in administering proper regulation haircuts for men and women, procedures and importance of maintaining proper sanitation practices in the barbershop, and barbershop management, skills, techniques, and guidelines needed for the effective operation of a barbershop. As with any craft skill, once the basics are mastered, continued practice and experience will enhance daily performance.

End of Chapter 3

Barbershop

Review Questions

- 3-1. Which of the following services does the ship's barbershop provide?
- A. Close shaves
 - B. Manicure
 - C. Regulation haircuts
 - D. Pedicure
- 3-2. Which of the following publications describes the grooming standards for naval personnel?
- A. Barbershop Regulations
 - B. Navy Regulations
 - C. Ship's Operating Procedures
 - D. Supply Department Instructions
- 3-3. Which of the following benefits is a desired outcome of a well-run barbershop?
- A. Fashionable crew
 - B. High crew morale
 - C. Informed crew
 - D. Physically fit crew
- 3-4. Which of the following Navy Supply Systems Command publications describes the standards of service for a ship's barbershop?
- A. 454
 - B. 485
 - C. 486
 - D. 487
- 3-5. Which of the following documents provide information and guidelines for the hours of operation of the ship's barbershop?
- A. Navy Regulations
 - B. Environmental Protection Agency instructions
 - C. Ship's instructions
 - D. Department of Health guidelines
- 3-6. Which of the following Navy Medicine (NAVMED) publications provides specific sanitation requirements for ship's barbershops?
- A. 4790.1G
 - B. 5010-2
 - C. 5100.2H
 - D. 5215-1

- 3-7. Due to the close contact nature of the task, which of the following personal traits is a very important requirement of ship's barbers?
- A. Personal hygiene
 - B. Communication skills
 - C. Personal character
 - D. Organizational loyalty
- 3-8. To prevent infection, what parts of their bodies should barbers be particularly careful not to injure?
- A. Eyes
 - B. Ears
 - C. Hands
 - D. Feet
- 3-9. In addition to brushing their teeth, which of the following dental hygiene activities should barbers regularly practice on their teeth?
- A. Whitening
 - B. Straightening
 - C. Veneering
 - D. Flossing
- 3-10. How often will the ship's medical department inspect the barbershop?
- A. Daily
 - B. Monthly
 - C. Quarterly
 - D. Annually
- 3-11. At what interval will metallic and non-metallic barbershop instruments that come into contact with patrons be cleaned?
- A. Each morning
 - B. Mid-shift
 - C. Between patrons
 - D. After closing
- 3-12. What entity registers the type of disinfectants or sanitizing agents used in ship's barbershops?
- A. United States Navy
 - B. Food and Drug Administration
 - C. World Health Organization
 - D. Environment Protection Agency

- 3-13. When cutting a male's hair, what is the length, in inches, of the required taper?
- A. 1/4
 - B. 1/2
 - C. 3/4
 - D. 1
- 3-14. Which of the following methods is used to taper top hair?
- A. Comb over shear
 - B. Comb over clipper
 - C. Shear over clipper
 - D. Clipper over comb
- 3-15. Which of the following barbershop tools is effective in untangling hair with tight curls?
- A. Toothpick
 - B. Afro pick
 - C. Water pick
 - D. Pick-c-stick
- 3-16. Which of the following processes will extend the serviceable life of barber equipment?
- A. Equipment replacement plan
 - B. Regularly scheduled maintenance
 - C. Manufacturer rehabilitation plan
 - D. Contractor maintenance and replacement plan
- 3-17. What preventative maintenance plan should be used on barber equipment, with the exception of barber's chairs and electrical equipment?
- A. Medical's
 - B. Navy's
 - C. Manufacturer's
 - D. Navy Exchange's
- 3-18. What type of materials should be used by afloat Navy barbers when performing preventative maintenance on barbering equipment?
- A. Approved for shipboard use
 - B. Manufacturer approved
 - C. Commercially available
 - D. Available in barber supply shops
- 3-19. Which of the following pieces of barbering equipment do experienced barbers use to efficiently complete most of a male haircut?
- A. Shears
 - B. T-edger
 - C. Afro pick
 - D. Electric clippers

- 3-20. Which of the following barbering tools is normally used to blend in top hair?
- A. Hand shears
 - B. Electric clippers
 - C. Finisher
 - D. T-edger
- 3-21. Which of the following barbering tools is often used to layer female hair?
- A. T-edger
 - B. Electric clippers
 - C. Finisher
 - D. Hand shears
- 3-22. Which of the following personnel are responsible for writing the barbershop's work schedule?
- A. Newest barber
 - B. Commanding officer
 - C. Supply officer
 - D. Barbershop manager
- 3-23. Which of the following is a tool for barbershop managers to gauge the effectiveness of their training programs?
- A. Customer feedback forms
 - B. Mess deck scuttlebutt
 - C. Captain's call
 - D. Barbershop hotline
- 3-24. A barbershop manager can ensure cross-training of personnel in all areas of barbershop operation by taking which of the following actions?
- A. Rotating personnel through all positions within the barbershop
 - B. Permanently assigning personnel to barbershop positions
 - C. Scheduling the training of all ship's personnel in the barbershop
 - D. Unexpectedly removing one person from the barbershop each day
- 3-25. To improve customer service, which of the following actions can be taken as a result of reviewing customer complaints?
- A. Replace barbershop managers
 - B. Provide negative reinforcement to barbershop personnel
 - C. Identify barbers for disciplinary action
 - D. Identify areas for focused training

3-26. What team is dedicated to reviewing a barbershop's operation and offering process improvement suggestions?

- A. Barbershop action
- B. Command action
- C. Fleet assistance
- D. Rapid improvement

3-27. What method is used by the barbershop manager to track customer patronage and allow immediate customer feedback?

- A. Barbershop logbook
- B. Command master chief hotline
- C. Commanding officer's suggestion box
- D. Ship's announcing system

RATE TRAINING MANUAL – USER UPDATE

CSS makes every effort to keep their manuals up-to-date and free of technical errors. We appreciate your help in this process. If you have an idea for improving this manual, or if you find an error, a typographical mistake, or an inaccuracy in CSS manuals, please write or e-mail us, using this form or a photocopy. Be sure to include the exact chapter number, topic, detailed description, and correction, if applicable. Your input will be brought to the attention of the Technical Review Committee. Thank you for your assistance.

Write: CSS Rate Training Manager
1183 Cushing Road
Newport, RI 02841

E-mail: Refer to the NKO CSS Web page for current contact information.

Rate _____ Course Name _____

Revision Date _____ Chapter Number _____ Page Number(s) _____

Description

(Optional) Correction

(Optional) Your Name and Address

CHAPTER 4

RETAIL OUTLETS

As a ship's serviceman (SH), you can expect to operate one or more of the sales outlets aboard ship. Sales outlets are part of retail stores, vending machines, and snack bars. Each of these outlets has an applicable Personnel Qualification Standard (PQS) found in the Navy Exchange Service Command (NEXCOM) document library. Completion of this PQS ensures retail outlet operators understand the minimum standards required to operate a retail outlet. For guidance and assistance in completing PQS, speak with your supervisor and leading chief petty officer (LCPO).

LEARNING OBJECTIVES

When you have completed this chapter, you will be able to do the following:

1. Identify the importance of the ship's store operation.
2. Identify the terms associated with accountability.
3. Identify the terms associated with responsibility.
4. Identify the policies associated with ship's store authorized patrons.
5. Identify the policies associated with the ship's store hours of operation.
6. Identify the procedures used to establish special sales outlets.
7. Identify the procedures that pertain to the operation of vending machines.
8. Identify the cash collection procedures for vending machines.
9. Identify the security procedures for Group III spaces.
10. Identify the actions to take in case of a security violation.

ESTABLISHING A SHIP'S STORE

A ship's store, consisting of sales outlets and service activities, will be operated on all ships in commission (except submarines) to which a Supply Corps officer is attached. Before establishment of a ship's store, the commanding officer (CO) will report, by letter, the date the ship's store will commence operations to NEXCOM (Ship's Store Program), the ship's type commander (TYCOM), and the Defense Finance and Accounting Service (DFAS) Office.

After establishing a ship's store, the CO may then authorize any or all of the following sales or service activities to operate:

- Retail store(s)
- Vending machine(s)
- Snack or coffee bars
- Barbershop
- Laundry

The requirements, process, and procedures for establishing a ship's store are contained in Navy Supply Systems Command (NAVSUP) Ship's Store Afloat, Publication 487 (P-487). The size of the ship's store operation will depend on the type of ship, the number of customers served, the number of SHs aboard, and the desires of the CO.

PURPOSE OF THE SHIP'S STORE

Ship's stores serve the following purposes:

- To provide a convenient and reliable place aboard ship for crewmembers to obtain articles necessary for their health and comfort at the lowest practical price
- To provide services necessary for day-to-day living
- To create a source of funds to pay for the cost of recreation equipment and material used by crewmembers
- To promote good morale

ACCOUNTABILITY AND RESPONSIBILITY

Two terms that relate directly to ship's store operations are accountability and responsibility. These two terms are closely related but have noticeable differences as defined by NAVSUP P-487.

- **Accountability**—the obligation to render an accounting of property and funds, including returns; the obligation is imposed upon an officer who is charged by law, lawful order, or regulation with the responsibility for keeping accurate records of public funds or property; the officer assumes a public trust that such funds or property will be utilized for purposes authorized by law or regulation; in the ship's store operation, the sales officer is obligated by law, lawful order, and regulation to account for property or funds and their intended use in the ship's store; therefore, he or she is accountable for the ship's store operation
- **Responsibility**—the obligation placed upon an individual by law, lawful order, regulation, or customs of the service to exercise custody, care protection, and keeping of property, records, or funds entrusted to their possession or under their supervision; in the ship's store operation, the sales outlet operators are responsible to the ship's store officer who is accountable for that sales outlet

The sales officer will make all assignments to positions of responsibility. In no case will personnel assigned to, or having access to, sales outlets or holding locations be assigned the duties of records keeper (RK). Normally, one person will be responsible for and have access to holding locations.

Separate and Combined Responsibility Operations

The terms separate and combined responsibility are often used to describe the operation of sales outlets and the holding locations that supply them. It is important to be familiar and understand the difference between the two.

- **Separate responsibility operation**—a situation in which one person is responsible for the operation of a sales outlet and another responsible for the holding location that supplies it
- **Combined responsibility operation**—a situation in which the same person is responsible for a sales outlet and the holding location that supplies it

Most ship's store operations operate under separate responsibility. However, some have combined responsibility operations, and some have a mix of each type of responsibility. Retail Operations Management (ROM) requires separate responsibility procedures, even though the same person may be assigned to two different spaces.

Multiple Sales Outlet Operators

The sales officer is authorized to assign more than one person to operate a sales outlet or holding location to allow for flexibility in improving customer service. When two people operate a single retail store, cash collections should be made at the end of each shift.

When more than one operator is responsible for a retail outlet or holding location, the sales officer or a designated individual other than the operators will maintain custody of the working key for the deadbolt/high-security padlock. Operators will have the combination to the padlock. If a high security key padlock is used in place of a combination lock, the key to the padlock will be maintained in the custody of the of the custodian operating that day/shift. The duplicate key will be secured in the sales officer's safe in a sealed envelope.

The use of car seals to alert the sales officer of possible unauthorized entry into sales outlets and holding locations is recommended for all stores, but their use is mandatory for outlets with more than one operator. Numbered self-locking metal car seals should be placed on all external locks when a space is secured for the day. The sales officer or designated assistant will record the car seal number and, together with the responsible custodian, place the car seal on the space when securing for the day. The embossed number of each car seal will be recorded in ink in the Car Seal Number Log each time a new seal is installed. Before breaking an installed car seal, operators will check the number to ensure that it bears the number recorded upon installation.

OPERATION OF THE RETAIL STORE

The primary sales outlet aboard ship is the retail store, commonly called the ship's store. The ship's store is the most important sales outlet to operate and the greatest opportunity for personal customer interaction. Most ships have one or two retail stores depending on the size of the ship and the crew. The profit generated from ship's store sales is used to pay operating expenses of the ship's store with the net profit available for transfer to the ship's Morale, Welfare, and Recreation (MWR) Fund. Sales outlet operators are the "face" of the retail operations and are normally well known amongst the crew, having to answer questions about the store whether working or not. It is very important to know the policies and procedures of ship's store operations to be an efficient and successful ship's serviceman.

Authorized Customers

Customers authorized to purchase items from the ship's store are as follows:

- Officer and enlisted personnel of all branches of the Armed Forces on board for duty as ship's company or for training; on a ship receiving support; or en route to duty
- Official passengers, including National Oceanic and Atmospheric Administration, Public Health Service, and U.S. Foreign Service personnel en route to duty
- Accredited U.S. technicians (military or civilian) who are actually embarked or assigned on board in an official capacity
- Active duty members of the Armed Forces, and those personnel who are not actually on board, when located in a remote area where an Armed Forces exchange is not available

Other military activities as listed in NAVSUP P-487 may obtain ship's store merchandise. If in doubt, seek the counsel of your supervisor before making sales to people who may not be authorized.

Insignia items for Navy uniforms will not be sold to customers who are not authorized to wear the items on their uniforms. The sale of emblematic items is authorized to the general public when approved by the CO during shipboard tours or other official functions. Additionally, the CO may authorize sales of stock and nondistinctive items in special situations, such as foreign ships visiting

U.S. ports, survivors of marine and aircraft disasters, and U.S. Government officials at isolated activities outside the United States.

Hours of Operation

The hours your store operates will be set by the CO and will vary from ship to ship. Operating hours should be prominently posted and visible from the outside of the store, usually on the door or window.

Stores should be opened a minimum of 42 hours per week while underway and 20 hours in port. The hours should provide crewmembers from all shifts an opportunity to shop. You should always allow an extra 15 minutes in walk-in stores for customers to finish their shopping and check out. When changes are made to store hours or when the store is going to be closed, customers should be notified at least 1 week in advance either by a publicized sign or Plan of Day (POD) notes.

SHIP'S STORE FLOOR OPERATION

The sales floor area must be maintained in a clean and orderly condition at all times. The stock should be arranged in a manner that will permit convenient and efficient shopping for patrons. The way in which it is managed will greatly affect the success of the operation. If stock is arranged by general category, patrons can usually complete their shopping more successfully.

Visual Merchandising

Effective visual merchandising presents or displays merchandise in a way that influences customers to see the merchandise, select an item, see any special features of that item, and purchase the item. Displays should be arranged in a manner that is attractive, easily seen, quickly identified, and properly arranged. Displays should answer as many questions as possible about the merchandise. A good visual presentation simplifies the selection, sale, and stock-keeping process while reducing the time a customer takes to make a decision on whether or not to buy a product. Effective ship's store operators rely on displays to sell the merchandise. New and special merchandise should be displayed so that it catches the customer's attention. Good visual merchandising will reduce the turn of outdated or shopworn merchandise. The characteristics of a good display are as follows:

- Creates interest in a product
- Shows the merchandise at its best
- Holds the customer's attention

Fixtures

The fixtures available for use in the ship's store are limited. The size of the storefront, the space between shelves, and the type of items displayed must be considered during selection of display fixtures. Fixtures that can be used in most stores are found in the Ship's Store Visual Merchandising Guide, NEXCOM Publication 90-33.

Treat the fixtures with care by keeping them clean, dusted, and polished. Store them in a safe place when not in use to prevent damage. Damaged fixtures make your store's appearance look tired and unsightly. Do not use damaged fixtures.

Signs

Signs are the silent salesmen. Signs provide the following information for the customer: product's origin, description, projected sale date, and store policies. To determine the type of sign that is needed, sale outlet store operators must identify the sign's purpose and how it will help a customer

make a decision. The two types of signs that are used—institutional and merchandise—are described as follows:

- Institutional signs, sometimes called policy signs, are usually permanent signs; the purpose of these signs is to give the customer information; these signs tell the customer information about store policy, hours of operation, and store location; institutional signs are usually permanent; the following institutional signs should be posted in all ship's stores:
 - Availability of merchandise and service
 - Special orders
 - Store profit policy (profit may go to MWR)
 - Refund policy
 - Limitation on cigarettes sales
 - Provision of purchase
 - Authorized patrons
- Merchandise signs tell the customer what is or will be on sale, what an item is, and the price of an item; merchandise signs should always be placed next to the stock represented on the sign; you should make sure the product is visible to the customer, ensuring that the sign is secondary in emphasis to the merchandise displayed

Signs providing valuable information to the customer, such as harmful effects of cigarette smoking and Government regulations (*Figure 4-1*) will be posted where customers can see them.

These signs should be placed so they are visible to customers, but they should not interfere with the merchandise.

Decorations

Decorations are used in the ship's store for the following reasons:

- To add to the appearance of merchandise on display
- To alert customers of approaching events or seasons
- To remind customers to purchase their needs in advance

The retail store should be decorated for all major events and seasonal changes. When installing seasonal displays, you should also change the decorations. Do not leave a display in a case for more than a month without changing it. Displays should always be clean, fresh, and colorful. Do not let decorative materials cover or overshadow your merchandise. Too many decorations can detract from the appearance of the display and cause confusion.



SURGEON GENERAL'S WARNING

WARNING:

Smoking Causes Lung Cancer, Heart Disease, Emphysema, and May Complicate Pregnancy.

Cigar Smoking Can Cause Cancers Of The Mouth And Throat, Even If You Do Not Inhale.

Smokeless Tobacco Is Not A Safe Alternative To Cigarettes And Can Mouth Cancer, Cause Gum Disease, And Tooth Loss.

TOBACCO SALES

Ship's stores must verify proof-of-age by photo ID, any persons purchasing cigarettes and smokeless tobacco that is suspected of not being at least 18 years of age.

Figure 4-1 — Surgeon General's warning on tobacco use.

It is better to keep displays simple, neat, and lightly decorated. They are more pleasing to the eye and more likely to interest the customer. If it creates interest, shows merchandise at its best, and holds attention, it is a good display. For more information on the display of merchandise, see NEXCOM Publication 90-33.

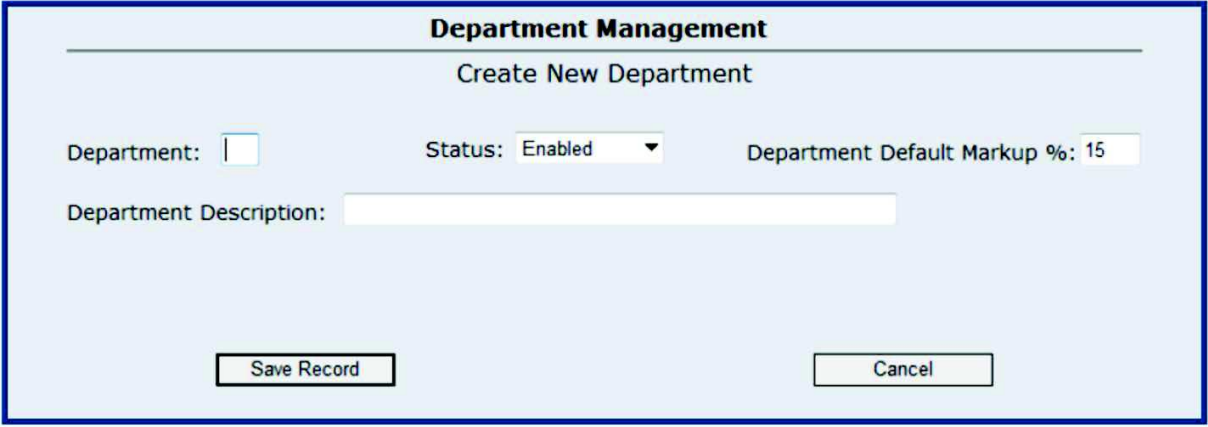
Pricing

Pricing guidelines are established in the NAVSUP P-487. Selling prices for ship's store stock will be set by markups over cost price. The sales officer and retail store operator establish selling prices for ship's store merchandise using ROM. Individual item prices must be easily identifiable to the customer.

Navy policy requires cigarette/tobacco prices to be consistent in sales outlets afloat and ashore. NEXCOM (Ship's Store Program) will set the initial retail price of cigarette/tobacco products, which will be downloaded to ships. When retail prices change, NEXCOM (Ship's Store Program) will change the retail price. This situation may mean that ships will have to process a markdown to return prices to "sale" prices.

Markup

The sales officer is responsible for ensuring the retail prices for items in the sales outlets are consistent with the guidelines stated in NAVSUP P-487. Retail prices for ship's store stock will be set by markups over cost price. ROM has the capability to automatically compute the markup for ship's store items based on the cost price and retail department assigned, as shown in *Figure 4-2*. ROM is set for a default markup of 15 percent when setting up a department. Except for mandatory priced items, the sales officer may override ROM system markup by entering the desired selling price.



The screenshot shows a web-based form titled "Department Management" with a subtitle "Create New Department". The form contains the following fields and controls:

- Department:** A text input field.
- Status:** A dropdown menu currently showing "Enabled".
- Department Default Markup %:** A text input field showing the value "15".
- Department Description:** A large text area for a detailed description.
- Buttons:** "Save Record" and "Cancel" buttons are located at the bottom of the form.

Figure 4-2 — Markup page.

Markup applied should be sufficient to:

- Cover markdowns and surveys
- Cover operating expenses, such as shipping charges
- Meet the requirements of the CO for profits to be turned over to the recreation fund
- Cover the cost of operations

A mandatory 6-percent markup applies to ship's store merchandise assigned to the following departments:

- Toiletries (Department D-1, stock number series 110000)
- Sundries (Department D-3, stock number series 120000)
- Uniforms (Department E-1, stock number series 530000)

When an item is purchased with shipping charges authorized, ROM does not include shipping charges in its automatic markup computation. Usually, the sales officer overrides the standard markup to compensate for the shipping charges.

Profits for the overall ship's store operation are limited to a maximum of 20 percent. This limit applies to the percentage of overall sales and not to individual items. The sales officer determines the markup for special order items. Another special priced item is tobacco products. For tobacco products, the Navy's policy requires the ship's store to match ashore Navy Exchange (NEX) prices as directed by NEXCOM. A periodic Ship's Store Bulletin is published to reflect current prices. Upon receipt of the bulletin, a price change should be prepared to reflect the changes.

Navy Exchange Uniform Support Center

Uniform articles are a necessity that cannot always be stocked aboard ship. However, uniform articles are available through the NEX Uniform Support Center. Although the ship's store operation receives no monetary gain, this alternative will allow you to meet the customer's needs, thus improving customer relations. Ship's store operators should be well versed on ordering procedures.

Additionally, orders may be placed through the toll-free phone number or the Internet Web site. The turnaround time on these orders can be as quick as overnight, if the customer is willing to pay the extra shipping charges. All financial dealings are between the NEX and the customer.

Mark-Ons

A mark-on is an increase in a previously established retail price of an item of merchandise. The sales officer must approve all mark-on price increases. After approval by the sales officer, the price change will be made to the inventory line item. The mark-on takes effect upon confirmation of the retail price change in ROM. The price change will be reflected in all future sales of the item. The Profitability Report will show the collective effect of the price changes.

Displaying Prices

Individual pricing is not needed or required provided each item of merchandise has a shelf label with item bar code, description, and current retail price. All items of merchandise received in the ship's store operation are assigned a Universal Product Code (UPC). A UPC bar code distinctly identifies an item. Information about a particular product, such as description and price, is electronically attached through the UPC bar code. Items that do not lend themselves to individual bar code labels can be placed in a price book at the register. The ROM system will generate these labels; instructions are found in the ROM User's Guide. This procedure simultaneously improves the merchandising and inventorying processes while preventing price manipulation.

Cash Registers

All sales in the retail store must go through the point of sale (POS) register, as shown in *Figure 4-3*. Most registers used in ship's stores are electronic-POS (EPOS) units operating in the Navy Cash[®] Financial System (Navy Cash) and are not able to accept currency. However, it is important to understand the cash handling system as a backup procedure.

NOTE

When ROM and Navy Cash are integrated, ROM and Navy Cash operator identification (ID) must match for sales receipts to be reported properly.

Cash must be safeguarded in the same manner as merchandise. The retail store operator is the only person allowed access to the cash register. Never allow anyone else to ring up sales. Because the cash register makes a detailed record of the cash received from sales, the sales outlet operator is responsible for shortages.

POS cash registers provide the customer with a clear view of the amount of the purchase and an itemized receipt of items purchased. After logging onto ROM as a cashier, outlet operators will need to open the register and open the drawer. If your register is configured to accept cash, click Open Drawer to open the cash drawer (*Figure 4-4*), load your change fund, and select Continue. The register is now ready to conduct sales operations. After a product's UPC bar code is scanned, the screen will display a field with the description and retail price of the merchandise, as shown in *Figure 4-5*. For more information about cash register operation, refer to the ROM User's Guide.



Figure 4-3 — POS register.

Sales Register		
Store 9501	Register 950102	In Use By lcpo_bain
<div>Price Check</div> <div>Reprint Receipt</div> <div>Print Labels</div> <div>Issue Refund</div> <div>Open Register</div> <div>Close Register</div>	<div>Register Opened</div> <div>This register has been configured to accept cash. If necessary, load your change fund into the cash drawer.</div> <div><div>Open Drawer</div><div>Continue</div></div>	

Figure 4-4 — Open drawer page.

Cash Register Malfunctions

The cash register, like any other piece of machinery, can break down. Store operators should have a backup to use in case this situation happens. Immediately contact your chain of command. If

required, the sales officer may need to contact the Fleet Assistance Team and follow the steps outlined in NAVSUP P-487.

Sales Register

Store 9501Register 950102In Use By lcpo_bain

Price Check

Reprint Receipt

Print Labels

Issue Refund

Open Register

Close Register

Cancel Transaction

Stock Number	Description	Price	Qty	Total	Remove
3113130000003	Sunmaid Yogurt Raisins	\$0.75	1	\$0.75	Remove
<div>Please scan an item to add it.</div>					

Total Items: 1Subtotal: \$0.75

Checkout

Figure 4-5 — Sales Register page.

Change Funds

At the beginning of each accounting period or when the sales outlet is reopened after being closed for more than 72 hours, the disbursing officer will entrust official funds to the custody of the sales outlet operator as a change fund. The fund will be the minimum amount necessary as prescribed by the CO. An instruction on the change fund, including the amount of the fund as approved by the CO, will be created and included in the supply department instructions. This instruction should also cover special occasions, such as paydays, when a larger change fund is temporarily required. Usually, the change fund should not exceed \$50.00 for each cash register in use. The disbursing officer will have the sales outlet operator sign a Statement of Agent Officer’s Account, Department of Defense Form 1081 (DD Form 1081) for the amount of the change fund issued. The change fund advanced will not be registered in the cash register but will remain in excess of cash received from sales. At the close of the business day, the sales outlet operator will return the change fund to the disbursing officer, at which time the DD Form 1081 will be destroyed. Change funds advanced by the disbursing officer may remain in the cash register overnight when the day’s sales have not produced sufficient cash for change for the following business day. Normally, after cash is collected at the end of the business day, an amount of change less than \$50.00 may be left in the cash register. When authorized by the TYCOM, cash not to exceed \$100.00 may be left in the register overnight, except when more than one shift is operated.

Arranging Money in the Register

After receiving a change fund, arrange it in the cash tray. It is important to consistently arrange the cash tray the same way each time to reduce the number of cash handling errors. After you count your money, arrange it in the cash register carefully, as shown in *Figure 4-6*. Make sure all bills are in their place; face up in the same direction. When putting the bills in the tray, be sure that they do not stick together. If the bills are new, it is a good practice to turn the corner down on each bill to keep them from sticking together when making change. Place large bills, such as \$50 or \$100, under the money tray.

	TWENTIES	TENS	FIVES	ONES
HALVES	QUARTERS	DIMES	NICKLES	PENNIES

Figure 4-6 — Cash tray arrangement.

Navy Cash

The Navy Cash Financial System is a joint undertaking between the Department of the Navy (DON) and the U.S. Department of the Treasury, Bureau of the Fiscal Service (Fiscal Service). On ships that are equipped, customers must use the Navy Cash card (Figure 4-7) to purchase items in the ship's store. Navy Cash is a cash management application. The Navy Cash card combines chip technology and a magnetic strip to virtually eliminate the need for Sailors to carry cash. The chip-based electronic purse provides for a cashless environment within the lifelines of the ship. The magnetic strip on the back of the card provides for pre-paid debit access to the funds in Navy Cash accounts at more than 23 million MasterCard® acceptance locations and more than 2 million automated teller machines (ATMs) in over 210 countries and territories worldwide. To support these transactions, Navy Cash also provides for electronic access to checking and savings accounts ashore. All personnel assigned to a ship are eligible to receive a Navy Cash card. Upon check-in to a ship, each crewmember is enrolled in the program and issued a Navy Cash card (Figure 4-8).



Figure 4-7 — Navy Cash sale.



Figure 4-8 — Navy Cash.

On the ship, Sailors use the chip-based Navy Cash cards at EPOS terminals for all their purchases in the ship's store, post office, and other retail locations throughout the ship, including vending machines. This cashless environment not only improves service to customers but also reduces workload by automating payment transactions and minimizing the circulation of cash.

The EPOS register in the ship's store on a Navy Cash ship is equipped with a card reader device, which reads the customer's Navy Cash card and reduces the dollar value on the chip by the amount of the total sale. The card reader requires use of a personal identification number (PIN) for security. All completed transactions will be automatically forwarded electronically to the Navy Cash server in the disbursing office at the time of sale.

Before ringing up your first sale of the day, make sure that the area around the cash register is clear and free of signs, notes, or other items. The cashier area should be clear and neat.

Navy Cash Transaction

Prior to checkout, sales procedures are the same for Navy Cash or cash sales. After a customer's merchandise is scanned, all items must appear on the Sales Register page, as shown in Figure 4-5. The store operator will select Checkout, and The Sales Register page will change to Checkout (Navy Cash), as shown in Figure 4-9. The customer will insert his or her Navy Cash card into the card reader, enter a PIN, and confirm the amount. Navy Cash will approve the transaction, and a sales

receipt will be printed. The operator will select Continue, and the Sales Register page will appear, ready for the next transaction.

The screenshot shows the 'Sales Register' interface. At the top, it displays 'Store 9501', 'Register 950102', and 'In Use By lcpo_bain'. On the left side, there is a vertical menu with buttons: 'Price Check', 'Reprint Receipt', 'Print Labels', 'Issue Refund', 'Open Register', and 'Close Register'. The main area is titled 'Checkout (Navy Cash)' and shows 'Total Due: \$6.75'. Below this, it says 'Processing Payment. Make sure NavyCash card has been inserted.' with a loading spinner icon. At the bottom of the main area, there are two buttons: 'Modify Transaction' and 'Switch to Cash Payment'.

Figure 4-9 — Checkout (Navy Cash) page.

Cash Transactions

Cash operations may be used when the Navy Cash system is inoperable or during special evolutions (e.g., visitors, tour groups, and personnel riding the ship for less than 24 hours). Cash sales should be the exception to accommodate visitors who are only going to be on the ship for a short time. Generally, members of ship's company should not be allowed to use cash on board the ship. All cash sales in the ship's store are in U.S. currency.

Cash sales procedures are the same as Navy Cash with all items appearing on the Sales Register page. To complete a cash sale, the operator will select Checkout. The Sales Register page will change to Checkout (Navy Cash), as shown in *Figure 4-9*. The operator will select Switch to Cash Payment. The Sales Register page will change to the Checkout (Cash) page. The Total Due will be the same amount except the Cash Tendered field will be enabled and blank, as shown in *Figure 4-10*. The customer will hand the operator the cash or an amount greater than the total due, in this example a \$10.00 bill. The operator will enter 1000 into the Cash Tendered field and select Submit, and a sales receipt will be printed. The Sales Register page will display Checkout Complete with the transaction number. The Tendered amount field will display \$10.00, and Change Due will display \$3.25, as shown in *Figure 4-11*. The operator will provide the customer with the correct amount of change, displayed in the Change Due field. Errors often occur at this point in the transaction, that is, when the money actually changes hands between the customer and store operator. In many cases,

The screenshot shows the 'Sales Register' interface. At the top, it displays 'Store 9501', 'Register 950102', and 'In Use By lcpo_bain'. On the left side, there is a vertical menu with buttons: 'Price Check', 'Reprint Receipt', 'Print Labels', 'Issue Refund', 'Open Register', and 'Close Register'. The main area is titled 'Checkout (Cash)' and shows 'Total Due: \$6.75'. Below this, there is a 'Cash Tendered:' label followed by a text input field. A 'Submit' button is located below the input field. At the bottom of the main area, there are two buttons: 'Modify Transaction' and 'Switch to NavyCash Payment'.

Figure 4-10 — Checkout (Cash) page.

store operators have become complacent, relying solely on the register to provide the change due without regard to a proven method for counting change back. Proficient store operators count change back as a quality assurance self-check to ensure an accurate end of shift or day till count.

In the example shown in *Figure 4-11*, the customer handed the operator a \$10.00 bill and was due \$3.25 in change. It is good practice for the operator to say aloud the amount of money received as well as the amount of the sales transaction. In this case, as the customer pays, the operator should say, "Thank you. That will be \$6.75 out of \$10.00." By doing this process for every sales transaction, operators minimize the chance of becoming confused should the customer claim that a larger bill was tendered. Operators should leave the customer's money on the change plate until they are finished counting change from the till. If there is an interruption during the transaction, the customer's payment will be directly in front of him or her. There will be no doubt about the amount the customer tendered. Count the change twice, first as it is removed from the cash tray and second as it is handed to the customer. Start counting the change from the amount of sale and continue until the amount tendered by the customer is reached. In the example, \$6.75 out of \$10.00, the operator would pick up a quarter from the cash tray and count aloud, "Six seventy five, seven dollars," and then pick up three dollar bills and count aloud, "Eight, nine, and ten dollars." Count the change into the customer's hand in the same way. If the operator made a mistake while counting, he or she should take back all the change from the customer, make the correction, and then count the change into the customer's hand. After it was counted back correctly, the operator will remove the tendered money from the change plate and put it in the cash tray. It is important that the operator close the cash drawer after every transaction, never working out of an open cash drawer. If the cash register provides a receipt, the operator will tear the receipt off and give it to the customer. The operator should always look at the first receipt of the day to make sure it prints clearly and that the date is right.

The screenshot shows a 'Sales Register' window. At the top, it says 'Store 9501', 'Register 950102', and 'In Use By lcpc bain'. On the left is a vertical menu with buttons: 'Price Check', 'Reprint Receipt', 'Print Labels', 'Issue Refund', 'Open Register', and 'Close Register'. The main area displays 'Checkout Complete Transaction #155'. Below this, it shows a transaction summary: 'Total Due: \$6.75', 'Tendered: \$10.00', and 'Change Due: \$3.25'. A 'Continue' button is at the bottom center.

Checkout Complete Transaction #155	
Total Due:	\$6.75
Tendered:	\$10.00
Change Due:	\$3.25

Figure 4-11 — Checkout complete page.

New store operators must take the time to learn proper cash register operations and to do it right the first time. They may be slow at first, but with experience, they will get more proficient. Having a positive, cheerful attitude will go a long way with customers who are waiting. If a customer becomes irritated, a simple apology should help diffuse the situation.

Refunds

Usually, all sales made in the retail store are final. However, defective merchandise may be returned for refund or adjustment under the following conditions:

- Merchandise guaranteed by the manufacturer is returned within the warranty period

- Merchandise that can be reasonably assumed to have been defective at the time of sale is returned within 30 days

The sales officer should have a written refund policy established. This policy should outline the authority to approve cash and Navy Cash refunds. The sales officer may feel comfortable granting the ship's store operator authority to approve a refund of a certain monetary limit. For example, sales officers may grant authority to approve refunds up to \$50.00 by the LCPO and/or over \$50.00 by themselves. Refund policies are strictly up to sales officers.

NOTE

Depending on the sales officer's policy and the store operator's role, a supervisor's override code may be required to issue a refund.

Ship's store operators will complete a refund transaction in ROM on the ship's store POS register and give the customer a return receipt to enable him or her to go to disbursing for refund of cash or Navy Cash card funds. Procedures for Navy Cash are contained in the Navy Cash Financial System Standard Operating Procedure, NAVSUP P-727.

Special-Type Sales

In addition to regular sales, you should know about group sales, a type of specialized transaction also authorized for a ship's store.

Group Sales

Because ship's store spaces and hours are limited, it may be impossible to serve all potential customers on an individual basis. A group sale is the sale of stock to a specific unit in which several individual orders have been consolidated as a courtesy to the customers. Group sales should be arranged through the sales office for a time outside normal operating hours. This practice will allow the ship's store operator time to check and verify orders without interruption. Group sales are made at retail price and cleared through the POS register.

Supply Demand Review

The success of a retail outlet hinges on management's ability to fulfill the customer needs by keeping the ship's store stocked. While at sea, this task can be very challenging because of your supplier's ability to deliver merchandise. Running out of merchandise can lead to missed stock turn goals, unpleasant customers, poor morale, and low profits. To prevent this situation, the sales officer, LCPO, leading petty officer, and RK should conduct a monthly supply demand review of all stock and line items to ensure that the in-stock positions for all merchandise are maintained and inventories stay within prescribed limitations.

For most items, the normal in-stock position is 3 months' supply. Deployed load items are stocked to last for the duration of the deployment. Excess, obsolete, or shopworn stock is marked down for rapid sale, and items that have expired or are damaged will be surveyed per NAVSUP P-487. The normal selling rate of the item and the ship's anticipated operating schedule are considered in determining excess stocks. Because of the semiperishable nature of most items of stock, disposition action is initiated in time to provide for sale prior to expiration.

Accounting for Cash

Store operators are responsible for the cash generated from sales when it is in their possession. The cash collection agent (CCA) and ship's store operator will count the cash in the EPOS register, record the amount on a NAVSUP Cash Register Record Form 469 (NAVSUP Form 469), and sign in the signature block. Store operators will navigate to the Sales Register-Session Summary page and select Close Register at the POS register per the ROM User's Guide. The operator will then select Open Drawer and remove and count any money before turning it over to the designated CCA. The CCA will enter ROM as a Register Session Manager and select View Session Details to enter funds collected. The amount will match the figure recorded on NAVSUP Form 469.

On NAVSUP Form 469 (Figure 4-12), a space is provided for the date, the actual cash in the register, the cash left in the register for change, the amount in figures, the amount in words, and the signatures of both the person collecting and the ship's store operator. The use of these columns is mandatory for EPOS outlets. If an error is made, draw a single line through the mistake and write the correct information on the next entry line. The ship's store operator and the person making collections should both initial line-out entries.

CASH REGISTER RECORD FOR MONTH OF <u>January</u> 20 <u>15</u> U.S.S. <u>Classroom CVN-90</u>									
DATE	COVER LIFT NUMBERS	NUMBER OF CUSTOMERS	NUMBER OF SALES	REGISTER READING	ACTUAL CASH IN REGISTER	OVER	UNDER	CASH LEFT IN REGISTER FOR CHANGE	
1									
2				117 00					50.00
3				126 10					
4				122 50					
5-6									
7				130 45					
8				131 85					
9				134 95					50.00
10				151 75					
11				130 25					
12-13									
14				152 75					
15				150 75					
16				153 80					50.00
17				160 90					
18									
19-20									
21-31									
LAST ENTRY									
SHZ (SM) R.U. We									
				1663 05					150.00

RECORD OF ACTUAL CASH TURNED BY COMMISARY STORE CASHIER OR SHIP'S STORE STOREKEEPER <u>January</u> 20 <u>15</u>				
AMOUNT IN PICTURES	AMOUNT IN WORDS		SIGNATURE OF CASHIER OR STOREKEEPER	SIGNATURE OR RECEIVING OFFICER
	Dollars	Cents		
	HOLIDAY CLOSED		P.T. Boat	R.U. We
67 00	Six Seven	Zero Zero	P.T. Boat	R.U. We
126 10	One Two Six	One Zero	P.T. Boat	R.U. We
122 50	One Two Two	Five Zero	P.T. Boat	R.U. We
	CLOSED WEEKEND		P.T. Boat	R.U. We
130 45	One Three Zero	Four Five	P.T. Boat	R.U. We
131 85	One Three One	Eight Five	P.T. Boat	R.U. We
84 95	Eight Four	Nine Five	P.T. Boat	R.U. We
151 75	One Five One	Seven Five	P.T. Boat	R.U. We
130 25	One Three Zero	Two Five	P.T. Boat	R.U. We
	CLOSED WEEKEND		P.T. Boat	R.U. We
152 75	One Five Two	Seven Five	P.T. Boat	R.U. We
150 75	One Five Zero	Seven Five	P.T. Boat	R.U. We
103 80	One Zero Three	Eight Zero	P.T. Boat	R.U. We
160 90	One Six Zero	Nine Zero	P.T. Boat	R.U. We
CLOSED COMMAND FUNCTION				
CLOSED WEEKEND				
CLOSED FOR REMORDENIZATION				
LAST ENTRY				
Actual Cash Collected			1663.05	
Cash Left for change			150.00	
			1513.05	
SHZ (SM) R.U. We				
1513 05	One Five One Three	Zero Five	P.T. Boat	R.U. We

Figure 4-12 — EPOS NAVSUP 469 closeout.

Ship's Store Cash Collections

The sales officer is responsible for collecting cash from ship's store sales and depositing it with the disbursing officer. Cash collection procedures vary depending on whether the operation being collected is an EPOS outlet, non-EPOS outlet with register, or vending machine. With the exception of vending machines, all cash received from sales must be collected at the end of each business day.

Vending machines are collected when sales exceed \$100.00 a day, or at least twice a week, as directed by the sales officer. All cash must be collected when an inventory is performed in order to close out and balance the records. When more than one shift is operating, cash from sales is collected at the end of each shift. Cash, including change funds, will also be collected as follows:

- At the end of the accounting period
- When the sales outlet is closed for 72 hours or more
- When the ship's store officer or the store operator is relieved

Cash Left in the Cash Register Overnight

Change funds advanced by the disbursing officer may remain in the cash register overnight when the day's sales have not produced sufficient cash for change for the following business day. Normally, after cash is collected at the end of the business day, an amount of change less than \$50.00 may be left in the cash register. When authorized by the TYCOM, cash not to exceed \$100.00 may be left in the register overnight, except when more than one shift is operated.

While it may be authorized, it is recommended that you do not leave cash in the register overnight. If you do not leave cash, leave cash trays so it is obvious that the cash has been removed. You may post a sign outside the store stating "NO CASH LEFT IN REGISTER OVERNIGHT."

Inventory Preparation

A physical inventory is the process of identifying, counting, and evaluating all stock on hand at a specific time. An inventory is taken at the following times:

- Monthly
- At the end of each accounting period (4-month periods ending 31 Jan, 31 May, and 30 Sept) during the last week of business
- Upon relief of the sales officer
- Upon relief of the responsible custodian (all spaces that the custodian was responsible for will be inventoried)
- When there is evidence of unauthorized entry into a Group III space
- When directed by the NEXCOM, TYCOM, CO, supply officer (SUPPO), or sales officer

To make a sales outlet ready for inventory, arrange all merchandise so that it is sorted, stacked neatly, and labeled with bar code labels to facilitate scanning and counting. Coordinate with the RK and sales officer to ensure that all ship's store transactions have been completed and confirmed.

Inventories are normally conducted using a handheld Portable Data Terminal (PDT). When conducting an inventory using a PDT, the scanner simply scans the barcode label and enters the count that the counter provides. When the inventory team is using this method, the RK must generate the Inventory Count Sheets in ROM to facilitate the downloading of inventory data from the PDT to the appropriate outlet Inventory Count Sheet after the counts are complete. In the rare event that a PDT is not available, Inventory Count Sheets are printed in stock number order by the ROM system

and used to record the inventory. The RK then enters counts from the printed inventory sheets into ROM. The ship's store remains closed during an inventory. After the inventory is started, when the inventory team is not in the ship's store, the sales officer will secure it with a numbered car seal. The sales officer will maintain a Car Seal Number Log listing all the seal numbers for each location.

Restocking

The ship's store operator is responsible for ensuring that the store remains stocked. This task may be accomplished by knowing the merchandise and customers' shopping habits. The ship's store is restocked with merchandise from various holding locations and is documented on the Intra-Store Transfer Data Form, NAVSUP Form 973. It is very important, as the store operator, to verify that all the merchandise on NAVSUP Form 973 was received before signing during a breakout.

When determining what items are needed to restock the ship's store, refer to the basic stock list in the Merchandising and Stocking Guide, NEXCOM Publication No. 81. These basic stock items are necessary for the health, comfort, and morale of the crew and should be kept in the store at all times.

There are several methods to determine breakout requirements for outlets and generate the breakout document. The outlet operator can provide a list to the RK. The RK can refer to the "Not In Store Report" and create a breakout document, or the outlet operator can use the PDT to generate a breakout request.

The use of a PDT actually streamlines the request process. When using the PDT, use the following steps:

1. Store operator uses a PDT to scan item(s) and enter quantities requested and returns PDT to the RK.
2. PDT data is imported into ROM.
3. RK creates new breakout document and imports PDT information to the document.
4. Normal process for movement of stock is followed.

Creating Breakouts with a Portable Data Terminal

A breakout may be created on a handheld, synchronized, and then confirmed in ROM. Use the following procedure to create a breakout using a PDT:

1. Select Breakout from the Menu page.
2. Tap New Breakout to start a new breakout (*Figure 4-13*).
3. Select the location the items are coming from and the location they are moving to (*Figure 4-14*).
4. Tap Add Items to add items to the breakout (*Figure 4-15*).

BO	# Item	From	To
----	--------	------	----

Figure 4-13 — PDT New Breakout.

New Breakout

From location:

9900 - Storeroom

To location:

9200 - Post Office

Cancel Add Items

Figure 4-14 — Breakout locations.

Breakout Item

Stock Number: 3113130000005

Description: ACT II Butter Lovers Popcorn

Current QOH 9900: 40

QTY This Scan: Done

Cancel Save

Figure 4-15 — Breakout (add items).

- Scan the bar code of an item to add it to the Breakout. Continue to scan the item to increase the quantity or enter the quantity desired on the PDT keypad. Continue scanning additional items to add to the breakout (Figure 4-16).
- Tap Done to return to the List of Breakout page.

After entering all breakout quantities, synchronize the handheld. After synchronization, the breakout from the handheld appears as a submitted breakout in ROM. Access the breakout by selecting Breakouts from the Inventory menu. The breakout can now be confirmed like any breakout created in ROM.

Creating Breakouts with ROM

The RK will select Breakouts from the Inventory menu and the Breakouts—Existing Records page will appear. After selecting Create New Breakout, the Breakouts—Item Details page appears, as shown in Figure 4-17. The RK then selects the holding location where the stock is being stored from the Location From dropdown field and the sales outlet the stock is going to from the Location To dropdown field. An optional Notes block is provided for special instructions. For step-by-step instructions, see the ROM User's Guide.

Breakout

From: 9900 To: 9200 Items: 1

QTY	Stock #	Description
2	3113130000	ACT II Butter Love

Done Delete Breakout

Figure 4-16 — Breakout done (unconfirmed).

NOTE

Breaking out inventory to a 9300 Snack Bar location will cause the inventory to be expended from the system, and the costs to be charged to Cost of Operations.

Breakouts

Item Details

Breakout #

Status: Unconfirmed

Date: 07/31/2015

Location From: 9200 Post Office

Location To: 9200 Post Office

Notes:

Breakout Items

Add Additional Items

Delete

Close

Figure 4-17 — Breakouts Items Details page.

After all breakout items have been added, the Breakouts—Item Details page is displayed, as shown in *Figure 4-18*. The Breakout will be in an unconfirmed status until the RK selects the Initiate Breakout button. Depending on the user's role, the Initiate Breakout button may not be visible, leaving Save & Review Later as the only option.

Breakouts

Item Details

Breakout # 231530000361

Status: Initiated

Date: 07/31/2015

Location From: 9900 Storeroom

Location To: 9508 Retail Store 5

Notes:

Breakout Items

Stock Num	Description	QOH	UI	Breakout QTY	Received QTY	# Labels
3113130000005	ACT II Butter Lovers Popcorn	4	EA	4	4	0
3113130000005	ACT II Butter Lovers Popcorn	6	EA	6	6	0

< Page 1 of 1 >

10 rows per page

Go to page: Go

Print Transfer Form

Select Printer: Reg 2

Print Labels

Add Additional Items

Save & Review Later

Submit Breakout

Delete

Close

Figure 4-18 — Breakouts Item Details (Initiated) page.

Intra-Store Transfer Data Form (NAVSUP Form 973)

To print an Intra-Store Transfer Data Form, referred to as Transfer Form or NAVSUP 973 in ROM, to use when conducting the physical breakout, select the Print Transfer Form button, as shown in *Figure 4-18*.

At the time of breakout request, a control number is automatically assigned by ROM to the Transfer Form (*Figure 4-19*), which lists each item being requested, the retail price, the unit of issue, the quantity requested, and the areas for transferring and receiving custodians to document what was sent and received. After the Transfer Form is prepared, the RK prints and signs the Issued by block on the document.

Not Confirmed

Intra-Store Transfer Data (Navsup Form 973)

Run Date: 1/24/15
Run Time: 08:45

T R A N S F E R	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">Store To 1</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">Store From 99</div> <p style="margin-top: 0;">Breakout Number 6078</p>	<div style="border: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; padding: 2px; font-size: 0.8em;">MERCHANDISE RECEIVED BY (SIGNATURE) (DATE)</div> <div style="border: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; padding: 2px; font-size: 0.8em;">MERCHANDISE DELIVERED BY (SIGNATURE) (DATE)</div> <div style="border: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; padding: 2px; font-size: 0.8em;">THIS FOR ISSUED BY (SIGNATURE) (DATE)</div>
--------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Stock #	Description	Unit	Retail	Quantity Requested	Extended Retail	Qty sent Qty Revd	
						from Store	at Store
						99	1
0100000010	*ENVELOPES 24/50 CT	EA	\$0.70	48	\$33.60		
0100000089	GREETING CARD, SHIPS SPECIAL XMAS	EA	\$4.75	100	\$475.00		
0111204115	PEN, GARLAND HEFFTY GOLD	EA	\$12.00	2	\$24.00		
0500004737	M & M'S PLAIN "PARTY M" DISPENSER	EA	\$9.05	1	\$9.05		
0500004740	M & M'S PEANUT LA-Z-BOY DISPENSER	EA	\$12.35	1	\$12.35		
Grand Total					\$554.00		

Figure 4-19 — Transfer Form (NAVSUP 973).

Upon receipt of an approved Transfer Form, the holding location custodian will break out the stock. The holding location custodian simply records the quantity broken out for each item by circling the number in the Quantity Requested column, if the two quantities are identical. If the quantity broken out differs from the requested quantity, the holding location custodian will write the actual quantity (Qty) delivered in the Qty Sent from the Storeroom 9900 column. After all items are delivered, the holding location custodian signs the document. The receiving custodian—the ship's store operator in this case—counts and enters the quantities received in the Qty Received at Store column and signs the document. Additionally, the receiving activity must verify that the quantities received are the same as the quantities delivered. Any differences should be reconciled by the two activities. If the two parties cannot come to an agreement, the sales officer must conduct a spot inventory of the item in question and determine the correct quantity delivered. The Transfer Form is then forwarded to the RK.

The RK confirms that all quantities delivered match the quantities received and updates the information in ROM as necessary. Afterwards, he or she presses the Confirm Breakout button to update the inventory database and prints the final confirmed Transfer Form, filing both the signed and confirmed Transfer Forms in the Retained Returns 1 file.

SPECIAL SALES OUTLETS (HANGAR BAY/PIER SALES)

There may be occasions to establish special sales outlets. For instance, the ship may be in Sasebo, Japan, for the United States/Japan Friendship Day, and the CO wants you to sell emblematic items to improve international community relations. In this situation, an outlet must be established in ROM. Transactions for these retail outlets will normally be handled as non-EPOS. Refer to the ROM User's Guide for detailed instructions.

VENDING MACHINES

Vending machines, like the ship's store, are sales outlets and an essential part of crew morale. They provide another means of selling a product aboard ship. These machines, which are card accepting device (CAD) operated, dispense merchandise. The CAD connects to the Navy Cash system. The following machines are authorized for shipboard use: soda, candy, snack, and phone card. Unlike the ship's store, all vending machines, including those located in authorized messes, will be operated as a non-EPOS sales outlet.



WARNING



Vending machines must be secured from tipping over. Tipping or rocking may cause serious injury or death.

Pricing Policies

The price of canned drinks sold through vending machines has a suggested markup of at least 35 percent but no more than 55 percent. With the exception of canned drinks, ship's store merchandise sold through the vending machines will have the normal 6 or 15 percent based on the department assigned.

Replenishing the Vending Machine

Before filling machines (*Figure 4-20*), take the time to go to each machine and count the number of each item required to fill them. To reduce unnecessary and wasted effort, do not guess what is required. Many SHs have learned the hard way and had to carry merchandise back to the storage area. Ensure the merchandise being loaded into the machines is clean and free of damage. When filling machines, be sure to load merchandise in the right slot.



Figure 4-20 — Loading vending machines.

After filling each machine, test it for proper operation. It is irritating to customers when vending machines do not operate or will not accept their Navy Cash card. Cleaning the CAD regularly will help to prevent contact surfaces from becoming sticky and jamming. Make sure the sold-out and other machine lights are in working order. It is best to fill the machines about an hour before work starts to give canned and bottled drinks in the machine time to cool before the workday starts.

A timely schedule for refilling vending machines will ensure a continuous supply of merchandise. Take climate conditions into consideration because it is more likely that cold drinks will sell more quickly during periods of hot weather than when it is cold. Careful observation of vending machine

patronage will be of great value. Paydays will empty machines faster. After gaining experience and noticing usage patterns when filling machines, you will learn to adjust to meet different conditions. Put a sign on each machine with contact information, including a ship's phone number, in case a customer has a problem with a machine.

Vending Machine Displays

Keep product displays neat and clean to look appealing to customers. Displays are changed frequently to stimulate customer interest. Change burned out light bulbs for displays as soon as they burn out. Replace broken or discolored glass as soon as possible. Plastic product decals are normally available from the company that supplies the soda.

Vending Machine Sanitation

Vending machines aboard ship are inspected on a regular basis by the medical department. A copy of the inspection is filed in the RK's correspondence file, WF 3. Keep vending machines and the surrounding area clean. Remove all trash, empty soda cases, boxes, and so forth from the area around vending machines after refilling. The immediate area of the vending machine should be well lit.

The vending machine itself should be mounted on a stand about 6 inches off the deck. This installation makes it easier for you to clean under and around it, especially when seepage occurs. Machines should be mounted in areas free from overhead leakage or condensation.

Clean the machine frequently enough so that no surface of the vending machine inside or out is sticky or dusty. The door and panel to the vending machine and any access opening for food should fit tightly. Replace worn gaskets to keep dust or any other foreign matter from getting in the machines. More information about vending machine inspection and sanitation can be found in the Tri-Service Food Code, Navy Medicine (NAVMED) Publication 5010-1.

Vending Machine Collections

The following paragraphs will describe the processes and the procedures used when collecting money from the vending machines installed on board ships.

Navy Cash

All Navy Cash sales receipts from vending machines will be forwarded automatically to the Navy Cash server, generally at the time of sale. If network connectivity is lost for any reason, sales transactions are stored in the CAD and are forwarded automatically when network connectivity is restored. The CAD can store approximately 741 transactions, and the vending machine can continue to operate, at least until the CAD is full.

Cash

Most vending machines operate using Navy Cash. However, there are some that use currency. For non-EPOS outlets, such as vending machines, cash collection procedures vary depending on whether you are at sea or in port.

- In port—cash will be collected Monday through Friday and before making any repairs to the coin mechanism or machine; if sales do not exceed \$100.00 daily, it is not necessary to collect proceeds daily; in this case, you should collect them as directed by the sales officer, but at least twice a week; the SUPPO will determine if the volume of business requires collection on the weekends

- At sea—cash will be collected daily and before making any repairs to the coin mechanism or machine; if sales do not exceed \$100.00 daily, it is not necessary to collect proceeds daily; they will be collected no less than twice a week

Posting daily collections from the vending machines to ROM is not necessary. Grand total amounts are entered by the CCA monthly or before printing the Cash Sales Invoice. The person making the collections from the vending machines will keep a separate, NAVSUP Form 469. When more than one machine is operated, record the cash collected from each machine on a separate page of NAVSUP Form 469. At the time of collection, take meter readings to determine the amount of cash that should be in the machine. A record of these meter readings is maintained on NAVSUP Form 469 under the column marked Register Reading. The previous day's meter reading minus the meter reading at the time of collection equals the cash collected.

Locked Moneyboxes

When locked moneyboxes are installed in vending machines, the boxes will be numbered on the outside and issued to the vending machine operator by the person responsible for making collections. The coin box installed in vending machines can be the self-locking type, require a key, or keyless combination lock.

When locked moneyboxes are installed in drink vending machines, the boxes will be numbered on the outside and issued to the vending machine operator by the person responsible for cash collections. Before the locked moneyboxes are issued, the CCA ensures that the boxes are key locked.

Delivery by the Vending Machine Operator

The vending machine operator may be required to deliver the locked moneyboxes to the person making collections. If this requirement exists, before removing the moneybox, take notice of the meter reading and write it down. After you remove the full moneybox, replace it with the empty one.

Self-locking moneyboxes installed in vending machines usually have two sets of keys. One set locks the box into the machine, and the other locks the moneybox. The vending operator holds the key locking the moneybox into the machine. The person making the collection holds the key opening the box.

As the vending machine operator, you will have the key that removes the box from the machine. The person making collections retains the other key—the one that opens the moneybox. After you get the meter reading, deliver the locked moneybox to the sales officer or CCA. The person making the collections counts the cash in the vending machine operator's presence. The person making the collections then ensures that the vending machine operator agrees with the meter reading for each machine and uses the meter readings to see if the cash collected is over or short. When the moneybox is delivered to the CCA instead of the sales officer, the sales officer must ensure that the CCA is personally reading each vending machine meter at least twice weekly.

Optional Procedures

Sometimes on weekends or after regular working hours, the sales officer (or CCA) is not available to accept the vending machine coin box. At these times, turn the locked moneybox and meter reading over to the supply department duty officer for safe-keeping. The duty officer receiving the moneybox will maintain a moneybox log. Each time the vending machine operator delivers or receives a moneybox from the duty officer, an entry will be made in this log and be signed by both persons. When the moneybox is turned in, the duty officer will keep the moneybox in a secure place until the next day. The vending machine operator will pick up the moneybox, and the cash will be collected and compared to the meter reading.

Local instructions must be established to ensure that the chain of custody of moneyboxes can be quickly and easily be determined at all times.

Temporary Acquisition of Vending Service

Occasionally, there may be times when temporary vending machines are required. This occasion may include times when the ship is in the shipyard for overhaul, when the ship's vending machines are inoperable, or when the CO determines the necessity. In any case, you must obtain written approval prior to acquiring temporary vending machines. Once you have written approval, contact NEXCOM to arrange for the services. In most cases, the local NEX can provide vending machines. These services include multiline vending of candy, coffee, milk, snacks, and hot and cold food and the provision of microwave ovens and bill changers. NEXCOM and the individual ship divide the profits according to a predetermined split. Detailed procedures are provided in NAVSUP P-487.

SECURITY

Security of sales outlets and holding locations cannot be overemphasized. All sales outlets and holding locations are Group III spaces and should be secured as required by NAVSUP P-487. Be aware of the possibility of theft or fraud. It is the responsibility of store operators to be alert to prevent theft while the store is open and to ensure their spaces are properly secured when closed.

Theft

To keep theft to a minimum, observe the following precautions:

- Greet customers as they enter the store; this simple gesture reminds potential thieves that store personnel are present and aware of who is in the store
- Limit the number of customers in the store
- Politely ask customers to remove their overcoats and jackets

Break-Ins

In the event of a break-in, the following steps will be taken:

1. Secure the space involved with a lock and car seal.
2. Report the incident to the sales officer, who will ensure that the CO is informed.
3. The CO will direct an inventory to determine the circumstances and extent of the loss.

All affected spaces will be inventoried and all financial control records and inventory records will be balanced out to determine the actual dollar value of the loss. If the inventory reveals no loss, then no further action is required. If it reveals a loss because of a break-in, the CO will follow the procedures found in NAVSUP P-487.

Fraud

Fraud in a ship's store operation may only be committed by the accountable officer, their agent, or any other personnel responsible for ship's store cash, merchandise or records. The term fraud applies to any theft of funds or merchandise or manipulation of records by an accountable officer or responsible individual in the ship's store operation. Anyone who suspects fraud in the ship's store operation, regardless of money value, will immediately report it to the CO. The CO shall direct an informal examination into the circumstances by an independent person outside of the ship's store operations chain of command. The examination process will include the following steps:

1. Secure the space involved and place a car seal on the space.

2. Cease all transactions in ROM.
3. Inventory and close out the entire ship's store operation.
4. Determine the dollar value of the loss based on the inventory and profitability reports. If the informal examination indicates no fraud occurred, no further action is necessary and the ship's store operation may be reopened for business. If fraud is discovered, the CO will follow the procedures found in the NAVSUP P-487.

SHIP'S STORE SANITATION

The senior member of the medical department publishes sanitation regulations, which are issued to all sales outlets and service activities. Store operators must post and enforce these instructions.

Your customers have a right to expect to shop in a clean store and to be served by a neat and well-groomed operator. Create a favorable impression and you will have a customer who is more easily satisfied. See NAVMED Publication 5010 for more on sanitation.

SUMMARY

In this chapter, you learned how to recognize the terms associated with accountability and responsibility of an SH. In addition, this chapter covered professional practices in operating a retail outlet, security of Group III spaces, and cash collection procedures. By following the procedures in this chapter, you should be able to perform effective ship's store operations and provide quality customer service that greatly enhances the crew's morale.

End of Chapter 4

Retail Outlets

Review Questions

- 4-1. Which of the following actions must occur before the commanding officer can authorize the operation of a barbershop?
- A. Relief of sales officer
 - B. Change of command
 - C. Establishment of a ship's store
 - D. Personnel manning study
- 4-2. Which of the following programs can be supported by ship's store profits?
- A. Flight
 - B. Recreation
 - C. Recruiting
 - D. Travel
- 4-3. Which of the following results is a desired outcome of a well-run ship's store?
- A. High sortie rate
 - B. High morale
 - C. Increased recreation equipment replacement cost
 - D. Increased supplier profit margin
- 4-4. What term describes the obligation to render an accounting of property imposed upon a naval officer by law?
- A. Accountability
 - B. Responsibility
 - C. Authority
 - D. Privilege
- 4-5. Which of the following officers is accountable for the efficient operation of the ship's store?
- A. Sales
 - B. Executive
 - C. Maintenance
 - D. Auditory
- 4-6. What officer is accountable for assigning all ship's store personnel in positions of responsibility?
- A. Supply
 - B. Commanding
 - C. Sales
 - D. Materiel

- 4-7. Ship's store operators are responsible to what officer for the proper operation of sales outlets?
- A. Ship's store
 - B. Inventory
 - C. Executive
 - D. Supply
- 4-8. What type of responsibility operation exists when one person is responsible for the sales outlet and another for the holding location that supplies it?
- A. Combined
 - B. Separate
 - C. Split
 - D. Individual
- 4-9. The Retail Operations Management system requires what type of responsibility procedures for operating a ship's store?
- A. Combined
 - B. Individual
 - C. Shared
 - D. Separate
- 4-10. Which of the following personnel is an authorized customer of ship's retail store?
- A. Foreign military officers on a ship tour
 - B. Civilian personnel on a ship tour
 - C. Military personnel on board for training
 - D. Civilian personnel providing hotel services
- 4-11. If the eligibility of a customer is in question, what action should store operators take before conducting a transaction?
- A. Sell the merchandise.
 - B. Sell the merchandise and then tell their supervisor.
 - C. Call the supervisor for approval.
 - D. Refuse to sell the merchandise and ask the customer to leave the store.
- 4-12. When, if ever, are insignia for military uniforms sold to the general public?
- A. Only in U.S. ports
 - B. Only in foreign ports
 - C. In both U.S. and foreign ports
 - D. Never

- 4-13. When underway, a ship's store should be open what minimum number of hours per week?
- A. 24
 - B. 30
 - C. 42
 - D. 56
- 4-14. Who determines the operating hours of a ship's store?
- A. Sales officer
 - B. Crew survey
 - C. S-3 division officer
 - D. Commanding officer
- 4-15. In what document should the ship's store hours be publicized?
- A. Weekly planner
 - B. Plan of the day
 - C. Ship's newspaper
 - D. Green sheet
- 4-16. Ship's store special sales outlets are set up to accommodate what activity?
- A. Holiday sales
 - B. Special Navy community events
 - C. Sales of hot selling products
 - D. Sales of excess government material
- 4-17. In what system are special sales outlet established?
- A. Inventory Processing
 - B. Material Merchandise Management
 - C. Retail Operations Management
 - D. Retail Merchandise Management
- 4-18. What event must occur in the Retail Operations Management system to conduct hangar bay sales?
- A. Establishment of a retail outlet
 - B. Login as the established retail store
 - C. Establishment of a vending machine outlet
 - D. Login as an electronic point of sale outlet
- 4-19. What device accepts payment at shipboard vending machines in the Navy Cash® system?
- A. Coin box
 - B. Automatic teller device
 - C. Dollar bill changer
 - D. Card accepting device

- 4-20. What type of sales outlet is a vending machine?
- A. Non-electronic point of sale
 - B. Electronic point of service
 - C. Automatic reporting device
 - D. Portable dispensing device
- 4-21. What percentage is the upper limit for the markup of canned drink vending machines?
- A. 15
 - B. 25
 - C. 35
 - D. 55
- 4-22. When are Navy Cash® sales normally forwarded to the Navy Cash server?
- A. Daily
 - B. Weekly
 - C. Monthly
 - D. Time of sale
- 4-23. When is cash normally collected from vending machines at sea?
- A. Daily
 - B. Weekly
 - C. Monthly
 - D. When full
- 4-24. What Navy Supply Systems Command form is used to document cash collections from vending machines?
- A. 469
 - B. 1149
 - C. 1349
 - D. 4790
- 4-25. Which of the following locations is considered a Group III space?
- A. Port quarter
 - B. Quarterdeck
 - C. Ship's laundry
 - D. Ship's retail store
- 4-26. Which of the following Navy Supply Systems Command publications provides guidance on the security of Group III spaces?
- A. 427
 - B. 454
 - C. 486
 - D. 487

- 4-27. Which of the following precautions will aid in keeping theft to a minimum?
- A. Greeting customers as they enter the store
 - B. Having all customers sign in a log book
 - C. Posting security personnel in the store
 - D. Frisking each customer as they leave the store
- 4-28. After evidence of a break-in is discovered, what first formal action should occur at the ship's store?
- A. Calling the Naval Criminal Investigative Service
 - B. Securing the space with a lock and car seal
 - C. Notifying the Navy Exchange Service Command
 - D. Securing the Retail Operations Management system
- 4-29. If there is evidence of a break-in at the ship's store, which of the following actions should the commanding officer take?
- A. Relieve the sales officer
 - B. Notify the Fleet Assistance Team
 - C. Direct an inventory
 - D. Request Naval Criminal Investigative Service assistance
- 4-30. What term describes the theft of ship's store funds or merchandise or manipulation of records by an accountable officer or responsible individual?
- A. Bribery
 - B. Fraud
 - C. Graft
 - D. Money laundering

RATE TRAINING MANUAL – USER UPDATE

CSS makes every effort to keep their manuals up-to-date and free of technical errors. We appreciate your help in this process. If you have an idea for improving this manual, or if you find an error, a typographical mistake, or an inaccuracy in CSS manuals, please write or e-mail us, using this form or a photocopy. Be sure to include the exact chapter number, topic, detailed description, and correction, if applicable. Your input will be brought to the attention of the Technical Review Committee. Thank you for your assistance.

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CHAPTER 5

NAVY CASH®

Ship's store operation utilizes two distinctly different types of funds, United States hard currency (cash) and electronic currency (Navy Cash® Financial System (Navy Cash)). Both forms of currency may be utilized in electronic point of sale (EPOS) and non-EPOS activities (vending machines and outlets not utilizing the EPOS registers). This chapter will discuss how to handle and report both forms of currency and the responsibility for being accountable, as a store operator and fund's manager, to the government for proper securing and reporting of these funds.

LEARNING OBJECTIVES

When you have completed this chapter, you will be able to do the following:

1. Identify the proper procedures associated with Navy Cash cards for purchases in the ship's store.
2. Identify the proper documentation associated with Navy Cash cards for purchases in the ship's store.
3. Identify the proper procedures associated with Navy Cash cards for vending machine purchases.
4. Identify the proper documentation associated with Navy Cash cards for vending machine purchases.
5. Identify the documentation of integrated and non-integrated Navy Cash ships.
6. Identify the procedures of integrated and non-integrated Navy Cash ships.
7. Identify the requirements for the end of the month differences.
8. Identify refund procedures.
9. Identify backup cash collection procedures.

NAVY CASH

The Navy Cash Financial System is a joint undertaking between the Department of the Navy (DON) and the United States (U.S.) Department of the Treasury, Bureau of the Fiscal Service. Navy Cash is a cash management application. The Navy Cash card, shown in *Figure 5-1*, combines chip technology and a magnetic strip to virtually eliminate the need for Sailors to carry cash. The chip-based electronic purse provides for a cashless environment within the lifelines of the ship. The magnetic strip on the back of the card provides for pre-paid debit access to the funds in Navy Cash accounts at more than 23 million MasterCard® acceptance locations and more than 2 million automated teller machines



Figure 5-1 — Navy Cash card.

(ATMs) in over 210 countries and territories worldwide. To support these transactions, Navy Cash also provides for electronic access to checking and savings accounts ashore.

Sailors continue to have their pay deposited in their bank and credit union accounts through the Navy's Direct Deposit System (DDS). On board ship, they can use Navy Cash kiosks to access these accounts electronically to transfer money, as needed, into their Navy Cash accounts. Navy Cash provides these electronic banking capabilities, without additional charge, to Sailors and Marines, 24 hours a day, 7 days a week through store-and-forward, off-line access to virtually all bank and credit union accounts ashore. Sailors who elect the split pay option can also have a portion of their pay sent directly to their Navy Cash accounts each payday.

On the ship, Sailors use the chip-based Navy Cash cards at point of sale (POS) terminals for all their purchases in the ship's store, post office, and other retail locations throughout the ship, including vending machines. This cashless environment not only improves service to customers but also reduces workload by automating payment transactions and minimizing the circulation of cash.

Off the ship, Sailors can use the magnetic strip on the back of their Navy Cash cards to make purchases from civilian merchants using the Navy Cash card directly. They can also obtain the cash they need during port visits from the ATMs that are available in the local area. Overseas, these local ATM transactions generally provide the best exchange rate for foreign currency.

The supply officer (SUPPO) provides command level guidance, usually in the form of supply department instructions, for Navy Cash. These instructions supplement the procedures contained in the Navy Supply Systems Command (NAVSUP) Publication 487 (P-487), Department of Defense (DoD) Financial Management Regulation (DoD 7000.14R), Volume 5, and NAVSUP P-727. The sales officer will ensure all personnel involved with Navy Cash procedures are personnel qualification standards (PQS) qualified. The sales officer may assign someone as a Navy Cash assistant.

Retail Sales

Retail stores sell both necessity types of items required for day-to-day living and semi-luxury type items, as shown in *Figure 5-2*. Space limitations will determine whether an over-the-counter or walk-in retail store will be operated. The total retail sales will be that amount recorded in Navy Cash. It is not necessary to post Navy Cash transactions daily into Retail Operations Management (ROM). Only the grand total amount of the Navy Cash transactions will be entered into ROM monthly or prior to printing the Cash Sales Invoice. In Navy Cash, a merchant is defined as any shipboard activity that supplies items or services to be purchased or makes refunds, such as vending machines, stores, or messes.

Electronic Point of Sale Outlets

A Navy Cash operator identification (ID) must first be established in the Navy Cash disbursing application for each ship's store operator. The disbursing officer then provides the operator ID information to the sales officer, and the sales officer ensures the information is entered into ROM. To be assigned an operator ID, you must be a Navy Cash cardholder.

Ship's store operators must log on to the POS device before beginning any transactions. *Figures 5-3 and 5-4* are representative of the screens displayed on POS devices, although the appearance may vary depending on the type of device. To log on use the following procedure:

1. Ensure POS is connected to the network, and start POS device.
2. Enter operator ID when prompted (*Figure 5-3*).



Figure 5-2 — EPOS retail store sale.

3. If any digits are entered incorrectly, touch “CLR” button to clear the Operator ID textbox, and re-enter the operator ID.
4. After four digits are entered, the Operator ID textbox turns green, and the “OK” button is enabled.
5. POS sends message to Navy Cash server to log operator on. “Please Wait...Logging Operator On” message is displayed.
6. If the server denies the logon, POS displays an error message for a few seconds before returning to the Enter Operator ID screen.
7. If Navy Cash server accepts the operator ID, the Normal Mode Welcome Screen (*Figure 5-4*) is displayed and you may start conducting the business of the day.

When ROM and Navy Cash are integrated, ROM and Navy Cash operator IDs must match for sales receipts to be reported properly. When configuring the POS device that will be attached to the ROM cash register, “Enforce User Logon” must be set to “Force Operator Logon.”

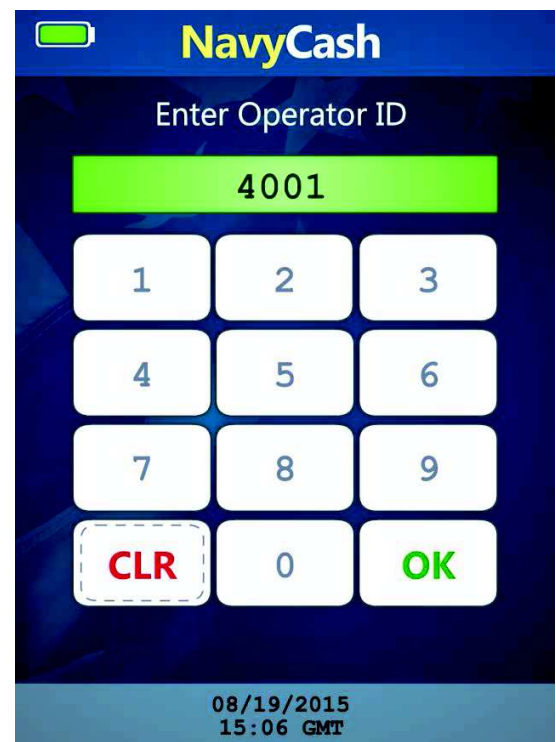


Figure 5-3 — Typical POS log-on screen.

However, when configuring some handheld POS devices that will be attached to the ROM cash registers, “Enforce User Logon” must be set to “Do Not Force Logon.”

Non-Electronic Point of Sale Vending

As a security feature, each Sailor’s Navy Cash card has a \$25.00 threshold for vending machine transactions. Once the value exceeds the \$25.00 personal identification number (PIN)-less transaction counter on the card, the card accepting device (CAD) will display the message “Insufficient Funds” to indicate that the customer is required to reenter his/her PIN at a Navy Cash kiosk or a POS device. The CAD is programmed to display the PIN-less balance on the card.

All Navy Cash sales receipts from vending machines (*Figure 5-5*) will be forwarded automatically to the Navy Cash server, generally at the time of sale. If network connectivity is lost for any reason, sales transactions are stored in the CAD and are forwarded automatically when network connectivity is restored. The CAD can store approximately 741 transactions, and the vending machine can continue to operate, at least until the CAD is full.

Other Non-Electronic Point of Sale Outlets

Snack bar, hangar bay, pier sales, concessionaire, and special orders may utilize a handheld POS device in the offline mode to capture sales.

NAVSUP P-487 lists procedures that will be followed when operating a pierside or other non-EPOS retail store. The sales officer or designated assistant will add a store number (94 series) to ROM in the sales office following the procedures prescribed in the ROM User’s Guide. All sales for cash and check will be recorded in the Cash Register Record NAVSUP Form 469 and be deposited with the disbursing officer per NAVSUP P-487. Navy Cash can also be used to accommodate these sales. When setting up a non-EPOS store, the sales officer can check out the appropriate number of battery-operated POS devices from the disbursing office. Each POS device must be set up as a merchant with one of the operator IDs previously assigned by the disbursing officer for generic sales. The POS device must be online with the Navy Cash server for an



Figure 5-4 — POS welcome screen.

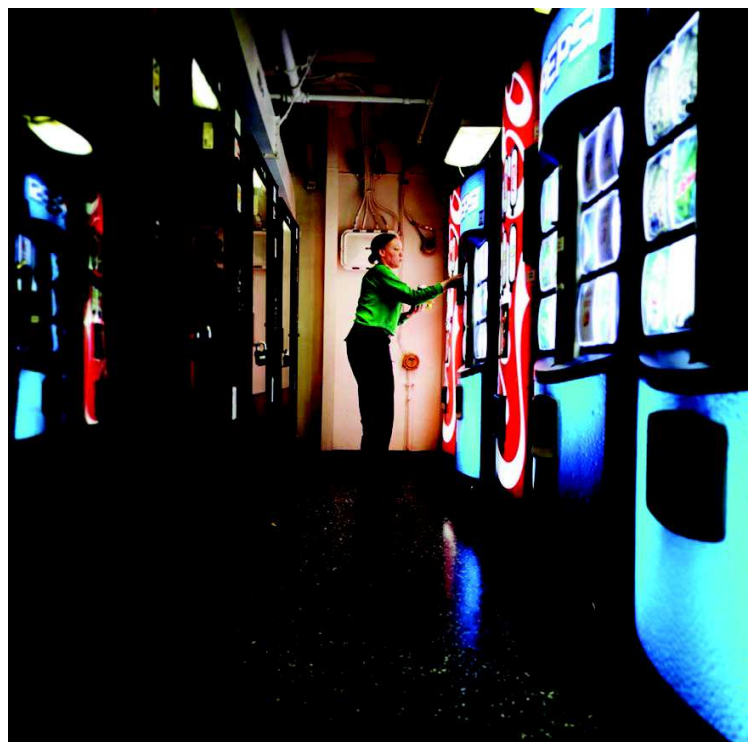


Figure 5-5 — Shipboard vending machines.

operator to log on. At the end of the day or at the end of the event, the sales officer will take each POS device and upload the sales information. When connected, the POS device will automatically upload sales information to the Navy Cash server.

Once all the POS devices are uploaded, the sales officer can view the Navy Cash sales by printing out the Merchant Sales Summary Report under the View Reports link in the Navy Cash application. When creating this report, the sales officer must ensure the time frame indicated is specific and inclusive for the applicable non-EPOS store event. In Navy Cash, all dates and times are recorded and reported in Greenwich Mean Time (GMT) (Coordinated Universal Time (UTC)).

To verify that the amounts reported by Navy Cash Merchant Sales Summary Report and the non-EPOS cash register or sales receipt book are correct, the totals will be reconciled. If both reports match, there is no discrepancy. If the reports do not match, an error has occurred that must be investigated and resolved. The sales officer can generate the more detailed Merchant Sales by Operator (MSO) Detail Report for the period in question under the same View Reports link in the Navy Cash application to research discrepancies and facilitate the investigation.

The sales officer or designated collection agent will enter the amounts collected in cash and checks and in Navy Cash into ROM per the ROM User's Guide.

Refunds

The sales officer or designated assistant must approve all refunds, whether for ship's store or vending. Refunds will be processed at the ship's store office using the following procedures:

1. The customer will take the merchandise to the ship's store office for turn-in.
2. The sales officer or designated assistant will enter the Navy Cash application and access the Individual Refunds link in the Funds Transfer Options window under the Funds Transfer link.
 - a. A "Chip Purchase Refund" allows a single purchase transaction to be selected for the refund and helps to ensure that a particular purchase is only refunded once. Multiple-item purchases are treated as a single total if all the items were purchased at the same time.
 - b. A "Miscellaneous Refund" can be used when the specific purchase may be difficult to identify, for example, a soda or snack vending item or a single item within a multiple item purchase.
3. The amount of the refund will be returned to the customer's Navy Cash card, and the amount will be deducted from the ship's store or vending merchant sales collections for that day.
4. The sales officer or designated assistant will take the merchandise to the ship's store for turn-in back to inventory. Procedures outlined in the NAVSUP P-487 will be followed when accepting merchandise back into the ship's store through the ROM register. For damaged sodas, the sales officer or designated assistant will dispose of the cans and survey the total in accordance with the NAVSUP P-487 for the appropriate vending machine.
5. The sales officer or designated assistant will log into the ROM EPOS register under the manager function. The manager will depress F8 under the refund screen and follow the procedures. Refer to the ROM User's Guide for detailed information.
6. Once the refund procedure is completed, the merchandise will be accepted back into the ship's store stock. The ship's store operator will give the manager a receipt printed from the register.
7. The sales officer will verify the total of the printed receipts with the totals of the refunds by sales activity on the Navy Cash Daily Refund Report. All totals will match. If the totals do not match, the sales officer will request assistance from the Treasury financial agent.

8. The receipts will be stapled to the Navy Cash Daily Refund Report and filed in the records keeper (RK) CO2/CO3/CO4 file.

Navy Cash End of Day

The Indicate End of Day (EOD) function ends the reporting period, starts automatic system backups, and begins a round-trip process that makes files to transmit to the ashore server. It also ends all business transactions for the day and begins recording subsequent transactions for the next business day. It generates daily activity shipboard reports and is considered completed when all associated shore server reports and files are received on board. The EOD function is automatically reported unless a circumstance requires a manually started report. The sales and disbursing officers will coordinate when to initiate EOD procedures. The EOD process can be completed more than once a day by manually selecting Indicate EOD in Navy Cash.

Closeout

The sales officer and disbursing officer will determine and agree when the ROM and Navy Cash systems will be closed out each day to complete the EOD process and reporting.

1. At EOD, the ship's store operator does an EOD cash count for disbursing to make adjustments for cash from the cash register.
2. The ship's store operator delivers count to the sales office where an EOD till is completed following the ROM User's Guide. Upon completion, an EOD report is generated from the sales office summarizing that day's sales activity at the cash register.

NOTE

Cash sales are the exception in most ship's store operations. The EOD process is automatically completed after initiation in the ROM and Navy Cash systems. When reconciling ROM and Navy Cash, the Navy Cash database is always assumed to be correct.

Non-Electronic Point of Sale Outlets

The sales officer or designated assistant may print out copies of the Vending Soda or Vending Store Items Daily Transaction Detail Reports from the shore reports folders to track daily sales. As briefly discussed, in ROM all Navy Cash sales receipts from vending machines will be automatically electronically forwarded to the Navy Cash server.

End of Day Reports

The sales officer or designated assistant must compare the ROM EOD report with the Navy Cash Merchant Sales Summary Report printed from the Navy Cash workstation in the sales office or disbursing office. The Merchant Sales Summary Report can be generated by entering the correct start and end dates in the View Reports link in the Navy Cash application. The more detailed Non-Vending Sales Report, MSO Summary Report, and MSO Detail Report can be generated in the same way.

All totals for electronic sales in the ship's store for Navy Cash and ROM must match. Any differences must be investigated. Once verification has been made, the sales total received from the register in Navy cash will automatically be entered and posted by the designated assistant into ROM. The designated assistant will print out the ROM Over/Short Report.

The sales officer or designated assistant is also responsible for comparing the Navy Cash Daily Transaction Detail Reports from shore with the ROM daily transaction reports to verify accuracy. Shore reports are generated automatically by the Navy Cash EOD process and sent to the ship when the EOD round trip is completed. When the shore reports are received, the Navy Cash system places them into a shore reports directory by date, with one sub-directory for each report date. The Shore Reports folder on the Navy Cash application desktop provides a short cut to the directory.

All reports must be signed by the sales officer and filed in the RK CO2/CO3/CO4 file.

Navy Cash End of Day Differences

If a difference occurs between the total receipts listed on the ROM report and the Merchant Sales Summary Report printed from the Navy Cash application, the sales officer will take the following steps:

1. Print out the ROM Daily Transaction Report.
2. Print out the ROM Over/Short Report.
3. Generate the more detailed MSO Detail Report for the period in question under the "View Reports" link in the Navy Cash application. Print out a copy of the report and compare it with the ROM Daily Transaction Report to research and resolve discrepancies. When creating this report, ensure the time frame indicated is specific and inclusive.

ROM Navy Cash Comparison Report is a function in the Navy Cash application that provides an automated tool to assist in investigating and resolving any differences between the ROM and Navy Cash daily transaction reports.

The sales officer or disbursing officer can request assistance from the customer service center if needed. If the difference is unresolved, a signed letter/report by the sales officer and disbursing officer will be filed in the RK, CO2/CO3/CO4 file.

Navy Cash End of Month

The End of the Month (EOM) process ends all business transactions for that month and begins recording subsequent transactions for the next business day. It is performed in a partnership between the sales and disbursing officers who will coordinate specific start and end dates when sales and Navy Cash activities will be closed out. The sales officer must close out all vending machines prior to EOM. Successful EOM returns generate the monthly shore reports. In order to make certain that the disbursing officer's Statement of Accountability Standard Form 1219 (SF 1219) is prepared and submitted on time at the end of each month, the Navy Cash EOM process must start early. The EOM should be performed by 2100Z on the 27th, or on the business day prior should this occurrence fall on a holiday or weekend. The sales office will generally begin EOM 5 days prior to the 27th of the month for vending machines and ship's store.

It is common practice, especially on larger ships, to specify different EOM closing dates for different vending machines. To assist in closing out each month, the Navy Cash application allows different EOM closing dates to be specified for each vending machine.

End of Month Closeout for Both Ship's Store and Vending

Vending Inventory

Ship's store personnel will follow the procedures outlined in the NAVSUP P-487 and the ROM User's Guide when determining units sold. Ship's store personnel will print the profitability report of the non-EPOS vending machines following the procedures outlined in the ROM User's Guide.

Closing Out the Navy Cash System

The sales and disbursing officers will coordinate to determine and set the ending date to process the totals of electronic sales for the month by activity using the Navy Cash application. The Navy Cash application enforces a specific sequence of steps for closing out each month or period. The monthly transaction reports from shore are generated automatically only after the disbursing officer completes the third and final phase of the EOM process.

Prior to doing an EOM closeout, the sales officer will log into the Navy Cash application and select the Vending and Ship's Store link. When the Merchants and Vending Machines menu tree is expanded, the screen displays all the vending and ship's store merchants, all the vending machines associated with each vending merchant, and the Terminal ID numbers for the CADs associated with each of the vending machines within the Navy Cash system.

Before discussing the close out process further, it is important to understand the CAD and the types of templates available to assist personnel in performing the EOM function. A brief description of CAD templates follows.

Ship's store personnel will use the CAD buttons to help with diagnostics on the device, and the CAD templates depict where the buttons are located on the CAD. Each CAD has three hidden "buttons" designed to access diagnostic information like CAD terminal ID number, current software version of the CAD, or numbers of transaction messages in the queue. The diagnostic menu can be accessed when the CAD is in an idle state with no card inserted while the welcome screen is displayed. Navigation of the CAD diagnostic menu is described in detail in NAVSUP P-727. The "no card" template is used to verify the terminal ID and current software version of the vending machine CAD devices. The "merchant card" template is used to activate the CAD EOM function.

Closeout of the Navy Cash system is a three-phase process consisting of the following phases:

1. Phase one. The sales officer is responsible for closing out all the vending machines for a particular merchant. Ship's store personnel will take the Navy Cash merchant card associated with the particular type of vending machine. There are separate Navy Cash merchants and separate merchant cards for vending soda and vending store items (e.g., snack or soap) and vending stamps (if applicable). To ensure that all transactions are included in the current month, ship's store personnel will verify the off-line queue in the CAD is empty. Ship's store personnel will use the "no card" side of the template to check the number of transactions and pending transactions (off-line). The off-line queue should be empty.

Ship's store personnel will insert the merchant card associated with the particular type of vending machine into the CAD to activate the EOM function. A message is displayed on the CAD that indicates that processing is taking place while the card is authenticated and checked against the negative card list.

2. Phase two. The sales officer must close out all the merchants, to include both vending merchants and ship's store(s). Closing out each merchant (parent) is accomplished at the sales office or disbursing office using the Navy Cash application. Step-by-step procedures are detailed in NAVSUP P-727.

NOTE

All merchants, including both vending and ship's store, must be closed out before the actual EOM can be performed.

- Phase three. The disbursing officer must perform the actual Navy Cash EOM, but can only do so after the first and second phases have been completed in order. The disbursing officer reconciles shore generated reports and initiates disbursing EOM closeout.

End of Month Reports

The Merchant Sales Summary Report (*Figure 5-6*) for the month provides total Navy Cash sales receipts and transaction counts for each merchant, including each vending machine merchant, e.g., vending soda and vending store item (snack, soda, etc.). This report provides the sales officer with the electronic totals of sales receipts for the month in the ship's store and non-EPOS vending machines to enter into ROM. This report will also be compared with the ROM EOM report.

Run Date/Time: 02/17/2015 12:39:18 GMT

Merchant Sales Summary Report
Location: 5718T

Report Parameters:
Start Date: 02/12/2015 21:35:15
End Date: 02/17/2015 12:39:12

Merchant Name	Merchant ID	Sales
WARDROOM MESS-	800000003675	3082.37
WARDROOM MESS-	800000003677	915.00
VENDING SODA	800000003691	240.00
NAVY DISBURSING	800000003693	-19922.57
POST OFFICE -STAMPS	800000003695	35.49
POST OFFICE -MONEY ORDERS	800000003697	4200.00
POST OFFICE -METERED MAIL	800000003699	2250.00
SHIP STORE #1	800000003701	36610.47
NAVY MWR	800000003705	2773.00
VENDING STORE ITEMS	VMCAND000000001	202.20
VENDING STORE ITEMS	VMCAND000000001	932.10

Sort Report By: Merchant Name

Start Date: 02/12/2015 21:35:15 End Date: 02/17/2015 12:39:12

Generate Print Save Exit

Figure 5-6 — Merchant Sales Summary Report.

The Merchant Sales Summary Report will be printed from a Navy Cash terminal in the disbursing office or the sales office. The disbursing officer will coordinate with the sales officer to determine when systems will be closed out to print EOM reports.

The ROM profitability report for each vending machine operation will be printed at the EOM, e.g., vending soda and vending store item (snack, soap, etc.).

When the disbursing officer initiates EOM phase three, the EOM indicators are sent to the sales officer for completion of the monthly cash sales memorandum.

End of the Month Differences

If there is a difference between the figures reported by the ship in the EOM spreadsheet and the figures reported by JP Morgan Chase (JPMC), the following steps will be taken to try and determine the cause of the discrepancies:

1. Ship's store personnel will verify that the monthly Navy Cash receipts were posted in ROM correctly for the ship's store and each type of vending machine. If the figures were posted incorrectly, ship's store personnel will modify the figures following the procedures outlined in the ROM User's Guide.
2. The sales officer or designated representative will print out the ROM Over/Short Report.
3. The sales or disbursing officer will generate the MSO Detail Report for the period in question under the view reports link in the Navy Cash application. When creating this report, ensure the time frame indicated is specific and inclusive. Print out a copy of the report and compare it with the ROM Daily Transaction Summary Report to research and resolve discrepancies. The sales or disbursing officer can also print out a copy of the Ship's Store Daily (or Monthly) Transaction Detail Reports from the shore reports folders and compare the totals with the ROM daily transaction reports per NAVSUP P-727.
4. Compare the ROM Over/Short Report with the Merchant Sales Summary Report for the month.
5. The sales officer or disbursing officer will work with JPMC to investigate and resolve any differences. If the difference is unresolved, a signed letter/report by the sales officer and disbursing officer will be filed in the RK, CO2/CO3/CO4 file.

Planned Maintenance System

Preventive maintenance for the Navy Cash Financial System is covered under the planned maintenance system (PMS). Information for Navy Cash PMS 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.

BACKUP PROCEDURES

The following paragraphs will provide an overview of the backup cash procedures that can be used in the event the Navy Cash system fails.

Cash

The sales officer is responsible for collecting cash from ship's store sales and depositing it with the disbursing officer. The SUPPO provides guidance, usually in supply department instructions, for collecting cash. These instructions supplement the procedures contained in the NAVSUP P-487 and DoD 7000.14R, Volume 5. The sales officer ensures personnel involved in cash collection understand the instructions on cash collection and sign the supply department organizational copy.

The sales officer may designate someone to be a cash collection agent. An example of the formal designation letter is shown in the DoD 7000.14R, Volume 5. The cash collection agent is responsible to the ship's store officer for all cash collected. Members assigned to the retail store or vending machine may not be cash collection agents. Although not recommended, the ship's store RK may be

designated as the cash collection agent when sufficient personnel are not available. Disbursing personnel may not be designated as cash collection agents, even though they may make cash collections from ship's store operations.

Cash Register Tapes (Electronic and Paper)

In today's retail operations, you may work with different types of cash registers. All cash from transactions in sales outlets will be processed through a cash register. Cash registers provide an itemized receipt of items purchased, which can be provided to the customer at time of sale. Access to cash registers will be limited to the assigned cash register operator. The EPOS cash registers used in ship's stores generate an electronic record that stores the sales history for the day, along with the paper receipt given to the customer. Non-EPOS cash registers are for hangar bay sales, pier sales, and so forth, which generate two paper tapes—one is a receipt for the customers and the other is the sales history for that register.

As the cash collection agent, you will replace paper cash register tapes in non-EPOS stores when it runs out. When you remove the old detail tape, sign, date, and give it to the Sales Officer for filing. These tapes are held and filed later with the retained returns.

Cash Register Keys

The ship's store operator will maintain control of the cash register key. The duplicate key will be kept in a sealed envelope in the sales officers' safe.

Cash Collection Agent Safe

Until cash received from sales can be deposited with the disbursing officer, all collections will be kept in a safe that meets the requirements set forth in the DoD 7400.14R, Volume 5, Chapter 3. If there is more than one cash collection agent, each agent will have a separate safe.

Your name, address, and telephone number must be placed on the outside door of the safe.

Only the cash collection agent will have the combination to the safe. Placing the combination in a sealed envelope to be kept in the custody of the sales officer or any other person is prohibited. At a minimum, the combination to the safe will be changed once every 6 months and or upon relief of the cash collection agent. You may change the combination on a more frequent basis if desired.

When physically incapacitated and unable to open the safe, the cash collection agent, upon order of the commanding officer (CO), may give the combination to a designated board of officers. In the event of death, unauthorized absence, or mental incapacity as determined by competent medical authority of the cash collection agent or when it is necessary to relieve the cash collection agent for any cause, including arrest or suspension, the CO will follow procedures outlined in NAVSUP P-487, Chapter 1.

Change Funds

Change fund distribution is typically a transaction between the retail operator and the disbursing officer. On ships operating multiple sales outlets, the disbursing officer may entrust change funds to the custody of the sales officer or cash collection agent (CCA) with the written approval of the CO. The amount advanced will be the minimum considered necessary to provide a change fund for the sales outlets during periods of operation. The disbursing officer will have the sales officer or CCA sign a Statement of Agent Officer's Account, Department of Defense Form 1081(DD Form 1081) for the amount advanced. Monthly, an officer other than the sales officer, designated by the CO, will audit this change fund. The verifying officer will send a report of the change fund audit to the CO with a copy to the sales officer and the disbursing officer. The sales officer will file the audit reports in the

Correspondence File 3 (WF 3). When the disbursing officer, sales officer, or CCA is replaced; the operation of the sales outlet is discontinued; or change fund is not required, the change fund will be returned to the disbursing officer, at which time the DD Form 1081 will be destroyed. When advancing funds to the sales outlet operators, the sales officer or CCA will use the procedures prescribed in NAVSUP P-487, Chapter 2.

Retail Store Change Fund

When the change fund is provided to the CCA, it is his or her responsibility to provide the retail store with the correct amount at the correct time. At the beginning of each accounting period or when the sales outlet is reopened after being closed for more than 72 hours, the disbursing officer will entrust official funds to the custody of the sales outlet operator as a change fund. The fund will be the minimum amount necessary as prescribed by the CO. An instruction on the change fund, including the amount of the fund as approved by the CO, will be created and included in the supply department instructions. This instruction should also cover special occasions, such as paydays, when a larger change fund is temporarily required. Usually the change fund should not exceed \$50.00 for each cash register in use. The disbursing officer will have the sales outlet operator sign a DD Form 1081 for the amount of the change fund issued. The change fund advanced will not be registered in the cash register but will remain in excess of cash received from sales. At the close of the business day, the sales outlet operator will return the change fund to the disbursing officer, at which time the DD Form 1081 will be destroyed. Change funds advanced by the disbursing officer may remain in the cash register overnight when the day's sales have not produced sufficient cash for change for the following business day. Normally, after cash is collected at the end of the business day, an amount of change less than \$50.00 may be left in the cash register. When authorized by the type commander (TYCOM), cash not to exceed \$100.00 may be left in the register overnight, except when more than one shift is operated.

Vending Machine Change Funds

Vending machine operators provide a small change fund to each machine. Normally, the change fund for a vending machine is \$5.00. Although the money is placed in the coin mechanism, the vending machine operator should provide you with a DD Form 1081 for the amount of the change fund. A separate DD Form 1081 is required for each vending machine. At the time of the next collection, the change fund is returned and the DD Form 1081 destroyed. A new change fund from cash sales received is left in the coin mechanism. To make collections easier, you should leave the same amount in each machine.

Change Fund Shortages

In the event of a deficit in the change fund advanced to a sales outlet operator, the sales officer or CCA will take the amount of the deficit out of proceeds from sales before returning the change fund to the disbursing officer. The disbursing officer's accountability will not be affected as per DoD 7000.14R, Volume 5. To indicate the dollar amount reimbursed to the change fund, an entry will be made in the applicable NAVSUP Form 469 noting the difference.

Upon written authorization from the CO, the custodian of the money may voluntarily commit personal funds to liquidate the deficit.

If the change fund shortage is less than \$250.00 and is immediately liquidated, it can be handled as described above without an official report to the Navy Exchange Service Command (NEXCOM). If theft, fraud, or any other dishonest act is committed or the loss exceeds \$250.00, an incident report must be made as per the NAVSUP P-487.

Cash Collection Procedures

Cash collection procedures vary depending on whether the operation being collected is an EPOS outlet, non-EPOS outlet with register, or vending machine. With the exception of vending machines, all cash received from sales must be collected at the end of each business day. Vending machines are collected when sales exceed \$100.00 a day, or at least twice a week, as directed by the sales officer. All cash must be collected when an inventory is performed in order to closeout and balance the records.

EPOS Outlets

The cash collection agent and ship's store operator will count the cash in the register and record the amount on NAVSUP Form 469. The cash collection agent and retail operator sign in the appropriate signature blocks. The retail store operator will navigate to the Sales Register-Session Summary page and select Close Register at the POS register per the ROM User's Guide. The operator will then select Open Drawer (*Figure 5-7*) and remove and count any money before turning it over to the designated CCA.

The screenshot displays the 'Sales Register' interface. At the top, it shows 'Store 9501' and 'Register 950102'. A left-hand menu contains buttons for 'Price Check', 'Reprint Receipt', 'Print Labels', 'Issue Refund', 'Open Register', and 'Close Register'. The main area displays the message 'Register session for lcpo_bain has been closed.' followed by session details: 'Session Start: 19 Sept 2015 15:19' and 'Session End: 19 Sept 2015 15:48'. Below this, sales statistics are shown: 'Total Transactions: 2' and 'Total Items Sold: 6'. Collection amounts are listed as 'Total NavyCash Collected: \$1.25' and 'Total Cash Collected: \$5.00'. A note instructs to 'Turn over any cash to your Cash Collection Agent.' and an 'Open Drawer' button is at the bottom.

Sales Register	
Store 9501	Register 950102
Price Check	Register session for lcpo_bain has been closed.
Reprint Receipt	
Print Labels	
Issue Refund	
Open Register	
Close Register	
Session	
Session Start: 19 Sept 2015 15:19 Session End: 19 Sept 2015 15:48	
Sales	
Total Transactions: 2 Total Items Sold: 6	
Collections	
Total NavyCash Collected: \$1.25 Total Cash Collected: \$5.00	
Turn over any cash to your Cash Collection Agent.	
Open Drawer	

Figure 5-7 — Sales Register-Session Summary (open drawer).

The CCA will enter ROM as a Register Session Manager and select View Session Details to enter funds collected per the ROM User's Guide. The amount will match the figure recorded on the NAVSUP Form 469. ROM will determine the shortage or overage based on the information and the collected amount. The sales officer will investigate all overages and shortages of \$5.00 or more between system readings and cash collected and take corrective action as appropriate. Overages and shortages of \$5.00 or more indicated on the NAVSUP Form 469 will be investigated and initialed by the sales officer as they occur.

Non-EPOS Outlets

Cash from non-EPOS outlets in which cash registers are used will be normally be collected at the close of each business day or shift, except as specifically authorized by the TYCOM. Cash registers will be rung out and meter readings recorded at the end of each business day or shift. The difference

between the current day's meter reading and the previous day's meter reading minus the cash left in the register for change should equal the cash collected. The sales officer will investigate any difference of \$5.00 or greater. Refunds and over-rings should be included in the formula when necessary. Amount collected will be recorded in the NAVSUP Form 469. When more than one shift is in operation, all cash from sales will be collected at the end of each shift.

Vending Machine Cash Collection

For non-EPOS outlets, such as vending and phone card machines, cash collection procedures vary depending whether you are at sea or in port.

- In port—cash will be collected Monday through Friday and before making any repairs to the coin mechanism or machine. If sales do not exceed \$100.00 daily, it is not necessary to collect proceeds daily. In this case, you should collect them as directed by the sales officer, but at least twice a week. The supply officer will determine if the volume of business requires collection on the weekends
- At sea—cash will be collected daily and before making any repairs to the coin mechanism or machine. If sales do not exceed \$100.00 daily, it is not necessary to collect proceeds daily. They will be collected no less than twice a week

The person making the collections from the vending machines will keep a separate NAVSUP Form 469. When more than one machine is operated, the cash collected from each machine will be recorded on a separate page of the NAVSUP Form 469.

Methods of Collecting Cash

As the CCA on a ship with several activities, it may be impractical to go to each sales outlet at the close of each business day to make collections. Some sales outlets are operated in shifts, open after normal working hours, or open on weekends. These situations make it difficult for CCAs to complete their collections. To increase efficiency:

- Have the sales outlet operator deliver the cash
- Use lockable moneybags for sales outlets
- Use locked moneyboxes for vending machines

Delivery by the Sales Outlet Operator

When conditions make it impractical for the sales officer or CCA to collect cash, sales outlet operators will deliver cash from sales to the sales officer, CCA, disbursing officer, or agent cashier at the end of the business day. The sales outlet operator uses moneybags to deliver the cash.

Moneybags

Have the operators use numbered moneybags to bring cash and change funds from their registers to you, if impractical to collect cash after working hours or on weekends. At the time of issue, log a moneybag to each operator on a locally developed log. The log should have the date, time, moneybag number, and signature of the person issuing and receiving the moneybag. The duty supply officer or another commissioned officer will keep the moneybag log in his or her possession during the duty.

After closing the retail store, the operator will place the cash received from sales and the change fund in the moneybag. Moneybags will be locked and turned over to the supply department duty officer or another commissioned duty officer to be placed in a safe for safekeeping. The duty officer will sign for receipt of the moneybag in the moneybag log. The duty officer need not count the cash in the

moneybag. Each subsequent transfer of the locked moneybag will be recorded in the moneybag log. Before the start of the next business day, the sales officer will determine if there was an overage or shortage of funds collected. The retail store operator will open the locked moneybag and the cash will be counted and collected by the sales officer or CCA.

Local instructions must be established to ensure that the chain of custody of moneybags can be quickly and easily be determined at all times.

Vending Machine Locked Moneyboxes

When locked moneyboxes are installed in vending machines, the boxes will be numbered on the outside and issued to the vending machine operator by the person responsible for making collections. The coin box installed in vending machines may be the self-locking type, a key, or keyless combination lock.

Self-locking moneyboxes, installed in vending machines, usually have two sets of keys. One set locks the box into the machine and the other locks the moneybox. The vending operator holds the key locking the moneybox into the machine. The person making the collection holds the key opening the box.

Using Self-Locking Money Coin Boxes

Combination or key-type locks are not required to secure a self-locking coin box. The cash collection agent issues coin boxes to vending machine operators. Before coin boxes are issued, the boxes are numbered on the outside for easy identification and the lock opening is sealed with a numbered car seal. The car seal numbers are recorded in the unused column of NAVSUP Form 469.

When conditions make it impractical for the sales officer or CCA to collect the cash, the vending machine operators will record meter readings, remove locked moneyboxes, and replace them with another locked moneybox.

The vending machine operator will deliver the locked moneyboxes with the meter readings to the sales officer or CCA, disbursing officer, or agent cashier. The cash will be counted in the presence of the vending machine operator and the sales officer or CCA. The person making the collection will ensure that the vending machine collection agrees with the meter reading for each individual machine. The sales officer will ensure the CCA or person designated to make collections personally reads each meter at least twice a week.

Accounting for Cash Collected

Cash collected from the sales outlets must be accurately recorded for accounting purposes. NAVSUP Form 469 or Cash Register Record sheets provided in the ROM Document Library are used for this purpose.

Cash Register Record NAVSUP FORM 469

A separate page in the NAVSUP Form 469 will be used to record cash collected from each sales outlet. The NAVSUP Form 469 will be retained in the custody of the person making the collections. Cash collected from sales will be recorded each business day in the NAVSUP Form 469. The sales officer will compare amounts entered in NAVSUP 469 and Cash Receipt Book Form 470 (NAVSUP Form 470) with what is on the ROM C02/C03/C04 report at least twice weekly. The sales officer will investigate shortages and overages in excess of \$5.00. It is not necessary to start a new Cash Register Record because of a change of CCAs, sales officer, or disbursing officer.

Closeout of the NAVSUP Form 469

At the end of each month, the NAVSUP Form 469 is closed out. The total cash collected during the month must equal the total figure reported on the NAVSUP Form 469 and in ROM for the month. The sales officer and cash collection agent will do a monthly review of the NAVSUP Form 469 at the time of closeout. Closeout varies slightly for non-EPOS and EPOS outlets.

Non-Electronic Point of Sale Closeout

At the end of each month, the NAVSUP Form 469 will be closed out as follows and all totals entered on the last line of the page. For non-EPOS closeout, refer to *Figure 5-8*. Read in columns from left to right:

- Date—calendar date
- Cover lift number—not used
- Number of customers—not used
- Number of sales—not used
- Register reading—take the ending register reading, subtract the beginning register reading, and enter the difference
- Actual cash in register—add all entries in the column and enter the total
- Over—add all entries in the column and enter the total
- Under—add all entries in the column and enter the total
- Cash left in register for change—add all entries in the column and enter the total
- Amount in figures—add all entries in the column and enter the total
- Amount in words—write out, in words, the amount in figures from the previous column
- Signature—outlet operator and receiving officer or CCA signatures are required on last line
- The ending register reading minus the beginning register reading plus the total of the over column minus the total of the under column must equal the total amount in figures of cash collected
- The total of actual cash in register minus total cash left in register for change must equal the total in figures of cash collected

CASH REGISTER RECORD FOR MONTH OF <u>January</u> 20 <u>15</u>										RECORD OF ACTUAL CASH TURNED BY COMMISSARY STORE CASHIER OR SHIP'S STORE STOREKEEPER <u>January</u> 20 <u>15</u>				
MACHINE 9701 U.S.S. <u>Classroom CVN-90</u>														
DATE	COVER LIFT NUMBERS	NUMBER OF CUSTOMERS	NUMBER OF SALES	REGISTER READING	ACTUAL CASH IN REGISTER	OVER	UNDER	CASH LEFT IN REGISTER FOR CHANGE		AMOUNT IN PICTURES	AMOUNT IN WORDS Dollars Costs		SIGNATURE OF CASHIER OR STOREKEEPER	SIGNATURE OR RECEIVING OFFICER
1			Brought Fwd	7316 50									P.T. Boat	R.U. We
1			Holiday No Collection										P.T. Boat	R.U. We
2				7368 50	54 00	2 00				54 00	Five Four	Zero Zero	P.T. Boat	R.U. We
3				7412 00	43 00			55		43 00	Four Three	Zero Zero	P.T. Boat	R.U. We
4				7567 75	155 75					155 75	One Five Five	Seven Five	P.T. Boat	R.U. We
5-6			Weekend - No Collection										P.T. Boat	R.U. We
7				7601 05	33 30					33 30	Three Three	Three Zero	P.T. Boat	R.U. We
8				7750 50	150 00			55		150 00	One Five Zero	Zero Zero	P.T. Boat	R.U. We
9				7806 75	56 50			25		56 50	Five Six	Five Zero	P.T. Boat	R.U. We
10				7885 10	78 35					78 35	Seven Eight	Three Five	P.T. Boat	R.U. We
11				7936 75	71 65					71 65	Seven One	Six Five	P.T. Boat	R.U. We
12-13			Weekend - No Collection										P.T. Boat	R.U. We
14				8075 60	118 80			05		118 80	One One Eight	Eight Zero	P.T. Boat	R.U. We
15				8125 95	50 50			15		50 50	Five Zero	Five Zero	P.T. Boat	R.U. We
16-31			Machine is OOC								Awaiting New Compressor		P.T. Boat	R.U. We
LAST ENTRY										LAST ENTRY				
			End R/R	8125 95							Actual Cash Collected			811.85
			Beg R/R	7316 50							Cash Left for change			0.00
			Over	2 95										811.85
			Short	55										
				811 85										
811 85										811 85		2 95		55
MACHINE 9701										MACHINE 9701				

Figure 5-8 — Non-EPOS NAVSUP 469 closeout.

Electronic Point of Sale Closeout

At the end of each month, the NAVSUP Form 469 will be closed out as follows and all totals entered on the last line of the page. For EPOS closeout, refer to *Figure 5-9*. Read in columns from left to right:

- Actual cash in register—add all entries in this column and enter the total
- Amount in figures—add all entries in this column and enter the total
- Amount in words—write out, in words, the amount in figures from the previous column
- Signature—outlet operator and CCA signatures are required on last line

separate NAVSUP Form 470. Deposits will be made directly to the disbursing officer, deputy, or agent cashier, whose signature will be obtained in the NAVSUP Form 470. The NAVSUP Form 470 will be retained in the custody of the person making the deposits. When the sales officer is the person making the collections and also the disbursing officer, it is not necessary to keep a separate NAVSUP Form 470. During the accounting period, amounts deposited will not necessarily equal receipts from each day's sales because some cash will be retained as a change fund. However, total deposits made during the month must equal the total receipts from sales for the month. The sales officer will verify that all cash from sales, including change funds, is collected at the end of the month. The sales officer will verify that the total amount of cash collected and turned over to the disbursing officer equals the amount entered in ROM.

Review by the Ship's Sales Officer

The sales officer will review all entries and check amounts deposited with the disbursing officer. All entries in the NAVSUP Forms 469 and 470 will be initialed indicating they have been verified. Additionally, the sales officer will verify cash collections are being correctly entered into ROM. At any time, the entries may be verified by generating a Memorandum Cash Sales Invoice Deposit of Cash with the disbursing officer (DD Form 1149).

Deposit Memorandum Cash Sales Invoice

A Deposit Memorandum Cash Sales Invoice is prepared to substantiate cash receipts from sales at the following times; the end of the month, upon relief of the sales or disbursing officer, or when cash is deposited with a different disbursing officer.

Any time a Deposit Memorandum Cash Sales Invoice is prepared, the sales officer will verify the figures match those on NAVSUP Forms 469 and 470 and the figures entered in ROM.

The Deposit Memorandum Cash Sales Invoice is normally prepared by the ship's store RK for signing by the sales officer and disbursing officer. ROM automatically totals cash collections and prints the DD Form 1149 when required.

An example of a Deposit Memorandum Cash Sales Invoice is shown in *Figure 5-10*. The amount of cash from retail sales includes cash collected for the month from retail stores and vending machines other than drink vending machines, such as those containing candy and cookies. Cash collected from drink vending machine sales is the actual cash collected from drink vending machine sales. Cash from hangar bay sales is the total cash collected from hangar bay sales. Contributions and service charges include the total amount of funds received from contributions to ship's store profits.

REQUISITION AND INVOICE/SHIPPING DOCUMENT				Page 1 of 1		5. REQUISITION DATE		6. REQUISITION NUMBER	
1. FROM S. L. DORMAN, ENS, SC, USNR USS RONALD REAGAN CVN-76				7. DATE MATERIAL REQUIRED				8. PRIORITY	
2. TO DISBURSING OFFICER USS RONALD REAGAN CVN-76				9. AUTHORITY OR PURPOSE NAVSUP PUB 487					
3. SHIP TO				10. SIGNATURE S. L. DORMAN, ENS, SC, USNR				11. VOUCHER #/DATE V22178-0159-7554	
				12. DATE SHIPPED				14. BILL OF LADING	
				13. MODE OF SHIPMENT				14. BILL OF LADING	
				15. AIR MOVEMENT DESIGNATOR					
4. Appropriation Symbol and Subhead		Object Class	Bureau Control No.	Sub Allot	Authorization Acct'g Act'Y	Trans Type	Property Acct'g Act'Y	Cost Code	Amount
97X4930.NC1A		007	41118	0	060951	3C	100721	0V2063298074	\$305.04
17RB723.2301				0		3C		0V2063275400	\$337.00

ITEM NO.	FEDERAL STOCK NO. DESC. AND CODING OF MATERIAL AND/OR SERVICE	UNIT OF ISS.	QUANTITY REQ.	SUPPLY ACTION	TYPE CON-TAINER	CON-TAINER	UNIT PRICE	TOTAL COST
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)

CASH DEPOSITED WITH THE DISBURSING OFFICER ON 6/7/2015

CASH FROM SALES (97X4930)	\$0.00
CASH FROM SOFT DRINK VENDING MACHINES (97X4930)	\$0.00
CASH FROM HANGAR BAY SALES (97X4930)	\$305.04
CASH COLLECTED FROM PHONE CARD MACHINES (178723)	\$337.00
OTHER CONTRIBUTIONS AND SERVICE CHARGES (178723)	\$0.00

I CERTIFY THAT I HAVE RECEIVED FROM S. L. DORMAN, ENS, SC, USNR CASH IN THE AMO \$642.04 REPRESENTING CASH COLLECTED FROM RETAIL SALES \$0.00, CASH COLLECTED FROM SOFT DRINK, VENDING MACHINES \$0.00, CASH COLLECTED FROM HANGAR BAY SALES \$305.04, PHONE CARD MACHINES \$397.00, REB. CHECKS FROM EXCHANGE CAT. SALES (NONE), OTHER CONTRIB. & SERVICE CHARGES \$0.00, FOR THE PERIOD 6/1/2015 6/7/2015 WHICH AMOUNT HAS BEEN INCLUDED IN MY STATEMENT OF ACCOUNTABILITY FOR THE PERIOD ENDING 6/7/2015

TOTAL \$642.04

16. TRANSPORTATION VI					17. SPECIAL HANDLING						
18.	ISSUED BY	TOTAL CONTAINER	TYPE CONTAINER	DESCRIPTION	TOTAL WEIGHT	TOTAL CURRENT	19. RECEIPT	Containers Received Except As Noted	DATE	BY	Sheet Total
	CHECKED BY			C. F. GONZALEZ, ENS, SC, US SYMBOL NO. 8356 6/6/15				Quantities Received Except As Noted	DATE	BY	Sheet Total
	PACKED BY							Posted	DATE	BY	Sheet Total

DD FORM 1149

Figure 5-10 — Deposit Memorandum Cash Sales Invoice.

Common Cash Collection Errors

Most errors made in cash collection are because of improper cash collection procedures. Since the cash and receipts should always balance, there is no room for error in cash collections.

A review of audits conducted by the Navy Audit Service has found that CCAs did not always accurately collect and record cash collections. The following errors are common place in cash collections:

- Cash was not collected at the end of each business day, except when authorized by the NAVSUP P-487
- Cash, including the change fund, was not collected from the retail store before being closed for a period greater than 72 hours
- Entries on NAVSUP Form 469 and NAVSUP Form 470 were not cross-checked against Deposit Memorandum Cash Sales Invoices, EPOS Cash Over/Short Detailed Reports, and the Cash Over/Short Summary Report
- Cash collections from the sales outlets were not properly safeguarded
- Over-ring/refund vouchers were not recorded accurately in NAVSUP Form 469
- Daily collections were not properly deposited with the disbursing officer
- Register readings/ROM were not being taken
- Sales outlet operators were not present during collection and counting of monies
- Cash from group sales was directly collected by the CCA and not processed through the cash register as required
- Change funds were issued without receiving a receipt
- Shortages or overages in excess of \$5.00 noted in the NAVSUP Form 469 were not initialed by the ship's store officer
- Ship's store officers did not review the cashbooks twice weekly
- Refund policy was not adhered to
- Cash collection figures entered in the ROM were not compared with the total cash collected as reported on NAVSUP Form 469

SUMMARY

You have learned to recognize the procedures for collecting funds from EPOS and non-EPOS outlets using Navy Cash as well as cash handling procedures to use a backup method. You should understand the procedures associated with integrated and non-integrated Navy Cash on board a ship. Also discussed was the use of the CAD dealing with retail and the methods for reconciling activities on a daily and monthly basis.

End of Chapter 5

Navy Cash

Review Questions

- 5-1. What cash management system used by the Navy virtually eliminates Sailors having to carry cash?
- A. Automatic teller machines
 - B. Visa®
 - C. Navy Cash®
 - D. Bitcoin
- 5-2. Where is the chip-based electronic purse used?
- A. On ships
 - B. At automatic teller machines
 - C. Off base
 - D. In banks
- 5-3. Which of the following is NOT way to have funds deposited to the Navy Cash® card?
- A. Split pay option
 - B. Western Union®
 - C. Navy Cash kiosks
 - D. By phone
- 5-4. Which of the following Navy Supply Systems Command publications discusses proper documentation of Navy Cash® sales in ship's store?
- A. 200
 - B. 478
 - C. 727
 - D. 4790
- 5-5. What type of report closes out daily Navy Cash® transactions?
- A. End of Month
 - B. Sales Closeout
 - C. Daily Transaction
 - D. End of Day
- 5-6. When is the End of Day process complete?
- A. 0001 Greenwich Mean Time
 - B. 2359 Greenwich Mean Time
 - C. When the shore reports are received
 - D. When the ship's store closes each day

- 5-7. What device is used to capture sales in vending machines?
- A. Card accepting device
 - B. Barcode scanner
 - C. Proximity detector
 - D. Chip scanner
- 5-8. What maximum amount, in dollars, does the Navy Cash® card allow when conducting transactions without a personal identification number at a vending machine?
- A. 10
 - B. 25
 - C. 50
 - D. 75
- 5-9. How many transactions can a Navy Cash® card accepting device store when off-line?
- A. 100
 - B. 252
 - C. 523
 - D. 741
- 5-10. Where in the Navy Cash® system can the terminal identification number be found for a vending machine's card accepting device?
- A. Inventory Location page
 - B. Terminal Identification screen
 - C. Card Accepting Device page
 - D. Merchants and Vending Machine screen
- 5-11. Which of the following items must be closed out before the disbursing officer can perform End of Month closeouts?
- A. Consumable parts accounts
 - B. Repairables locker
 - C. Ship's store(s) and vending machines
 - D. Individual customer accounts
- 5-12. When must vending machine be closed out for End of Month reports?
- A. Before time 2100Z on the 27th
 - B. Before time 2259Z on the 27th
 - C. Before 2359 on the last day of the month
 - D. Before 0001 on the first day of the next month

- 5-13. Who counts the cash from a sales outlet register and enters the amount into the Retail Operations Management system?
- A. Sales officer
 - B. Cash collection agent
 - C. Store operator
 - D. Disbursing officer
- 5-14. How is currency in moneybags from sales outlet registers documented by the supply duty officer?
- A. Moneybag log
 - B. Department duty log
 - C. Officer of the deck's log
 - D. Car seal log
- 5-15. What Navy Supply Systems Command form is used to document the amount of cash removed from a cash register at the end of the business day?
- A. 200
 - B. 469
 - C. 727
 - D. 1099
- 5-16. An investigation by the sales officer is required when what minimum overage or shortage amount, in dollars, is documented on a Navy Supply Systems Command Form 469?
- A. \$2.00
 - B. \$5.00
 - C. \$100.00
 - D. \$200.00
- 5-17. When ships are in port, Monday through Friday, at what interval is cash required to be collected from vending machines if daily sales are over \$100.00?
- A. Daily
 - B. Twice per week
 - C. Weekly
 - D. Bi-weekly
- 5-18. When using a self-locking moneybox, who delivers the moneybox to the sales officer for counting?
- A. Agent cashier
 - B. Vending machine maintenance person
 - C. Vending machine operator
 - D. Disbursing officer

- 5-19. Which two sets of End of Month (EOM) figures are compared to calculate EOM differences?
- A. Ship's spreadsheet and JP Morgan Chase
 - B. Sales office and disbursing office
 - C. Ship's spreadsheet and cash collection agent
 - D. Supply officers and sales officer
- 5-20. The first step in determining the cause of an End of Month (EOM) difference is to _____.
- A. call the Navy Cash® customer service.
 - B. verify cash register record sheets were completed properly.
 - C. verify Navy Cash® entries in the Retail Operations Management system.
 - D. start EOM process over.
- 5-21. What action by the sales and disbursing officers is required if an End of Month (EOM) difference remains unresolved after an investigation?
- A. A letter signed by the commanding officer is sent to Navy Exchange Service Command
 - B. The disbursing officer is relieved for cause
 - C. The sales officer is relieved for cause
 - D. A jointly signed letter and EOM report is filed in the records keeper files
- 5-22. What officer must approve all ship's store or vending machine refunds?
- A. Supply
 - B. Disbursing
 - C. Sales
 - D. Collections
- 5-23. Which type of refund is useful when a customer is returning a single item?
- A. Miscellaneous
 - B. Chip purchase
 - C. Instant
 - D. Selective
- 5-24. After refunding damaged food items and disposing of them, what action will the sales officer take next?
- A. Notify disbursing
 - B. Inventory
 - C. Verify stock
 - D. Survey
- 5-25. Which of the following personnel may be assigned by the sales officer to receive ship's store's cash at the end of the business day?
- A. Cash collection agent
 - B. Disbursing clerk
 - C. Treasury agent
 - D. Security officer

5-26. What amount of cash do ship's stores normally maintain in a change fund?

- A. \$25.00
- B. \$50.00
- C. \$75.00
- D. \$150.00

5-27. Which of the following personnel maintain possession of the moneybag log during the duty day?

- A. Duty security
- B. Supply officer
- C. Officer of the deck
- D. Duty supply

RATE TRAINING MANUAL – USER UPDATE

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CHAPTER 6

APPROPRIATIONS AND FUNDS

Each year the Navy must have billions of dollars to carry out its mission. This money comes from the taxpayers of the United States as determined by Congress.

The Navy must keep accounts to show the receipt and expenditure of public funds; the amount of Government money, materials, and property on hand; and the cost of all operations.

This chapter is two-part: how the Navy receives its money, and the symbols and devices used to account for it. It is necessary to understand both parts in order to perform your duties in the areas of procurement, the expenditures of stores, and the preparation of the returns.

LEARNING OBJECTIVES

When you have completed this chapter, you will be able to do the following:

1. Identify the different types of appropriations that are associated with the ship's store operation.
2. Identify the different types of funds that are associated with the ship's store operation.
3. Identify the elements of the accounting classification system.

APPROPRIATIONS

An appropriation is an authorization by an act of Congress to incur obligations for a specified time and purpose and to make payments therefore out of the Treasury. It is in this form that the Navy receives money to pay for ships and the cost of their operation and maintenance, the cost of training and pay of the officers and enlisted personnel who operate them, and the shore establishment needed to support fleet operations.

Accounting Period

The accounting period, as it applies to appropriations, is the fiscal year. The Federal fiscal year differs from the calendar year in that it begins on 1 October and ends on the following 30 September. The fiscal year is designated by the calendar year in which it ends. Thus, the fiscal year 2017 begins on 1 October 2016 and ends on 30 September 2017.

In the ship's store, the fiscal year is broken down into three accounting periods: 1 October through 31 January, 1 February through 31 May, and 1 June through 30 September. At the end of each accounting period, financial reports (returns) are submitted to Defense Financial and Accounting Service (DFAS).

Types of Appropriations

Three types of appropriations may be used in the Navy, depending upon the purpose for which they are issued. Most appropriations are for 1 fiscal year and are used to finance the normal operating costs of the Navy. Other types may be granted without a time limitation or for a specific period that is more than 1 year.

Annual Appropriations

Annual appropriations generally cover the current operating and maintenance expenses of the Navy. They become available at the beginning of the fiscal year stated in the appropriation act. From that

time on throughout the fiscal year, they may be either directly expended or obligated. An obligation occurs when an order is placed, a contract is awarded, a service is received, or similar transactions are entered into during a given period requiring future payment of money in an agreed amount. After the end of the fiscal year, obligated funds remain available for the payment of such obligations for 6 years thereafter.

Continuing Appropriations

Continuing appropriations support programs that have indefinite completion dates. Typical examples are shipbuilding, public works construction, and research and development. If so stated in the appropriation act, this money is available at the beginning of the fiscal year or earlier. These appropriations are available until used up or until the Navy accomplishes the purpose for which they were made. At this time, or at a time set by Congress, any obligated balance remaining is transferred to the successor account. An appropriation for building a nuclear submarine, which takes several years, is continuing; it is valid until the submarine is completed.

Multiple-Year Appropriations

Multiple-year appropriations are available for incurring obligations during a definite period in excess of 1 fiscal year as specified in the appropriation act. This type of appropriation can be used to finance projects that extend for a period of 2 or more years and by their nature, require a large amount of advance planning.

FUNDS

Funds fill a very important need in financing the day-to-day operations of the Navy. A fund, as used in connection with appropriations, is a sum of money or other resources, usually segregated, to be expended or used for specified purposes. Funds differ from appropriations in that they are usually permanent in nature and do not expire unless Congress revokes them. The Navy commonly uses three types of funds: (1) revolving, (2) general, and (3) trust. The following sections discuss each of these funds.

Revolving Fund

A revolving fund is established to provide working capital. Money is paid out to procure materials and services and is reimbursed when these materials and/or services are received or sold. The amount of the fund may be in the form of cash, inventory, receivables, or other assets. An example of a revolving fund is the Navy Working Capital Fund (NWCF), which is used to purchase and maintain stocks of common supply items required for the operation of the Navy.

Navy Working Capital Fund

The Defense Working Capital Fund (DWCF) is a revolving industrial fund for a large number of defense support functions. It uses businesslike cost accounting to determine the total cost of the business activity.

The DWCF is made up of the Army Working Capital Fund, the NWCF, the Air Force Working Capital Fund, and the Defense-Wide Working Capital Fund. Of course, the NWCF is the one of most concern to the Navy. It is not practical for each activity of the Navy to purchase all of its requirements directly from the commercial suppliers using its operating money. It is for this reason that the NWCF exists—to provide the necessary capital to finance the purchase and maintenance of stocks of common supply items required for support and operation of the Navy. Basic capital for the NWCF is made available from Congress in much the same manner as appropriations. The total value of the NWCF is reviewed annually and adjusted to meet current requirements.

The NWCF fulfills its role as a revolving account by purchasing designated supplies/services from commercial sources and then selling them. These supplies/services may be sold to a specific appropriation or for cash. The nature of the item determines when the NWCF is to be reimbursed. For services at the shipboard level, the NWCF is reimbursed when the service is received. The NWCF is credited for supplies when they are sold, issued, or surveyed. While these supplies are being held (waiting to be sold), they are Government property held in the Navy Stock Account (NSA).

Navy Stock Account

The NSA is an inventory account and an integral part of the NWCF. It serves as the “holding account” for NWCF procured supplies before their sale. The total value of the NWCF consists of money plus supplies in the NSA. The NSA is also used by Naval Supply Systems Command (NAVSUP) as the accounting device to account for and control the expenditure of the NWCF funds.

Navy Working Capital Fund/Navy Stock Account in Operation

The following steps cover the operation of the NWCF and the NSA in the procurement of ship's store stock from commercial suppliers. As you read the steps, follow the illustration in *Figure 6-1*.

1. A ship desiring supplies submits a purchase order (Electronic Data Interchange [EDI] 850) electronically to the Navy Electronic Commerce Online (NECO) Web site. NECO then transmits the order to the supplier. Refer to the EDI user's guide for detailed information.
2. The supplier delivers the supplies to the ship, where they are held in the NSA.
3. The supplier submits an invoice (EDI 857) to DFAS.
4. The ship reports receipt of material by submitting a monthly transmittal of receipts to DFAS.
5. The ship submits financial returns to DFAS at the end of the accounting period to reflect stock on hand (NSA) and stock sold.
6. DFAS audits and reconciles the ship's returns and reimburses the NWCF for stock sold.



Figure 6-1 — NWCF, NSA, and DFAS in operation.

General Fund

The General Fund of the Treasury is the fund into which all receipts of the Government are deposited, except those from specific sources required by law to be deposited into other designated funds. Appropriations from the General Fund are made by Congress to carry on the general and ordinary operations of the Government.

Trust Fund

A trust fund is used to deposit amounts received or appropriated and held in trust according to an agreement or a legislative act. These amounts may only be used or expended according to the terms of the trust or act. An example of a trust fund is the Ship's Store Profits, Navy (SSPN). Profits from the ship's store are held in this account and may only be used for authorized expenses of the ship's store and in welfare and recreation efforts in support of Navy personnel.

Ship's Store Profits, Navy, Trust Fund

The SSPN is a trust fund for providing recreation and entertainment for enlisted personnel. The fund is credited with net profits derived from sales in the ship's stores and with contributions made to the fund by organizations, individuals, and others. It is charged with expenditures for the recreation of welfare of naval personnel. In actual operations, the SSPN works in the following manner: Merchandise (stock) for sale in the ship's store is purchased by the NWCF and held in the Navy NSA. When it is sold, the NWCF is reimbursed for their cost, and the profits go into the SSPN fund.

Ship's Store Profits, Navy, General Fund

The SSPN, General Fund is maintained by NAVSUP. Income for the General Fund comes from the following sources:

- Assessment on the cash received from total sales by individual stores
- Balance of ship's store profits after the loss or the decommissioning of a ship
- A percentage of the total retail sales, assessed based on crew size of the individual ship

The percentage is assessed based on the ship's authorized billets according to the manpower authorization document, Office of the Chief of Naval Operations (OPNAV) 1000/2, shown in *Table 6-1*.

Of the total assessment received from all ships, an amount equal to one-half of 1 percent of the retail sales is allocated to SSPN, General Fund, Local, which goes to Navy Exchange Service Command (NEXCOM) (Ship's Store Program). This amount is reported on line C14A of Comptroller of the Navy (NAVCOMPT) Form 153. The remainder of the assessment is allocated to SSPN, General Fund, Bureau of Naval Personnel (BUPERS). This allocation goes to the Chief of Naval Personnel (CNP) for the recreation of naval personnel, which is reported on line C14B of NAVCOMPT Form 153.

Table 6-1 — Ship's Authorized Billets Percentage Assessment

Billets Authorized	BUPERS	Total Assessment
1,500 or more	5.00%	5.5% of retail sales
500 – 1,499	4.50%	5.0% of retail sales
Under 500	0.00%	0.5% of retail sales

The NAVSUP has authorized NEXCOM (Ship's Store Program) to charge the Ship's Store Profits, Navy, General Fund for the following:

- Purchase of vending machines and associated accessories
- Markdowns if the profits of the individual ship's store are not adequate to absorb the cost of the material marked down
- Loans and nonreimbursable grants
- Improvements to ship's store facilities
- Disbursement to the Commander, Navy Installations Command (CNIC) for the recreation of naval personnel in accordance with the provisions of 10 U.S. Code 7604

- Reimbursement to Navy exchanges for losses suffered in transactions in which Navy exchanges have purchased merchandise from ship's stores upon disestablishment of the ship's store, such as losses due to deterioration, hidden damage, or short pack (each case will be decided on its own merit)
- Travel and miscellaneous expenditures for NEXCOM (Ship's Store Program), Fleet Assistance Team and fleet personnel to support ship's store personnel
- Cost for electronic media, catalogs, printing, and display materials/assistance utilized by ship's store afloat in the conduct of business
- Automatic data processing equipment and supplies used in support of retail operations

ACCOUNTING CLASSIFICATION SYSTEM

In the receipt and expenditure of funds, the how and why of such expenditures must be a matter of public record and, if necessary, justified. This accountability is accomplished by the accounting classification system. The purpose of the system is to classify expenditures according to their type or purpose and to designate the activity responsible for recording and maintaining official records of these expenditures.

The accounting classification system comprises the appropriation or fund, the functional account numbers, the unit identification codes (UICs), the bureau control numbers, the transaction-type codes, the authorization accounting activity (AAA), the property accounting activity, and the cost code.

Each element is explained in the following paragraphs. It is imperative that expenditures are properly classified on procurement and expenditure documents.

Appropriation or Fund

In every accounting classification code, the first element represents the appropriation or fund (refer to number 1 on the left side of *Figure 6-2*). The appropriation or fund indicates the legal source of each transaction. The appropriation code will consist of seven alphanumeric characters. The first two digits in our example are 1 and 7, or 17, which represents the Department of the Navy. The number 97 in the same position identifies the Department of Defense. The third digit is the letter X, meaning the appropriation is a continuing appropriation. The next four digits (8723) indicate the type of appropriation. In the case of a fund, these four digits indicate the type of appropriation and the particular type of fund used within that appropriation. In the example, 8723 is the symbol assigned by the Treasury Department to identify SSPN. The appropriation symbol and subhead, 97X4930.NC1A, is assigned to identify the NWCF.

Element designations and an explanation of all the elements that make up an accounting classification code are shown in *Figure 6-2*.

Subhead

The second element of the accounting code, shown in *Figure 6-2*, is the subhead. This element identifies the charges (or credits) to the appropriation or fund (indicated in element 1) for that particular transaction. The subhead consists of four characters. The first two characters identify the administering office (23=NAVSUP). The last two characters identify the purpose of the subhead (01=Contributions to the Navy).

Object Class

The object class is the third element in *Figure 6-2*. It consists of three digits. The object class designates the nature of the services, article, or other items involved.

Bureau Control Number

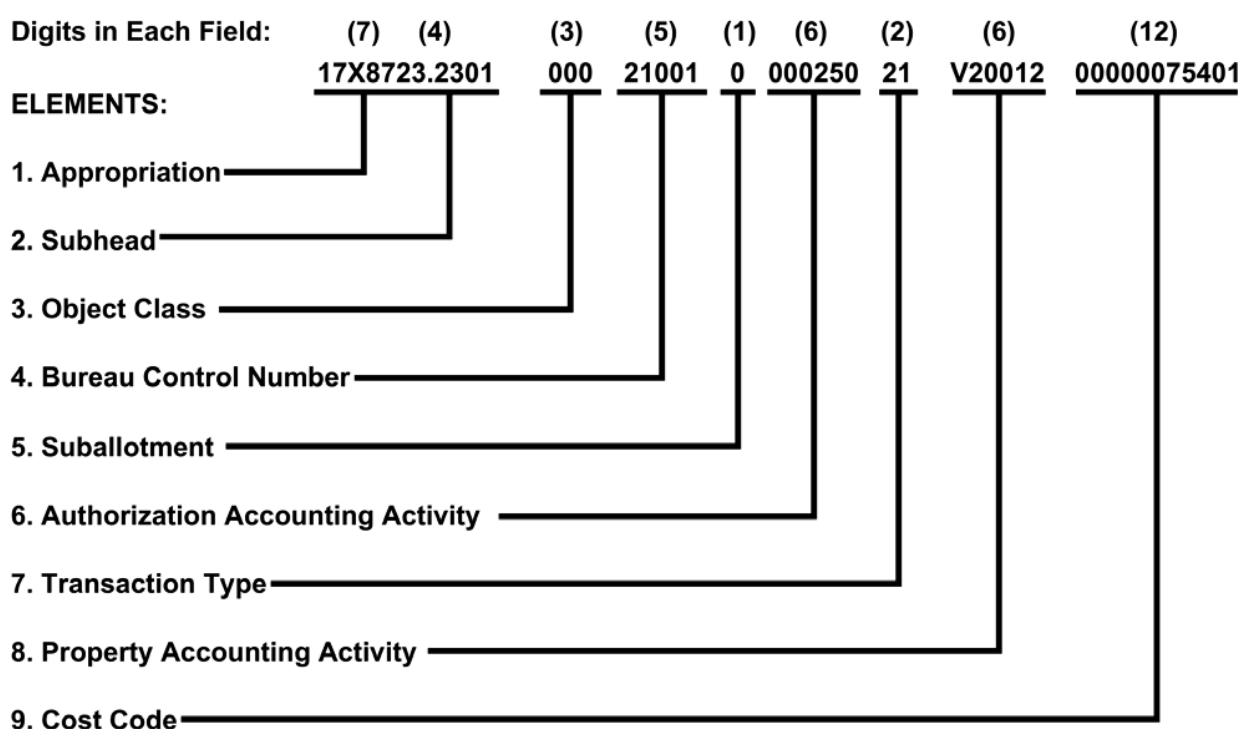
The fourth element is the bureau control number, shown in *Figure 6-2*. The bureau control number consists of five digits and represents the allotment authorization number. All funds within an appropriation account to be used for commitments, obligations, and expenditures are issued through allotments. The first two digits designate the budget project, and the last three designate the allotment number. The bureau control number you will be concerned with is 21001. This number authorizes the commanding officer of your ship to cite the NWCF for the purchase of stock for the ship's store.

Suballotment

The sub-allotment is the fifth element in *Figure 6-2*. It further subdivides the allotment and is one character that can be alphabetic or numeric.

Authorization Accounting Activity

The AAA is the sixth element in *Figure 6-2*. It is the UIC of the activity that performs the accounting for an allotment/fund. In connection with ship's store operations, the AAA is 000250, the UIC of NEXCOM.



Note: Partially used fields will be prefixed with zeros as necessary to complete the field and when an element is not required, it will not be shown on the voucher as a zero-filled field.

Figure 6-2 — Accounting Classification Code.

Transaction Type

The seventh element in *Figure 6-2* is the transaction type code. It is identified by a two-character code to permit processing store's account purchases by machines. The codes and an explanation of their use in the ship's store operation are as follows:

- 7C Purchase of stock for ship's store chargeable to the NWCF
- 1J Transferring stores from general mess to the ship's store and vice versa
- 7J Purchase of NSA material by ships and chargeable to the NWCF
- 2I Payments chargeable to SSPN for the transfer of funds to the welfare and recreation fund and charges for repairs or services to ship's store material or equipment

In some cases, the functional account number, discussed later in this chapter, may serve the same purpose as the transaction type code.

Property Accounting Activity

The eighth element consists of the property accounting activity. This six-character element, shown in *Figure 6-2*, is the activity designated to take up that property in a store's account and is indicated by the ship's UIC.

While receipt of the money and accounting for it generally occur at an activity above the shipboard level, it is the record keeper's responsibility to ensure that the necessary accounting elements are included on procurement and expenditure documents.

Cost Code

The final element of the nine accounting classification code elements is the cost code, shown in *Figure 6-2*. It is made up of 12 alphanumeric characters. The cost code is the source of any information that may be needed for the preparation of reports requiring additional detail below the level identified in the rest of the accounting classification code. The cost code is also used on reports that require shortened coding. The construction of the cost code is determined by the AAA.

Functional Accounts

Functional account numbers classify transactions to the use for which the transactions were made. Functional account numbers will often not be evident in the accounting classification code but will appear as part of the cost code. They are used as reference numbers to determine the content of certain accounts used in various reports. This system provides a detailed analysis of the cost of maintaining and operating the Navy.

Each functional account has five digits. The combination of numbers identifies each expenditure's major heading, subdivision within the major heading, and purpose or type. The first digit of each account number indicates the major heading for six major series of functional account numbers.

Major Series

The six major series are as follows:

- 1 Naval vessels
- 4 Ashore naval intelligence
- 5 Stores
- 6 Store manufacturing

- 7 Military personnel pay, allowances, and direct support expenses
- 9 Miscellaneous, assets, liability, incomer, and expense accounts

Second Series

The second series of the functional account number is combined with the first digit to designate the heading for the secondary series of account numbers. As they apply to a ship's serviceman, the following example lists the most widely used combination:

- 13 Consumable supplies not classified as equipage and miscellaneous services furnished to naval vessels
- 16 Repair parts and repair part sets not classified as equipage
- 51 NSA
- 75 Other military expenses not chargeable to military pay appropriations
- 98 Accounts receivable, accounts, and clearing accounts expenditures
- 99 Losses in ship's stores and miscellaneous expenditures

Purpose and Type

The remaining three digits of the functional account number provide a further breakdown by purpose or type of expenditure. The following functional account numbers are ones you are most likely to come across in ship's store operations:

- 13000 Consumable supplies; used for receipt or transfer from general stores material, such as padlocks, flashlights, and so on
- 51000 Cited on the NSA financial inventory reports and related documents prepared for issues and transfers between supply officers
- 73170 Subsistence items issued to the general mess; used for receipt or transfer from the food service officer
- 75400 Expenses of operation charged to SSPN
- 75401 Transfer from SSPN to welfare and recreation fund
- 98074 NWCF cash sales from ship's store
- 99250 Military personnel claims for damage to personal property; used on laundry claims

SUMMARY

This chapter has covered the different types of appropriations that are associated with ship's store operations: annual, continuing, and multiple-year. You should have a basic understanding of the funds associated with ship's store operations. These three types of funds are revolving, general, and trust. Also covered in this chapter are the elements of the accounting classification system. The accounting classification system comprises the appropriation or fund, the functional account numbers, the UICs, the bureau control numbers, the transaction type codes, the AAA, the property accounting activity, and the cost code.

End of Chapter 6

Appropriations and Funds

Review Questions

- 6-1. What total number of appropriations are associated with the ship's store operation?
- A. 2
 - B. 3
 - C. 5
 - D. 10
- 6-2. What type of appropriation starts at the beginning of a fiscal year and continues until the start of the next fiscal year?
- A. Semiannual
 - B. Continuing
 - C. Annual
 - D. Biannual
- 6-3. What type of appropriation normally lasts the length of a large project with an indefinite completion date?
- A. Continuing
 - B. Renewable
 - C. Multiple-year
 - D. Quadrennial
- 6-4. In addition to revolving, what two types of funds are associated with the ship's store operation?
- A. Petty and general
 - B. General and discretionary
 - C. Trust and miscellaneous
 - D. General and trust
- 6-5. The Navy Working Capital Fund is part of what overarching fund?
- A. Congressional
 - B. Defense Working Capital
 - C. Self-defense
 - D. Homeland security
- 6-6. Ship's store profits are retained in what type of fund?
- A. General
 - B. Annual
 - C. Revolving
 - D. Trust

- 6-7. Which of the following statements describes the purpose of the accounting classification system?
- A. To provide a method for the cabinet-level appointees to track daily spending, by category, of Government agencies they are charged with overseeing
 - B. To classify expenditures according to their type or purpose and to designate the activity responsible for recording and maintaining official records of these expenditures
 - C. To automatically provide weekly budgetary status reports to Congress on their spending in preparation for the following year's budget
 - D. To track inventory of ship's store stock levels and provide daily status to the commanding officer
- 6-8. What type of appropriation is indicated by an X in the third digit of the appropriation code?
- A. Classified
 - B. Annual
 - C. Continuing
 - D. Special
- 6-9. Which of the following transaction type codes represents purchase of stock for ship's store chargeable to the Navy Working Capital Fund?
- A. 1J
 - B. 2C
 - C. 5J
 - D. 7C

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CHAPTER 7

PROCUREMENT

The ability of the ship's store to meet the needs of the crew largely depends on how well stock control operations are managed. To maintain effective stock control, ensure that inventory control records are reviewed and perform scheduled reviews of stock and stock records monthly. Effective stock control is very important because the ship's store does not have an unlimited amount of money to invest in stock. Excess stock wastes valuable storeroom space and ties up money that could be used to purchase new merchandise. Keeping excess stock on hand or not maintaining an adequate supply can result in decreased sales. An optimum stock level will minimize the loss of sales that can result from the problems described above.

LEARNING OBJECTIVES

When you have completed this chapter, you will be able to do the following:

1. Identify the methods available to assist in stock management.
2. Identify the sources available for the procurement of ship's store merchandise.
3. Identify the procedures associated with the preparation of procurement documents.
4. Identify the references associated with the preparation of procurement documents.
5. Identify the differences between minor and major equipment.
6. Identify the procedures used to procure minor and major equipment.

STOCK CONTROL

To understand the importance of effective stock control, you must know how the flow of money and materials in the Navy resale system affects the ship's store afloat. *Figure 7-1* illustrates the Navy resale system.

The cycle begins with Navy Working Capital Fund (NWCF) money that is used to procure ship's store stock. The procurement of ship's store stock determines the amount of inventory. The sales of the ship's store stock will in turn replenish the available working capital. In addition to replenishing the amount of available working capital, sales also generate profits. Profits are determined by the markup over the cost for items sold in the ship's store.

The optimum stock level is an anticipated 90-day supply of stock. If this level is exceeded, too much of the working capital money will be tied up in excess inventory. The amount of money allocated for the ship's store inventory is not unlimited. In addition, excess stock will take up needed space within the ship's holding locations that could be used for other required stores.

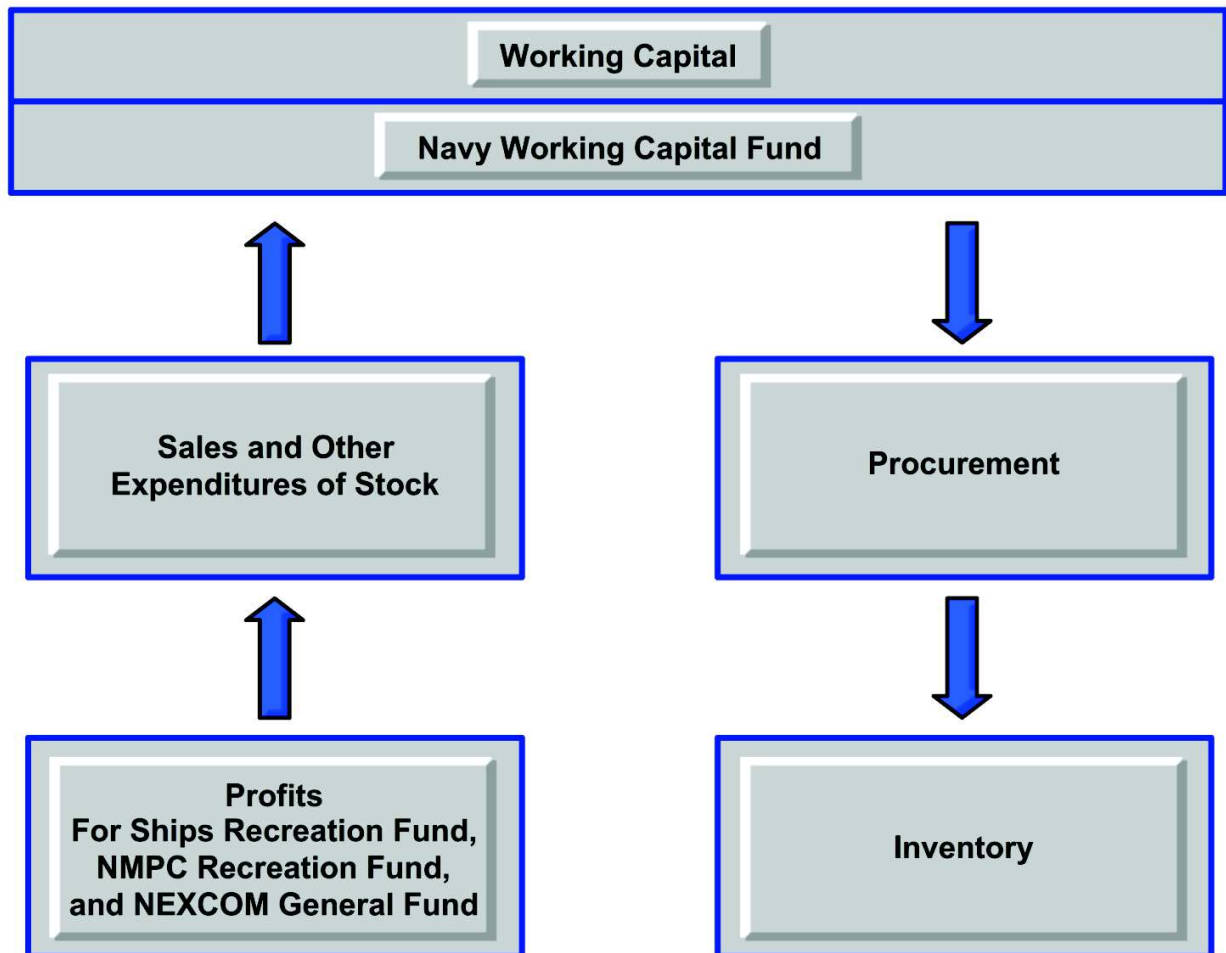


Figure 7-1 — Navy resale system.

STOCK TURN

Stock turn is the movement of stock through the ship's store operation. Stock is moved by expending it from the ship's store inventory through sales, transfers, issues, surveys, and reducing the sales price of an item (collectively called cumulative expenditures). Stock turn is based on the sales-to-stock ratio; a sale-to-stock ratio is the degree of efficiency in maintaining an optimum stock level over a set period of time. For example, a 90-day supply of stock should "turnover" 1 1/3 times in a 4-month period. To manually determine the stock turn ratio, divide the cumulative expenditures by the beginning inventory total. *Table 7-1* provides three examples on the method used to manually calculate sales stock turn ratios.

Table 7-1 — Manual Stock Turn Calculations

Cumulative Expenses	Beginning Inventory	Stock Turn
\$8,000	\$6,000	1.33
\$7,400	\$6,200	1.19
\$16,000	\$10,400	1.54

The optimum stock level (inventory) is defined as a 90-day supply of stock. The minimum rate at which the inventory should be turned over by sales is defined as a ratio of 1.33 to 1. Sufficient working capital should be available to initiate additional procurement if a ratio of 1.33 to 1 is

maintained. Stock turn is computed by dividing the cost of sales and the total dollar value of the stock expended (cumulative expenditures) by the beginning inventory of the accounting period.

The Retail Operations Management (ROM) system computes a monthly stock turn based on 12 months of data. ROM calculates the monthly stock turn ratio by dividing the total sales for the last 12 months by the average 12-month inventory ending with the most recently reported monthly period. The only factor that influences stock turn in the ROM system is the sale of merchandise. ROM provides a report each month that shows the following information:

- Month and year
- Total sales
- Stock turn ratio

BASIC STOCK LIST

All ship's stores should follow the stocking plan listed in the Merchandising and Stocking Guide, Navy Exchange Service Command (NEXCOM) Publication 81 (*Figure 7-2*). The NEXCOM Publication 81 is published in two editions, one edition for Commander, Naval Air Forces (COMNAVAIRFOR) and one for Commander, Naval Surface Forces (COMNAVSURFOR). The ship's store leadership should develop a mandatory stocking (never-out) list that is tailored to the ship and used as a management tool. Keep a copy of the mandatory stocking list in the ship's store to assist the operator in reordering and restocking shelves.

The basis of every ship's store stock assortment should be items that are listed in the Consolidated Afloat Requisition Guide Overseas (CARGO), Naval Supply Systems Command (NAVSUP) Publication (P) 4998, the national best sellers marked with an "X" in the NEXCOM Publication 81 (*Figure 7-2*), and the items with a recurring crew demand. Additionally, these items should be readily available to all ships in the continental United States (CONUS) from the ship's store automated contract bulletin (ACB).

DEPT	CATEGORY						DESCRIPTION
	DEPARTMENT (A1) TOTAL = 295	CARGO (*)	NATIONAL BEST SELLERS (X)	AUTHORIZED STOCK COUNT	ADDITIONAL ITEMS ALLOWED BUT NOT ON SHOPPING GUIDE	NOT TO EXCEED	
	Extra-Large Ship (CVN)			207	41	248	
	(A1) CANDY			(STOCK #)			
A1	(A1) CHOCOLATE	(*)	X	0500000393			SNICKERS MILK CHOCOLATE CARAMEL PEANUT BAR
A1	(A1) CHOCOLATE	(*)	X	0500000217			REESES PEANUT BUTTER CUP
A1	(A1) CHOCOLATE	(*)	X	0500000403			M & M'S MILK CHOCOLATE PEANUT
A1	(A1) CHOCOLATE	(*)	X	0500000396			TWIX MILK CHOCOLATE CARAMEL BAR
A1	(A1) CHOCOLATE	(*)	X	0500000196			HERSHEY'S MILK CHOCOLATE BAR
A1	(A1) CHOCOLATE	(*)	X	0500000402			M & M'S MILK CHOCOLATE
A1	(A1) CHOCOLATE	(*)					HERSHEY'S MILK CHOCOLATE W/ALMONDS
A1	(A1) CHOCOLATE	(*)					THREE MUSKETEERS MILK CHOCOLATE BAR
A1	(A1) CHOCOLATE	(*)					KIT KAT BAR

Figure 7-2 — NEXCOM Publication 81.

The national best sellers identified in the NEXCOM Publication 81 are line items listed that have a high popularity of sales in the civilian marketplace and represent a cross section of merchandise considered essential to operate a ship's store. The line items listed in the publication are the most popular within an individual category such as Crest® toothpaste.

LIMITATIONS

The Ship's Store Afloat, NAVSUP P-487, prescribes the qualitative and quantitative limits on specific types of items. Some of the examples of the two types of restrictions are provided in the following paragraphs.

Qualitative Limits

There are qualitative (quality) restrictions in the procurement of certain types of foods and electronics. Food items cannot be sold in the form of short orders or prepared sandwiches, and electronic items must be approved by NEXCOM. The guidelines for judging the acceptability of materials are in the NAVSUP P-487.

Quantitative Limits

There are certain quantitative (quantity) limits on emblematic items (items that bear the ship's identification, such as cigarette lighters, cups, and stationery.) Emblematic items are identified in the ROM system in the description block. The items have little to no resale potential outside of the individual ship; therefore, careful control and management must be given to the procurement and sale of emblematic items.

The inventory of emblematic inventory is controlled by the appropriate type commander (TYCOM). Therefore, the total dollar value of emblematic items as a percent of inventory should not exceed the TYCOM limit. The excess inventory of emblematic items must be identified on a continuing basis and deep markdowns should be implemented to expedite sales. Use the ROM system to assist in managing the ship's emblematic inventory.

Ship's store stock includes any item that is listed on any of the authorized stock lists. The items that are not authorized for ship's store stock generally fall into two categories: items that are not listed on authorized stock lists and/or items for which procurement is strictly prohibited.

Unlisted Items

Items that are not on the authorized stock list can be requested, provided that the items are not prohibited. Requests should be submitted to the NEXCOM ship's store division with a copy sent to the appropriate TYCOM. The request should include a complete justification for the procurement of the item(s). Requests are reviewed by NEXCOM and approved on a case-by-case basis.

Prohibited Items

Certain items are prohibited from procurement for the ship's store. Any item(s) that bear the impression of United States currency are prohibited. In addition, special occupational and environmental clothing and textiles (cognizance symbol 9D) are prohibited from procurement unless written authorization has been obtained from NAVSUP. Items that are being purchased or sold through the ship's store such as vitamins or other similar products are prohibited for the external or internal treatment of diseases or conditions.

INVENTORY MANAGEMENT SYSTEM

The maximum value of a ship's store stock maintained during any one month is directly related to the store's ability to sell material in a timely manner. The objective of any retail store is to provide service to customers by selling the highest quality merchandise with minimal impacts to inventory from merchandise becoming outdated or obsolete. Outdated or obsolete merchandise will result in excessive markdowns or surveys.

A ship's maximum authorized inventory level differs depending on whether the ship is operating in the CONUS or deployed. The maximum authorized inventory level for ships in CONUS is \$102.00 per person. For a deployed ship, the amount is doubled to \$204.00 per person. However, any ship that does not achieve stock turn goals should take immediate actions to reduce the inventory level.

Managing a ship's inventory is much easier thanks to the ROM and the electronic point of sale (EPOS) systems. ROM provides access to several reports or screens that will assist in maintaining the proper inventory levels, procuring high-demand items, identifying slow-selling items, and much more.

Supply-Demand Review

One of the worst things that can happen to a ship's store operation is to run out of the merchandise that customers want. Success hinges on the ability to manage the inventory to keep the ship's store stocked with merchandise that sells. The informational advantages that the ROM and EPOS systems provide to inventory management are only as effective as the managers and supervisors that use the information.

One of the most effective methods to ensure that merchandise remains in-stock and that inventories remain within the prescribed limitations is to conduct a supply-demand review. A supply-demand review board should meet at least once a month to ensure that the inventory objectives are being met. The following paragraphs will describe some of the reports that should be part of the supply-demand review.

Emblematic Listing Report

The emblematic listing report assists in tracking the inventory levels of emblematic items. The ROM system provides a quick view of the emblematic inventory currently on hand. The report includes the current cost, extended cost, current retail, and extended retail. The report is compiled in stock number order. Ensure all emblematic items are listed when auditing this report.

Sales Ranking Report

Identifying the items that are profitable will help to answer several stock management questions. There are two types of sales ranking reports:

- Sales ranking by dollar—consolidates and lists all sales quantities for the accounting period and ranks the top selling items according to the dollar amount that is generated
- Sales ranking by quantity—consolidates and lists all sales quantities for the accounting period and ranks the top selling items according to the quantity sold

Both reports are printed by department code. The reports detail what the customers are purchasing and what items are selling slowly. This information is essential in managing the ship's store operations properly.

Stock Record Listing Report

The stock record inventory listing report details all of the stock items and current inventory quantities on hand. The data is updated in real-time by the ROM system. The report is arranged by store number and then by stock number. Use this report to check the quantities on hand in each store and determine if a breakout is required or if additional stock needs to be procured.

Stock Turn Report

The stock turn report shows the stock turn ratio of each line item, which is helpful in identifying slow-moving items. When reviewing this report, keep the following information in mind: Stock turn ratios of

at least 0.33 per month and 1.33 per accounting period are desired, and 4.0 stock turns per year are required.

Crew Preference

When ordering merchandise for the ship's store, consider the preferences of the crew. The ship's store operator should pay attention to how the customers react to the ship's store inventory. Seek the opinions of the individual crewmembers through the use of a questionnaire or by placing a suggestion box in the ship's store.

PROCUREMENT IN THE UNITED STATES

The previous sections of this chapter provided information on how to determine what merchandise is authorized, how to maintain effective stock control, and how to use various resources to decide what items to order. The next sections will provide information on how and from what source to procure the desired merchandise.

Ship's serviceman (SH) are expected to assist the sales officer in determining the appropriate source of procurement. There are three primary sources of procurement for ship's store items in the United States. The sources are the ACB, the automated ship's store afloat catalog listing (ASL), and for other supplies, such as those used in the ship's laundry, the nearest fleet logistics center (FLC).

Excess Stock Lists

The TYCOM, NEXCOM, and fleet assistance teams publish lists of excess ship's store stock. When an excess stock list contains an item that is required for the ship's store inventory, prepare a requisition against the list.

NOTE

Always attempt to acquire ship's store stock from the excess stock list before any other methods of procurement.

The procurement of excess stock is accomplished as a transfer between supply officers (SUPPOs) at a mutually agreed upon price. Ordering from an excess stock list helps to reduce the waste of money that may end up being spent on surveying the merchandise if the items are not sold. A copy of the excess stock list should be provided to the TYCOM, fleet assistance teams, and ships in the local area. Always keep an updated copy of the excess stock list on file.

Ship's Store Automated Contract Bulletin

The ACB lists the local sources and the fixed prices for procurement of authorized ship's store stock. NEXCOM administers and approves the contracts of the sources listed in the ACB. The items listed in the ACB are available for procurement by ships in CONUS and Hawaii. Use an Order for Supplies or Services/Request for Quotations (General Provisions), Department of Defense Form (DD Form) 1155 as the purchase order document. DD Form 1155 is generated by the ROM system. Complete guidance for preparing the purchase order document can be found in the NAVSUP P-487, ROM User's Guide, and the Electronic Data Interchange (EDI) User's Guide.

Automated Ship's Store Afloat Catalog Listing

The ASL is another source that is used to determine what items of stock a ship's store can carry. Items listed on the ASL consist of semi-luxury to luxury items. The catalog contains descriptions and

purchase information for the authorized items of stock. Use the ROM-generated DD Form 1155 as a purchase order. The limit to the purchase is \$25,000.00.

The preparation of the DD Form 1155 to procure merchandise through the ASL is the same process as procuring merchandise through the ACB. If an order exceeds the specified monetary limit, the order must include the Defense Acquisition Regulation clause. Refer to the NAVSUP P-487 for the required information, certification, and monetary limits. In addition, the procedures and information required for each block of the DD Form 1155 can be found in the NAVSUP P-487, ROM User's Guide, and EDI User's Guide.

If the ship is overseas, the Standard Post system is used to deliver the merchandise that is ordered through the ASL. The merchandise is subject to Standard Post size and weight limitations. The NAVSUP P-487 describes the limitations associated with this type of order.

Any item listed in the ASL may be stocked provided that it is not designated as a special order only. The NAVSUP P-487 contains the guidance on how to order special order items that may exceed the cost limit or items that are not listed on the authorized stock list.

The ACB and the ASL are constantly being updated with new line items, vendors, and prices. The ACB and the ASL are available to view by accessing the Navy Electronic Commerce Online (NECO) Web site. Access the Web site to download updates at the beginning of each month. Refer to the EDI User's Guide for detailed information on the procedures to follow to complete the download.

Dealing with Sales Representatives

Many of the vendors that are listed in the ACB and the ASL have sales representatives that will visit a ship during in-port periods. The sales officer or the leading SH will provide the guidance on how to deal with sales representative visits. Effective sales representatives can help in the ordering process and can facilitate the timely delivery of merchandise.

Having contact with the correct sales representatives can be crucial when a ship is getting underway on a few hours' notice. In addition, an effective sales representative can introduce the ship to new items that may sell well in the ship's store.

However, some sales representatives may not be so helpful. Certain sales representatives may try to sell overpriced merchandise that is poor quality. Some sales representatives may try to load up the potential customers with free samples and even offer kickbacks as an incentive to purchase merchandise. A sales representative may even try to influence a potential customer by using the names of respected people or organizations.

There are a few different methods to avoid problems with commercial sales representatives. For example, a ship could choose to avoid sales representatives altogether. However, doing this would mean sacrificing some benefits that an effective sales representative can offer to the ship's store.

Another method that can be used to avoid problems is to set aside a specific timeframe that the sales officer or the SH in charge of procurement can meet with a sales representative. Ensure that this timeframe is known by the quarterdeck of the ship and the sales representative. Setting aside a timeframe to meet with sales representative will prevent the continuous interruption in the ship's store operations schedule. The specific timeframe will also allow the sales officer or the SH in charge of procurement to review the current items in stock to determine what items may be required. Remember that failing to carefully review the ship's stocking requirements will result in merchandise being overstocked or understocked.

Navy Exchanges

All purchases from the Navy Exchanges (except computers and uniform items) are made at the retail price less 10 percent. Because most Navy Exchanges require the use of a credit card, the ship may contact NEXCOM under the special DD Form 1155 procedures to process the purchase order from the Navy Exchange.

In an emergency situation, the SUPPO may authorize the use of the ship's government credit card to purchase items from the Navy Exchange. After the purchase has been completed, the items will be transferred to the sales officer. Ships that are deployed overseas should have the disbursing officer pay the Navy Exchange with a United States Treasury check. In limited circumstances the Navy Exchange may elect to accept a DD Form 1155.

Other Supply Officers

A ship can, in certain circumstances, requisition ship's store stock from another SUPPO. Requisitions for authorized items of ship's store stock may be submitted, on a mutually agreed basis, to other sales officers. The transfer of the stock to the ship's store is accomplished by submitting the appropriate requisition document. Follow the procedures described in the NAVSUP P-487 and the ROM User's Guide.

Ashore Supply Activities

Ashore supply activities often provide supply support to operating forces. The senior SH most likely will directly deal with an ashore supply activity when procuring laundry supplies.

PROCUREMENT DURING DEPLOYMENT

The normal source of supply for deployed ships is the Combat Logistics Force (CLF) ships. Specific requisitioning guidance to obtain this stock from the CLF ships is located in the CARGO, NAVSUP P-4998. When visiting a foreign port, a ship can receive limited or emergency support from the naval activities located in the port.

Consolidated Afloat Requisitioning Guide Overseas

When a ship is on deployment, use the CARGO to requisition the bulk of the ship's store stock and laundry chemicals. The CARGO provides a list of items and the associated National Stock Number (NSN), including a listing of the high usage items on the ship's store afloat stock plans. Another procurement option for a deployed ship is to use the nearest FLC.

During a course of a deployment, a ship will normally have monthly replenishments from some type of supply ship. The sales officer must submit underway replenishment (UNREP) requests as part of the logistics report (LOGREP) submitted to the SUPPO. Provide the SUPPO with the CARGO item and the quantity that is desired, along with a different requisition number for each line item that is ordered. Refer to the CARGO for the complete details on the requisition procedures associated with an UNREP. *Figure 7-3* is an example of the CARGO message format.

```

FM USS WARSHIP
TO CTF 53
INFO USNS/USS SUPPLY SHIP
UNCLAS/N04400/
MSGID/GENADMIN/WARSHIP/
SUBJ/1Q SHIP STORE ORDER/
POC/STEVENS/SH1/EMAIL ADDRESS NIPR/SIPR
RMKS/1. SHIP NAME: USS WARSHIP
2. ORDER PREPARED BY: SH1 SMITH, LPO
3. ORDER APPROVED BY: ENS JONES, SALES OFFICER
4. CONSL SHIP/EVENT: DET XXXX
5. RAS/UNREP EVENT: XXXX
6. SHIP UIC: V12345
7. JULIAN DATE: XXXX
8. SHIP STORE REQUIREMENTS (1Q):

FUND CODE NZ LINE ITEMS REQUESTED: XX
L0340/L0340/01440/01440/9918 L0350/L0350/01440/01440/9919

```

Figure 7-3 — CARGO message format.

Other Supply Officers

Usually, when a ship is deployed, other ships are deployed at the same time. At some point, a ship's store may run out of stock on an item that another ship has in stock. A ship can request the item from another ship to keep the item in stock until the next UNREP or shipment arrives on board the ship. The process is the same as if the ship were operating in CONUS.

Navy Exchanges

While deployed, a ship can procure merchandise from Navy Exchanges. If foreign merchandise is ordered, the merchandise is procured from a Navy Exchange. Follow the procedures outlined in the NAVSUP P-487 when procuring merchandise from the Navy Exchange.

Emergency Procurement

When a ship is on deployment, an emergency may arise if an item in the retail operation is out of stock and cannot be procured using traditional sources. The senior SUPPO is an authorized contracting officer who may use up to \$100,000.00 credit to open purchase ship's store stock, equipment, and services. This purchasing power is helpful in overseas merchandise emergencies.

Some of the sources that can be used in these types of situations are the Defense Commissary Agency (DECA), a husbanding agent, or the Navy Exchange. The SUPPO can buy the merchandise or service with a government credit card and transfer the merchandise to the ship's store. If a government credit card is not accepted, prepare a DD Form 1155 with the senior SUPPO as the contracting officer. The disbursing officer will make the payment by using a United States Treasury check made out to the vendor. The complete details on the various emergency procurement processes are contained in the NAVSUP P-487.

PREPARATION OF PROCUREMENT DOCUMENTS

The previous sections provided information about stock management and the sources for procurement. The following sections will provide information on the preparation of the documents that are required to procure stock.

ROM Inventory

An inventory record exists in the ROM system for each item of ship's store inventory on board the ship. The inventory record displays the store-kept unit (SKU), pricing, and categorical information. The ASL and the ACB databases directly interact with the ROM system. Refer to the ROM User's Guide for procedures on creating inventory records.

Purchase Orders

The term "purchasing" means that a purchase order signed by a contracting officer is forwarded to a supplier requesting the future delivery of supplies or the performance of services (other than personal services).

The supplies and services are to be provided in exchange for a promise by the government to pay the price that is stated in the order upon delivery or performance. The purchase order must also state the terms, the date, the time of delivery, the authority for the purchase, and other essential information. Finally, the purchase order must comply with the various administrative procedures and legislative restrictions that are designed to safeguard the expenditure of public funds.

Purchases as a means of procurement can be complicated. Fortunately, SHs are not required to negotiate contracts with suppliers in order to obtain ship's store stock for the ship. NEXCOM has already entered into agreements with a supplier for that supplier to deliver supplies to the ship upon receipt of the delivery order. The contracts cover all of the elements previously discussed and ensure that the ship gets first-class quality merchandise. Because of the previously mentioned reasons, the ACB and the ASL should be the first and principal source of procuring merchandise from commercial suppliers.

Normally, a ROM-generated DD Form 1155 is used to procure merchandise from a commercial source. ROM uses the information that is located in the database to create the purchase order document. The ROM system application makes creating a purchase order easy. The ASL or the ACB database provides the purchase order information to create the purchase document (*Figure 7-4*). The information provided by the databases includes the unit price, order unit, SKU number, department code, and description of the item. The user is only required to enter the quantity of the item that is required.

After the desired quantity is entered, the ROM system will automatically determine the case pack validity based on the information in the ASL or ACB database. If the case pack differs, the user will be prompted to correct the ordered amount before proceeding. Continue this process until all of the items that need to be ordered have been selected. The ROM system automatically determines the number of purchase orders to create. Before printing the purchase order, the user is given the opportunity to edit or change the purchase order information if any of the information on the order is incorrect.

After the information is verified, the user confirms the order, and the EDI 850 order is submitted electronically via the NECO Web site. Print the purchase order document after all of the documents have been confirmed. The ROM User's Guide and the EDI User's Guide provide detailed information on the process of creating a purchase order and the process of transmitting EDI orders.

Purchase Order									
Order Details									
Status: Unconfirmed		Order Date: N/A							
Delivery FOB: <input checked="" type="radio"/> Destination <input type="radio"/> Other	Ship To: <input checked="" type="radio"/> Pier Side Address <input type="radio"/> FPO Address	Delivery: 08/07/2015							
Contract / Payment Information									
Vendor: ACOSTA, INC. 8031 HAMPTON BLVD. ADR2 NORFOLK, VA 23505-1001 (800) 446-8089	Contract: Contract Number: N00189-08-D-0010 Discount Terms: 0.00% 00 NET 30 Order Zone: G - Norfolk	Administered By: Air Forces (Atlantic) 123 Memory Lane 111 Lancaster Ave Hagerstown, MD 12345							
Order Information / Statements									
Ship To: Supply Officer 5450 Carlisle Pike Bldg 409 17055	Paying Activity: Defense Finance and Accounting Services DFAS Cleveland Norfolk Accounts Payable P.O. Box 998022 Cleveland, OH 44199	Statements Applied: <input type="checkbox"/> Certificate of Conformance <input type="checkbox"/> Affirmative Action 52.222-36 <input checked="" type="checkbox"/> FastPay Procedures Apply <input type="checkbox"/> Transportation Charges Auth							
Order Items									
Stock Num	Description	QOH	QOO	Cost	UI	QTY	Sell QTY	Add Free	Remove
1839390000002	AXE Shower Gel Kilo	33	87	\$4.19	EA	5	5	Add Free	Remove
1839390000006	Nivea Original	15	455	\$4.28	EA	3	3	Add Free	Remove
<input type="button" value="Page 1 of 1"/>		10 rows per page ▼		Go to page: <input type="text"/> <input type="button" value="Go"/>					
<input type="button" value="Print DD-1155"/>		Order Total: \$33.79							
<div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input type="button" value="Add Additional Items"/> <input type="button" value="Save & Review Later"/> <input type="button" value="Confirm & Generate"/> <input type="button" value="Delete"/> <input type="button" value="Close"/> </div>									

Figure 7-4 — ROM purchase order.

Cash Purchases

Under emergency conditions, cash funds may be paid to vendors who will not accept DD Form 1155 procurement. The procedures for procurement of merchandise using cash purchases are located in the NAVSUP P-487.

Message Requisitions

Material requirements may dictate the need for procurement by naval message instead of the standard requisition documents. Although an Issue Release/Receipt Document, DD Form 1348-1A, may be received for a delivery from a CLF ship or an FLC overseas, a Requisition and Invoice/Shipping Document, DD Form 1149, will need to be prepared to receive the material for the ship's store stock. When a message requisition is prepared, a DD Form 1348-1A is prepared for each item that has been requested in the message. The ROM system does not create a DD Form 1348-1A. The original copy of the DD Form 1348-1A is discarded and the remaining copies are distributed according to the NAVSUP P-487.

TRANSFERS

Another method that can be used by ships to obtain authorized ship's store items is transfers. Obtaining supplies using the transfer method is the easiest of all of the methods in terms of administrative effort. The administrative effort is lower because the coding required in the Military

Standard Requisitioning and Issue Procedures (MILSTRIP) requisitioning is eliminated. In most instances, the only requirements are the preparation of a form and the agreement of the sales officers on quantities and prices.

Requisition and Invoice/Shipping Document (DD Form 1149)

The transfer method differs from the requisition method primarily in the accounting for the receipts. When material is obtained via a requisition, usually all that is involved in reference to accounting is a transaction within the Navy Stock Account (NSA). Transfers, on the other hand, involve other funding and functional accounts. For this reason, a different form is usually used to transfer items used in the ship's store operation. This form is the Requisition and Invoice/Shipping Document, DD Form 1149 (Figure 7-5, frames 1 and 2).

SHIPPING CONTAINER TALLY → 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

REQUISITION AND INVOICE/SHIPPING DOCUMENT										OMB No. 0704-0246 OMB approval Expires Feb 28, 2020					
1. FROM: (Include ZIP Code)										SHEET NO.	NO. OF SHEETS	5. REQUISITION DATE	6. REQUISITION NUMBER		
2. TO: (Include ZIP Code)										7. DATE MATERIAL REQUIRED (YYYYMMDD)		8. PRIORITY			
3. SHIP TO - MARK FOR										9. AUTHORITY OR PURPOSE		10. SIGNATURE	11a. VOUCHER NUMBER & DATE (YYYYMMDD)		
4. APPROPRIATIONS DATA										12. DATE SHIPPED (YYYYMMDD)		b.			
										13. MODE OF SHIPMENT		14. BILL OF LADING NUMBER			
										15. AIR MOVEMENT DESIGNATOR OR PORT REFERENCE NO.					
										AMOUNT					
ITEM NO.	FEDERAL STOCK NUMBER, DESCRIPTION, AND CODING OF MATERIEL AND/OR SERVICES								UNIT OF ISSUE	QUANTITY REQUESTED	SUPPLY ACTION	TYPE CONTAINER NOS.	UNIT PRICE	TOTAL COST	
(a)	(b)								(c)	(d)	(e)	(f)	(g)	(h)	(i)
16. TRANSPORTATION VIA MATS OR MSTs CHARGEABLE TO															
17. SPECIAL HANDLING															
18. RECEIPT SHIPMENT DATE	ISSUED BY	TOTAL CONTAINERS	TYPE CONTAINER	DESCRIPTION	TOTAL WEIGHT	TOTAL CUBE	19. CONTAINERS RECEIVED EXCEPT AS NOTED		DATE (YYYYMMDD)	BY	SHEET TOTAL				
	CHECKED BY						QUANTITIES RECEIVED EXCEPT AS NOTED		DATE (YYYYMMDD)	BY	GRAND TOTAL				
	PACKED BY						POSTED		DATE (YYYYMMDD)	BY	20. RECEIVER'S VOUCHER NO.				
	TOTAL														

DD FORM 1149, JUN 2006 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100
PREVIOUS EDITION IS OBSOLETE.

Figure 7-5 — DD Form 1149.

Sources of Transfers

The DD Form 1149 may be used as the procurement document to obtain ship's store stock from general stores, general mess, and other supply officers.

General Stores

Materials may be transferred to the ship's store for resale if the following conditions are met:

- The material can be spared in limited quantities

- The material is not readily obtainable from commercial sources

General Mess

When transferring merchandise from the ship's store stock to the general mess, the food service officer is required to submit a DD Form 1149 for approval to the Bureau of Naval Personnel (BUPERS) at a minimum of 14 days in advance. The amount of the transfer is limited to \$2,500.00 for smaller ships and \$5,000.00 for larger ships monthly. The items transferred consist of single serve type items such as canned drinks.

Other Supply Officers

In addition to the items that appear on an excess stock list, requisitions for authorized items for the ship's store may be submitted on a mutually agreed upon cost basis to other supply officers. The requesting ship will create the requisition in the ROM system, but it does not need to be printed. This is because the transferring ship's DD Form 1149 will be used as the accountable document. Procedures to create a DD Form 1149 are outlined in the ROM User's Guide.

PROCURING EQUIPMENT

The equipment that may be required on board a ship to support resale and service activities is classified according to value as either minor or major equipment. The following paragraphs will describe the classifications.

Minor Equipment

Items that have a monetary value \$100.00 or less and are not included in the ship's Consolidated Shipboard Allowance List (COSAL) are classified as minor equipment. Examples of minor equipment include clippers, combs, and disinfecting solutions. The ship's operating target (OPTAR) funds should be used for the procurement of minor equipment and supplies.

Major Equipment

Items that have a monetary value over \$100.00 or more are classified as major equipment. One of the groups of major equipment includes washers (*Figure 7-6*), dryers, and laundry presses. These pieces of equipment are under the cognizance of the Naval Sea Systems Command (NAVSEA) and are included in the ship's COSAL. Requisitions or letter requests stating that an item of this type be added to the allowance list should be forwarded to NAVSEA via the TYCOM, NEXCOM, and NAVSUP.



Figure 7-6 — Major equipment.

Vending machines are the second group of major equipment. There are certain preliminary steps that must be taken before ordering vending machines. In addition, a ship is only authorized to order vending machines of the types specified by the appropriate fleet commander.

The first preliminary step in requisitioning the initial installation or replacement of a vending machine is to request permission from NAVSEA. The next step, if the request is approved by NAVSEA, is to request authorization for procurement from NEXCOM. The request should contain the detailed information specified in the NAVSUP P-487.

The procurement of vending machines is funded by the Ship's Store Profits, Navy (17X8723.201). If the ship's store profits do not contain enough funds to cover the purchase, the ship can request an interest-free loan from NEXCOM to offset the purchase costs. Under normal conditions, the ship is required to make loan repayments within three to five accounting periods, depending on the size of the ship.

SUMMARY

In this chapter, you learned that proper stock management and procurement procedures are important to maintain an effective ship store operation. Without precise stock control practices, you are likely to run into inventory problems and may not meet the required stock turn. Use the available reports and publications mentioned in this chapter to assist you in sustaining efficient stock control operations. In addition, we reviewed the various sources of procurement both afloat and ashore. Remember that you should always try to acquire ship store stock from excess stock lists before trying any other methods of procurement.

End of Chapter 7

Procurement

Review Questions

- 7-1. What total number of anticipated days is the optimum stock level goal?
- A. 30
 - B. 60
 - C. 90
 - D. 120
- 7-2. What term is collectively used to describe the movement of stock?
- A. Cumulative expenditures
 - B. Cumulative receipts
 - C. Cumulative revenues
 - D. Cumulative disbursements
- 7-3. What total number of months does the Retail Operations Management system require to compute stock turn?
- A. 6
 - B. 8
 - C. 10
 - D. 12
- 7-4. What Navy Exchange Service Command publication lists the stocking plan that all ship's stores should follow?
- A. 61
 - B. 71
 - C. 81
 - D. 91
- 7-5. What items in the Navy Exchange Service Command Publication 81 are marked with an "X"?
- A. On sale
 - B. Discontinued
 - C. Special order
 - D. National best sellers
- 7-6. What items have little to no resale value outside of the individual ship?
- A. Emblematic
 - B. Stationery
 - C. Electronics
 - D. Short order

- 7-7. What organization is responsible for approving requests to add items to the authorized stock list?
- A. Type commander
 - B. Military Sealift Command
 - C. Naval Sea Systems Command
 - D. Navy Exchange Service Command
- 7-8. Items with what cognizance symbol are prohibited from procurement without written authorization from the Naval Supply Systems Command?
- A. 9A
 - B. 9B
 - C. 9C
 - D. 9D
- 7-9. Other than excessive markdowns, what other action can result from keeping outdated or obsolete merchandise in stock?
- A. Transfer
 - B. Survey
 - C. Disposal
 - D. Repackage
- 7-10. What is the maximum authorized inventory level per person, in dollars, for ships in the continental United States?
- A. 75.00
 - B. 100.00
 - C. 102.00
 - D. 109.00
- 7-11. Which of the following supply sources is used to procure supplies used in the ship's laundry?
- A. Automated contract bulletin
 - B. Navy Exchange catalog
 - C. Fleet logistics center
 - D. Automated ship's store afloat catalog listing
- 7-12. Which of the following supply sources should be used when possible before any other source?
- A. Excess stock lists
 - B. Automated contract bulletin
 - C. Fleet logistics center
 - D. Automated ship's store afloat catalog listing

- 7-13. Which of the following supply sources lists semi-luxury to luxury items?
- A. Excess stock lists
 - B. Automated contract bulletin
 - C. Fleet logistics center
 - D. Automated ship's store afloat catalog listing
- 7-14. What is the maximum dollar amount allowed for items purchased from the automated ship's store afloat catalog listing?
- A. 20,000.00
 - B. 25,000.00
 - C. 30,000.00
 - D. 35,000.00
- 7-15. All purchases from the Navy Exchange are made at retail price less what percentage?
- A. 10
 - B. 15
 - C. 20
 - D. 25
- 7-16. What item is used to pay the Navy Exchange when the ship is deployed overseas?
- A. Credit card
 - B. Money order
 - C. Cashier's check
 - D. United States Treasury check
- 7-17. What Naval Supply Systems Publication is the Consolidated Afloat Requisitioning Guide Overseas?
- A. 4996
 - B. 4997
 - C. 4998
 - D. 4999
- 7-18. What stock number is provided with the list of items in the Consolidated Afloat Requisitioning Guide Overseas?
- A. Notional
 - B. National
 - C. Narrative
 - D. Numerical

- 7-19. What Department of Defense Form generated by the Retail Operations Management system is normally used to procure merchandise from a commercial source?
- A. 1155
 - B. 1159
 - C. 1163
 - D. 1164
- 7-20. Other than standard requisition documents, which of the following items may be used to procure material?
- A. Letter
 - B. Email
 - C. Telephone call
 - D. Naval message
- 7-21. What organization must approve the transfer of ship's store stock to the general mess on board a ship?
- A. Naval Supply Systems Command
 - B. Bureau of Naval Personnel
 - C. Military Sealift Command
 - D. Chief of Naval Operations
- 7-22. What is the maximum dollar amount allowed for items transferred from the ship's store to the general mess on board small ships?
- A. 1,500.00
 - B. 2,500.00
 - C. 3,500.00
 - D. 4,500.00
- 7-23. Minor equipment items have a monetary value under \$100.00 and are NOT included on what document?
- A. Consolidated Shipboard Allowance List
 - B. Correlated Shipboard Allowance List
 - C. Created Shipboard Allowance List
 - D. Combined Shipboard Allowance List
- 7-24. Which of the following items are considered minor equipment?
- A. Dryers
 - B. Clippers
 - C. Washers
 - D. Laundry presses

7-25. What funds are used to purchase new vending machines?

- A. Navy Working Capital Fund
- B. Ship's Store Profits, Navy
- C. Cost of Retail Sales
- D. Cost of Vending Sale

RATE TRAINING MANUAL – USER UPDATE

CSS makes every effort to keep their manuals up-to-date and free of technical errors. We appreciate your help in this process. If you have an idea for improving this manual, or if you find an error, a typographical mistake, or an inaccuracy in CSS manuals, please write or e-mail us, using this form or a photocopy. Be sure to include the exact chapter number, topic, detailed description, and correction, if applicable. Your input will be brought to the attention of the Technical Review Committee. Thank you for your assistance.

Write: CSS Rate Training Manager
1183 Cushing Road
Newport, RI 02841

E-mail: Refer to NKO CSS Web page for current contact information.

Rate _____ Course Name _____

Revision Date _____ Chapter Number _____ Page Number(s) _____

Description

(Optional) Correction

(Optional) Your Name and Address

CHAPTER 8

RECEIPTS AND EXPENDITURES

As ship's serviceman (SH) advance in their career path, their professional responsibilities increase. These responsibilities include the areas of receipt, stowage, and expenditure of ship's store stock. In these areas, the overarching goal is to plan all of these operations so they are successfully completed in the most expeditious, efficient, and accurate manner possible.

LEARNING OBJECTIVES

When you have completed this chapter, you will be able to do the following:

1. Identify the process used to receive ship's store stock.
2. Identify the procedures used to audit receipts documents.
3. Identify the types of expenditures.
4. Identify the types of expenditures that apply in the ship's store operation.

RECEIPTS

For every procurement action taken by the ship (except for cancellations), there is a following receipt action. The preparation of a requisition or a purchase order is only the first step in a series of supply actions to follow. All material must be received, identified, checked, and properly distributed to the appropriate storerooms.

Think of an SH's work as being a circle formed by a chain with each link representing a specific job. Each link is dependent on all the others just as there is a relationship between all SH jobs. If the procurement documents are properly prepared and distributed, the receiving procedures will be relatively simple. Likewise, if receipts are done properly, the steps are easier.

This chapter discusses the general procedures that must be followed in receiving stores. Specific information can be found in Retail Operations Management (ROM) Version 3 Policy and Procedures Manual Ships Stores Afloat—Naval Supply Systems Command (NAVSUP) Publication 487 (P-487) and the ROM User's Guide.

Supervising Receipt Operations

Whether the delivery is being made from a truck, a helicopter, or a highline transfer, the leading SH always must be on hand to supervise the loading of ship's store stock. Deliveries are generally made in a routine manner; however, on occasion cargo must be transferred on the open sea during rough weather, or under some other difficult circumstances. These situations test the skill and experience of even the most experienced personnel. When besieged by questions from a 20-man working party, or when trying to assort a handful of invoices on a wet, heaving deck, there won't be time to review the answers to questions in NAVSUP P-487. In cases like these, it pays to know your job well.

Planning and Preparing for Receipts

Planning and preparation take place well before the stock is actually received. Planning and preparing for receipts requires complete coordination between the sales officer, leading SH personnel, receipt inspector, holding location custodian, and any other personnel responsible for the different phases of the receipt operation. The sales officer must ensure that all advance information is

given to all personnel concerned and that preliminary steps are taken so that the receipt operation runs smoothly and safely.

Personnel Assignment

The sales officer must ensure that personnel are assigned effectively during a receipt function. Normally, the sales officer has the leading SH make assignments for each receipt function. Normally, in large operations a chief petty officer will be involved in the process. When possible, only supply department personnel are assigned to receive ship's store stock, especially stock that is easily stolen, such as electronics, watches, and jewelry. In some cases, supply department personnel may not be available, or the order being shipped may be too large for them to handle. In these cases, other departments will normally contribute manpower in the form of a working party.

Your command issues ship's instructions covering the assignment of personnel to working parties and indicates the number of personnel that each department must provide for each size of working party. The executive officer's approval is needed for all requirements for working parties. The requirements are routed through the chain of command for the executive officer to approve. The approval must take place well in advance of scheduled deliveries. The approval takes place ahead of time, so that a note can be placed in the Plan of the Day (POD) to let other departments know of the working party in order to plan ahead and make personnel assignments.

Requirements for working parties should not be made at the last moment. This situation can cause confusion and disagreements between the supply department and other departments aboard ship. After the request is approved for a working party, a list of the personnel assigned to the working party should be obtained from each department. This list should be retained and used as a mustering list once the working party is called away. Supply department personnel should be used fully as spotters and supervisors; the working party should be briefed well in advance of the date of the working party. They should be briefed on their assignment, on the routes that will be used to load stock by the working party, and the importance of maintaining security for all stock during the entire evolution. Personnel assigned as spotters are responsible for directing working party personnel along the correct route and ensuring that the stock is not stolen, lost, or improperly handled. Spotters will be assigned along the route so that there are no blind corners or any areas of the route that cannot be observed.

Storerooms

Holding location custodians should be notified in advance that stock is going to be delivered. They must have an idea of what and how much stock will be delivered, so that the holding location can be organized and the stock rearranged. It will not be easy for holding location custodians to reserve space for incoming stock. However, through experience and advance planning, they will be able to determine ahead of time where the receipts will be stowed. When rearranging stock, the custodian always should arrange it so that the older stock is issued before the new stock. This procedure is commonly known as First-in, First-out (FIFO).

Ship's Store Records

The records keeper (RK) has access to all outstanding orders and should inform divisional personnel of upcoming deliveries. The RK should ensure that the ship's store records are updated and accurate before the day on which the stock will be received to ensure the incoming stock can easily be accounted for.

Receipt Inspection Procedures

The sales officer is responsible for receipt, inspection, and stowage of all incoming stock. The designated receipt inspector ordinarily carries out these responsibilities unless the sales officer decides otherwise. The receipt inspector ensures that the stock is received in good condition. When the stock is received on board, it is assembled on deck or the pier and checked for quantity, quality, and damage. As long as the container was not opened and there is no evidence of possible differences in the contents or in the quantity, the quantity shown on the outside of the factory-packed container may be used as the count.

Day of Receipt

The receipt inspector should have advance notice of when the stock is to be received. The advanced notice should contain the following information:

- Type of merchandise
- Quantity of merchandise
- Size of the necessary working party, if any
- Equipment needed, if any
- Expected time of delivery
- Method of delivery before the day of delivery

Outside of the normal job, the receipt inspector should not plan any major evolutions on the days when deliveries are expected. The position of receipt inspector will most likely be a collateral assignment and the inspector's normal duties will be working in another area of the ship's store operation. As a receipt inspector, it is normal to be pulled away from regular duties at different times during the day for unexpected deliveries, especially for stock delivered through the postal system.

Once word is received that stock is to be received, retrieve the retained procurement documents from the Working File 1—Receipt Inspector File (WF1) in the ship's store office and take the documents to the area where the stock will be received. If the stock is being delivered by a carrier on the pier, direct the carrier to a suitable unloading site. This action is called staging. Proper staging results in the following:

- The shortest possible distance to the stowage area
- A continuous flow and proper balance between personnel carrying stock and equipment
- The consolidation of unloading operations
- The least time for which the working party is required

After the carrier is placed in a suitable unloading site, the stock is ready to be assembled on the pier. Assemble the stock so that it can be checked for quantity, quality, and damage. If any damage to material is observed during the receipt process, set the container aside, notify the carrier's driver, and do not receive the goods. Annotate on the carrier's bill that the case was not received and that it is being returned.

Ensure that the carrier's driver also certifies on the delivery ticket or bill of lading any damaged items or errors in quantities delivered.

Once sufficient material is checked in and received, notify the quarterdeck to call away the working party. The receipt inspector should continue counting while the leading SH musters the working party. It is very important not to call away the working party too early or the working party will be idle when

they could have been working for their respective departments. As the cases are counted, number each container in a location on the case agreed upon by you and the holding location custodian. Notify the supervisor of the working party of the last number that was used so that cases can be sent to the holding location in numerical order. Numbering the containers makes it easy to tell if any containers are missing. Ideally, the number of each case could be annotated next to the person's name carrying the box on the muster list.

Weather Conditions

When receiving stock during unfavorable weather, be extra careful. Rain or snow can damage the stock and very hot and humid conditions can cause certain stock items to deteriorate. If the weather is hot and humid, always have vulnerable items, such as candy, transported to the stowage area first to prevent it from melting. If possible, keep these types of items in a shaded area while they are staged on the pier waiting to be transported to the stowage area.

In case of inclement weather, additional steps must be taken to receive the stock. If it is raining or snowing, place all stock removed from the carrier on a pallet to prevent water damage or dampness. Cover each pallet with a tarpaulin or other waterproof cover until it is moved to the holding location. If the weather is bad enough to disrupt the receiving operation, the sales officer is normally aware of the adverse conditions. If not, notify the sales officer so delivery may be postponed to a later date. Rescheduling may not be possible because of the ship's schedule or other scheduling problems with the carrier or vendor. Since the stock cannot be assembled on the pier for counting, count the stock as it is removed from the carrier to the stowage area. This method of checking in is not desirable, but may prevent water damage to the stock if it must be received immediately. There may be quite a distance between the carrier and a covered area. Therefore, provide each member of the working party with a large plastic bag to cover and protect the stock while it is being carried to the stowage area. When the above procedure is used, always count each line item in its entirety before sending it to the stowage area. Do this count so the driver of the carrier can witness any differences between your count and the amount on the receipt document.

Methods of Receiving

Stores are received by direct delivery, freight, or mail. Direct delivery consists of material delivered to the ship by the supply support activity, a commercial vendor, or material picked up by a ship's representative at the supply support or commercial activity. Freight is material shipped via the Department of Defense (DoD) transportation or commercial freight system and generally is accompanied by a government or commercial bill of lading. Mail consists of all material forwarded by the United States Postal Service (USPS).

Accepting Receipts

Although the sales officer is responsible for the receipt and the inspection of incoming stock, the task may be delegated to a qualified receipt inspector. The receipt inspector is the first person to accept merchandise. Receiving merchandise aboard ship requires entering the correct information into ROM on a variety of receipt documents. Once the items are delivered to the ship, the quantities counted will be checked against the receipt documents and a copy of the requisition or purchase order in WF1. The receipt documents involved depend on the manner in which the material was requested, the issuing activity, and the modes of transportation used in delivery. Certain certifications are common to all manual receipt documents. Receiving personnel must:

- Date the document upon receipt
- Circle the quantity accepted

- Sign the document to indicate receipt (print name, sign, and date)

Types of Receipts

There are several types of receipts. The two most common types of receipts are receipts from other supply officers (OSOs) and receipts from purchase.

Accepting Receipts from Other Supply Officers

The receipt inspector inspects receipt documents from OSOs for quantity and quality, then signs for the material and circles the quantity received on either the Requisition and Invoice/Shipping Document, Department of Defense Form (DD Form) 1149 or Issue Release/Receipt Document, DD Form 1348-1A. The following receipt problems should be documented.

Quantity Error

A quantity error occurs when there is a difference between the quantity physically received and the quantity shown on the receipt document. When an overage or shortage occurs, the receipt inspector and storeroom custodian will indicate on the receipt document the actual quantity physically received. ROM uses an average to compute the cost of an item, i.e. the number and cost of stock on hand is averaged with the number and cost of the item being received. Care must be taken to determine the dollar amount of any shortage so that both the ship and customer is protected.

Shortage

A shortage occurs when the quantity physically received is less than the quantity on the receipt document, regardless of the quantity on the original requisition.

The total quantity at the value shown on the DD Form 1348-1A will be received and taken up on the specific line item. The quantity that was shorted will be expended by survey as a charge to the Navy Working Capital Fund (NWCF).

Overage

An overage occurs when the quantity physically received exceeds the quantity stated on the receipt document, regardless of the quantity on the original requisition.

The receiving ship has the option of either returning the excess material or keeping it. If the ship elects to keep the material and is not charged for it, the receiving ship will treat the items as a “bonus free item.” The requisition must be modified prior to receipt to add the item to the requisition with the quantity of overage and changing the cost to \$0.00. The receipt document will show ordered amount as stated cost and the extra amount as “zero” cost. As an alternative, the ship may do a spot inventory to bring the items into inventory.

Refer to NAVSUP P-487 for detailed information on the receipt of material from OSOs.

Accepting Receipts from Purchase on DD Form 1155

For all receipts the receipt inspector is checking the quantity received against an expenditure document or shipping invoice. For all receipts, the actual quantity will be recorded on the receipt inspector's document. Receipt will be done by case count if the inspector can validate that cases counted equals the number shown on the shipping invoice. As all items are ordered as “each” the quantity of the items received should be the same as the quantity on the expenditure document. The quantity indicated on the outside of a container must be checked if the container has been opened.

The receipt inspector checks the quantity by case count, based on the purchase order. If the shipping document is not provided, the receipt inspector uses a copy of the purchase order. Once the receipt

inspector inspects receipts from the purchase for quantity and quality, the material is accepted, but only when the case count of the items received is the same as the case count shown on the DD Form 1155 and the quality of the item(s) is satisfactory. Any merchandise noted as being unsatisfactory is returned to the vendor and is not accepted.

If the quantity (case count) and quality are acceptable, the receipt inspector receives the merchandise. A representation of a ROM purchase order and the corresponding DD Form 1155 are shown in *Figures 8-1* and *8-2*. The receipt inspector will:

1. Circle the quantity received on the DD Form 1155.
2. Print and sign name, grade, and date of receipt on the shipping invoice.
3. Forward invoice to the RK.

Purchase Order									
Order Details									
Status: Unconfirmed					Order Date: N/A				
Delivery FOB: <input checked="" type="radio"/> Destination <input type="radio"/> Other		Ship To: <input checked="" type="radio"/> Pier Side Address <input type="radio"/> FPO Address			Delivery: 08/11/2013				
Contract / Payment Information									
Vendor: ACOSTA, INC. 8031 HAMPTON BLVD. Adr2 NORFOLK, VA 23505-1001 (800) 446-8089			Contract: Contract Number: N00189-08-D-0010 Discount Terms: 0.00% 00 NET 30 Order Zone: G - Norfolk			Administered By: Air Forces (Atlantic) 123 Memory Lane 111 Lancaster Ave Hagerstown, MD 12345			
Order Information / Statements									
Ship To: Supply Officer 5450 Carlisle Pike Bldg 409 17055			Paying Activity: Defense Finance and Accounting Services DFAS Cleveland Norfolk Accounts Payable P.O. Box 998022 Cleveland, OH 44199				Statements Applied: <input type="checkbox"/> Certificate of Conformance <input type="checkbox"/> Affirmative Action 52.222-36 <input checked="" type="checkbox"/> FastPay Procedures Apply <input type="checkbox"/> Transportation Charges Auth		
Order Items									
Stock Num	Description	QOH	QOO	Cost	UI	QTY	Sell QTY	Add Free	Remove
1839390000002	AXE Shower Gel Kilo	33	87	\$4.19	EA	5	5	Add Free	Remove
1839390000006	Nivea Original	15	455	\$4.28	EA	3	3	Add Free	Remove
		< Page 1 of 1 >		10 rows per page ▼		Go to page: <input type="text"/>		<input type="button" value="Go"/>	
<input type="button" value="Print DD-1155"/>		Order Total: \$33.79							
<input type="button" value="Add Additional Items"/>		<input type="button" value="Save & Review Later"/>		<input type="button" value="Confirm & Generate"/>		<input type="button" value="Delete"/>		<input type="button" value="Close"/>	

Figure 8-1 — ROM purchase order.

ORDER FOR SUPPLIES OR SERVICES							PAGE 1 OF					
1. CONTRACT/PURCH ORDER/AGREEMENT NO. N00189-08-D-0010		2. DELIVERY ORDER/CALL NO.		3. DATE OF ORDER/CALL (YYYYMMDD) 2015FEB23		4. REQUISITION/PURCH REQUEST NO. V22178-2318-9759		5. PRIORITY				
6. ISSUED BY USS RONALD REAGAN CVN-76 FPO AP 96616		CODE V22178		7. ADMINISTERED BY (If other than 6) AIR FORCES (ATLANTIC) 123 MEMORY LANE 111 LANCASTER AVE HAGERSTOWN, MD 12345		CODE		8. DELIVERY FOB <input checked="" type="checkbox"/> DESTINATION <input type="checkbox"/> OTHER (See Schedule if other)				
9. CONTRACTOR ACOSTA, INC. 8031 HAMPTON BLVD. NORFOLK, VA 23505-1001 (800) 446-8089		CODE 98-D-0034		FACILITY		10. DELIVER TO FOB POINT BY (Date) (YYYYMMDD) 2015APR01		11. X IF BUSINESS IS <input type="checkbox"/> SMALL <input type="checkbox"/> SMALL DISAD- VANTAGED <input type="checkbox"/> WOMEN-OWNED				
NAME AND ADDRESS						12. DISCOUNT TERMS NET 30		13. MAIL INVOICES TO THE ADDRESS IN BLOCK SEE BLOCK 15				
14. SHIP TO SUPPLY OFFICER 5450 CARLISLE PIKE		CODE		15. PAYMENT WILL BE MADE BY DFAS CLEVELAND NORFOLK ACCOUNTS PAYABLE P.O. BOX 998022 CLEVELAND, OH 44199		CODE N60951		MARK ALL PACKAGES AND PAPERS WITH IDENTIFICATION NUMBERS IN BLOCKS 1 AND 2.				
16. TYPE OF ORDER		DELIVERY/ CALL <input checked="" type="checkbox"/>		This delivery order/call is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract.								
PURCHASE		Reference your ACCEPTANCE. THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME.										
NAME OF CONTRACTOR		SIGNATURE		TYPED NAME AND TITLE		DATE SIGNED (YYYYMMDD)						
If this box is marked, supplier must sign Acceptance and return the following number of copies:												
17. ACCOUNTING AND APPROPRIATION DATA/LOCAL USE 97X4930.NC1A												
18. ITEM NO.		19. SCHEDULE OF SUPPLIES/SERVICES			20. QUANTITY ORDERED/ ACCEPTED*		21. UNIT		22. UNIT PRICE		23. AMOUNT	
18393902		AXE SHOWER GEL KILO			5		EA		4.19		20.95	
18393906		NIVEA ORIGINAL			3		EA		\$4.28		12.84	
											0.00	
*If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and encircle.					24. UNITED STATES OF AMERICA					25. TOTAL 33.79		
BY:					CONTRACTING/ORDERING OFFICER					26. DIFFERENCES		
27a. QUANTITY IN COLUMN 20 HAS BEEN <input checked="" type="checkbox"/> INSPECTED <input checked="" type="checkbox"/> RECEIVED <input type="checkbox"/> ACCEPTED, AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED:												
b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE <i>I. Dowell</i>					c. DATE (YYYYMMDD) 2015MAR31		d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE I. DOWELL, LT, SC, USN					
e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE USS RONALD REAGAN CVN-76 FPO AP 96616					28. SHIP. NO.		29. D.O. VOUCHER NO.		30. INITIALS			
f. TELEPHONE NUMBER (757)867-5309					g. E-MAIL ADDRESS I.DOWELL@CVN76.NAVY.MIL		32. PAID BY		33. AMOUNT VERIFIED CORRECT FOR			
36. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT. a. DATE (YYYYMMDD)					b. SIGNATURE AND TITLE OF CERTIFYING OFFICER		31. PAYMENT COMPLETE PARTIAL FINAL		34. CHECK NUMBER			
37. RECEIVED AT					38. RECEIVED BY (Print)		39. DATE RECEIVED (YYYYMMDD)		40. TOTAL CONTAINERS		41. S/R ACCOUNT NUMBER	
									42. S/R VOUCHER NO.			

DD FORM 1155, DEC 2001

Figure 8-2 — DD Form 1155.

If the quantity of items received is not the same as the quantity of items ordered, the receipt inspector may accept the lesser quantity. ROM will not allow the ship to receive a quantity from a commercial vendor that is more than was ordered.

If the quantity is incorrect or the quality of the items received is not satisfactory, notify the sales officer, who will in turn immediately notify the vendor.

Receipts of Stock by the Holding Location Custodian

All receipts must be received in the holding location. Once the receipt inspector inspects the stock for quantity, quality, and damage and accepts the stock, it is delivered to the holding location. The holding location custodian reports to the sales office and obtains the receipt documents located in the Bulk Custodian File (WF2), then takes a copy of the receipt document to the storeroom until the personnel deliver the stock. The holding location custodian ensures that boxes brought to the storeroom are not opened and that all boxes arrive. If the receipt inspector is numbering boxes, the holding location custodian ensures that all numbers are accounted for. The holding location custodian will authorize and maintain tight control over those personnel in the storeroom to assist in loading operations.

NOTE

The custodian should never allow unauthorized personnel to enter storerooms.

The holding location custodian will receive all material by quantity, not case count. The custodian accepts the merchandise and will:

1. Circle the quantity of items received.
2. Check the "Inspected", "Received," and (if quantity differences exist) the "Accepted, and conforms to the contract except as noted" boxes in block 27 of the DD Form 1155.
3. Print and sign name and grade in block 27 of the DD Form 1155.

If the quantity of the item counted is not the same as what is shown on the receipt document, record and circle the actual quantity received and line out the quantity shown on the receipt document. All "line outs" must be initialed. Once the custodian accepts the merchandise by dating and signing the accountability copy, he or she is legally responsible for the proper disposition of the material while it is in his or her custody. The custodian forwards the copy of the signed and dated receipt document to the sales office.

Posting Receipts

Once the sales office receives the receipt document, the RK compares the quantities received on the receipt inspector's copy to the holding location custodian's copy to ensure that the quantities agree. After the two receipt documents are reconciled, then enter all receipt data available—such as cost and transportation charges—in ROM using the instructions contained in the ROM User's Guide. ROM assigns a receiving number to each receipt entered and extends the receipt document at cost price. All receipt data including transportation charges will be entered in ROM as outlined in the ROM User's Guide. ROM computes the total cost value of each receipt based on the data entered. The total dollar value of the receipt with cost of transportation will be posted to the Journal of Receipts. Receipt documents for all material are posted to the applicable line items. Although ROM computes the totals automatically, it is important to understand how to compute the total cost value of the receipt document manually as shown in *Figure 8-3*. First, multiply the cost price of each item on the receipt document by the quantity received to get the cost value for each item. Add each of these cost

values together to get the total cost value for the receipt document. Use the following formula to determine the total dollar value of the receipt document: total cost value less transportation charges equal the total dollar value. The total dollar value of the receipt is \$83.50 and this amount will be posted to the Journal of Receipts.

Item	Quantity Received	Unit Cost Price	Extended Cost Total Price
MP3 Player	2 ea	\$ 29.75	\$ 59.50
Earbuds	4 pk	\$ 5.00	\$ 20.00
			<u>\$ 79.50</u>

a.	Total cost value of the receipt	\$ 79.50
b.	Plus transportation charges	<u>\$ 4.00</u>
c.	Total dollar value of receipt	\$ 83.50

Figure 8-3 — Extended receipt document calculations.

After the receipt is posted, print out the Receiving Report (*Figure 8-4*) for each receipt. Refer to NAVSUP P-487 for detailed information.

Posting Journal of Receipts

ROM automatically assigns a receiving number to each receipt entered and posts the cost value of the receipt to the Journal of Receipts B01/B05 Report. Each receipt recorded on the B01/B05 Report is assigned a receiving number from a continuous series of numbers, beginning each accounting period with the number one (1). At the end of the accounting period, ROM will total all receipts entered and post to lines B01 or B05 of NAVCOMPT Form 153.

Posting to Line Items

Receipt documents for all material receipts are posted to the line items. The stock line item is the key data element in documenting the ship's store transactions. When a receipt is posted to ROM, the receipt automatically posts the appropriate quantity received to the line item.

Receipt of Partial Shipments

On occasion, a shipment of merchandise may arrive that only partially completes an outstanding order or requisition with the remainder of the shipment following at some future date. For example, the invoice contained in the partial shipment may show that the remainder of the order will be sent later, or that a box of merchandise may be marked as partial, e.g., 1 of 3, in the mail. In these and similar cases, mark "Partial Shipment" on the receipt document and show the quantities received. The receipt is then processed in the regular manner. ROM automatically assigns a new receiving number from the Journal of Receipts for each subsequent receipt. Continue this process until the entire shipment is received.

RECEIVING REPORT						Run Date: 5/31/15 Run Time: 10:40		
USS BONHOMME RICHARD UIC V22202			Order Nbr V22202-0092-9745		Order Date 01-Apr-15		ROBERT HALE & ASSOCIATES, INC.	
Receipt No. 0089		Receipt Date 31-May-15						
SKU#	Description	Uni	Ordered Qty	Ordered Cost	Ordered Total	Received Qty	Received Cost	Received Total
2300003733S	HEADPHONE, SONY EARBUD #MDRE821LP	EA.	10	\$5.95	59.5	10	\$5.95	58.5
2300003734S	HEADPHONE, SONY VERTILCE EAR #MDR-A44L	EA.	15	\$14.10	211.5	15	\$14.10	211.5
2300003828S	CAMERA, SONY 8MM Camcorder W/DIGITAL Zoom & Nightshot	EA.	6	\$312.35	1874.1	6	\$312.35	1874.1
2300003948S	CAMERA, SONY 8MM Camcorder W/2.5 LCD & NIGHTSHOT	EA.	6	\$452.25	2713.5	6	\$452.25	2713.5
2338003730S	HEADPHONE, SONY MDRV-200	EA.	6	\$28.90	173.4	6	\$28.90	173.4
3800009250S	CAMERA, SONY MAVICA DIGITAL CAMERA #MVC-FD73	EA.	4	\$427.38	1709.52	4	\$427.38	1709.52
Total Received this Receipt No.							\$6,741.52	
Add: Shipping Charges this Receipt No.							\$0.00	
Less: Cash Discounts this Receipt No.							\$647.15	
Total this Receipt No.							\$6,067.37	
Total Received							\$6,741.52	
Total Received for Order							\$6,741.52	
Add: Total Shipping Charges for Order							\$0.00	
Less: Total Cash Discounts for Order							\$647.15	
Grand Total for Order							\$6,067.37	

Figure 8-4 — Receiving Report.

Receipt of Bonus Free Items

Some vendors may offer bonus free items in various forms when ship's store stock is ordered. A bonus free item is merchandise provided to the ship at no cost as part of a normal order. For example, if a ship orders 100 cases of soda, the vendor may provide an additional case for free as a bonus free item.

ROM provides a special process to add bonus free items. Create the purchase order, filling out all required fields. If the bonus free item is the same as an ordered item, the item will appear as a separate line item with the cost price of zero. The ship will ensure that the vendor's invoice shows all bonus free items at zero cost.

When the ordered and bonus free item are received, ROM posts the total quantity received, including the bonus free item to the applicable line item and averages the unit cost price on the line item. The total cost of the ordered items, plus any transportation charges, minus any discounts, will be posted to the Journal of Receipts.

For example, a vendor offers 1 bonus case of soda for every 100 cases ordered. The unit cost price is \$7.00. In this instance, the unit cost price is averaged (i.e., ROM would post 101 cases of soda for \$6.93 to the appropriate line item). This figure is derived from the following formula: Multiply the total ordered by the unit cost price and divide that by the total number of items received. The sum equals your average unit cost price. Therefore:

Cases of soda	100	Total unit cost price	\$700.00
Unit cost	x \$7.00	Divided by total items received	÷ 101
Total cost	\$700.00	Equals average unit cost	\$6.93

Filing and Distribution of Receipts from Other Supply Officers

Receipt documents covering receipts from OSOs are processed on either a DD Form 1348-1A or DD Form 1149 as previously discussed. When these forms are used as the receipt document, the distribution is as follows:

- Original, signed by the receipt inspector (name must also be printed on each receipt document) and returned to the issuing ship (if required by transferring ship)
- One copy of the DD Form 1348-1A or 1149 and a copy of the Receiving Report, sent to the sales officer for filing in the accountable officer's (AO's) B05 file until the monthly transmittal to Defense Finance and Accounting Service (DFAS)
- Receipt inspector's copy, holding location custodian's copy, and a copy of the Receiving Report, filed in the RK B05 (RK) file

Filing and Distribution of Receipts from Purchase

Fast Pay procedures are applicable to United States merchandise. The DD Form 1155 will be distributed as follows:

- Copy of Receiving Report, filed in B01 (AO) file until the monthly transmittal to DFAS
- Receipt inspector's copy, holding location custodian's copy, and copy of the Receiving Report, filed in B01 (RK) File

Auditing Receipts

An accurate set of ship's store returns depends on the accuracy with which receipt files and records are kept. It is important that you audit the processing, posting, and distribution of receipt documents with considerable care. Additionally, it is of critically importance that your resources, such as the NAVSUP P-487, are current so you may stay familiar with the proper procedures.

Processing Receipt Documents

The receipt inspector copy, signed by the authorized inspector, and the signed copy of the receipt document must be checked for agreement on quantities of stock received. Discrepancies in counting between the authorized inspector and the holding location custodian should be a rare event. When these discrepancies do occur, immediate investigative action should be taken by the sales officer. Unresolved differences in counting may result in items being surveyed. If proper security is maintained throughout the receiving process, discrepancies should be few.

Posting

As an auditor, it is important to establish a system to examine the receipt procedures used by the RK. Ask several questions during the audit process including:

- Is the correct amount posted to the Journal of Receipts
- Are receipt amounts posted to the correct column of the Journal of Receipts
- Are bonus free items received properly

Distribution to Files

Finally, the receipt files must be checked to determine whether documents are being distributed and contain the necessary information. Ask the following questions:

- Are receipts from purchase filed separately from receipts from OSOs
- Are receipt documents being distributed properly

The distribution of each type of receipt document is contained in the appendixes in NAVSUP P-487.

Transmittal of Receipts and Credit Memorandum Documents to DFAS

Each month the sales officer will forward a summary letter, receiving reports for receipts from purchase, receipts from OSO, accounting adjustments, and credit memorandums (memos) to DFAS Cleveland, OH. This transmittal should be sent electronically if possible but paper copies may be used as a backup procedure. Specific instructions include:

- Electronically—the preferred method of sending documents is electronically. Whenever possible, use the ship's scanner to scan all hard copy documents into a PDF file (DFAS systems cannot accept other formats, such as TIFF, JPEG, etc.), attach the file to an email, and send it to: shipstores@dfas.mil. In the subject line of the email, give ship's name, unit identification code (UIC), and month. If sending more than one email, number the emails
- Paper—the sales officer will forward copies of the documentation for the month. For complete mailing address, see Chapter 9. Documents must be submitted to DFAS Cleveland, OH not later than 7 calendar days after the end of the month. (This includes the last month of the accounting period.) Receipt and credit memo documents will be forwarded to DFAS separately from the returns. Documents should be securely packaged in envelopes or boxes

Receipt documents will be separated into two groups; receipts from purchases (including original credit memo documents) and receipts from OSOs of ship's store stock. ROM will separate receipts into groups automatically. ROM will produce the cover letter and itemized list of receipt documents. The sales officer will compare the actual documents with the itemized list of receipt documents to verify that the total cost value posted in ROM equals the actual cost value of merchandise received. A copy of the transmittal cover letter and a copy of the itemized list of receipt documents will be filed with the retained returns

Negative reports are required if there are no receipts during a month. ROM will produce a Negative Report letter for submission to DFAS.

Accounting Adjustments to Receipt Documents

Differences in the value of a receipt document will be corrected by an accounting adjustment only if the difference is in excess of \$10.00. No accounting adjustment is necessary for differences of less than \$10.00. Differences less than \$10.00 should not have a significant impact on the ship's store operation. An accounting adjustment will be prepared for the differences between the amount of the receipt originally transmitted and the actual value. The difference, the original document number, and

the month transmitted will be included on the accounting adjustment. ROM will automatically assign the next available receiving number to each accounting adjustment.

For further instruction on accounting adjustments and proper procedures, refer to NAVSUP P-487 and ROM User's Guide.

EXPENDITURES

There are five ways to expend material from the operation other than selling it in a retail outlet. Familiarize yourself with each of these transactions and know how to process them.

- **Transfer**—an action that shifts custody and accountability for material from one ship's store officer to another ship's store officer or to a different activity
- **Issue**—transfer material to other appropriations or to service activities
- **Survey**—a procedure used to clear material from inventory and account for when it is damaged, lost, missing, or has expired
- **Sale**—an action where an item is sold for cash
- **Credit memo/Cash refund**—a procedure to return merchandise back to a commercial vendor

Transfers

If enough stock is on board, transfer of ship's store stock is made to OSOs on the receipt of a requisition number and a list of items desired. Your ship may be either the receiving or the supplying activity. Transfers are made at cost price and are normally documented on a DD Form 1149.

Because this document can be used as both an invoice and a requisition, it is easy to accomplish a transfer. Once the transferring ship's sales officer approves the transfer, the RK creates the DD Form 1149. The RK enters the required information in ROM, prints the document, obtains the sales officer's signatures (transferring ship), and forwards the original and two copies to the holding location custodian. The holding location custodian picks, packs, and delivers the material to the requesting ship. The requesting ship receives the merchandise, prints, and signs and dates the original DD Form 1149 and returns it to the transferring ship. Upon receipt of the completed transfer document, the RK modifies, if necessary, and confirms the transfer. Once the expenditure is confirmed, ROM posts the transfer data to the line item on NAVCOMPT Form 153, line B19. The document is distributed as per NAVSUP P-487.

Issues

Issues of ship's store stock are made to other appropriations or to service activities and are limited to the following:

- Health and comfort
- Marine Corps personnel
- Survivors of marine and aircraft disasters
- Merchant ships in distress
- Burial of the dead
- General mess
- Ship's use (Operating Target (OPTAR))

All authorized issues of ship's store stock are made at cost price except health and comfort items sold to military personnel in a pay status, which are issued at the current retail price. This section covers the common types of issues in a ship's store operation.

Health and Comfort Issues

The purpose of these issues is to provide toiletries and other necessities required for the health and well-being of personnel without enough money to purchase them. All health and comfort (DD Form 504) issues are made from the retail store. These issues can be made to personnel of the Navy, Marine Corps, Army, Air Force, Coast Guard, and their respective reserve components. The procedures to follow, the funds charged and personnel authorized to be issued health and comfort items are determined by their pay status. They are authorized by United States Navy Regulations, Article 0833.

- Issues to personnel in a pay status—Health and comfort issues are made to members in a pay status under the circumstances listed below:
 - Temporarily without money
 - Returned deserters and absentees
 - Personnel on first enlistment or first reporting for active duty prior to receiving clothing allowance
 - Personnel subject to the Uniform Code of Military Justice that are in a naval confinement activity; issues to personnel in confinement will be in accordance with the Corrections Manual
 - Health and comfort issues made to personnel without money are charged to their pay record even if it results in overpayment; if they are made to personnel entitled to pay that are confined, awaiting trial, or review after conviction, charges are made to their pay record; these issues do not include clothing items and they are limited to \$50 per month at retail price for any one person
 - The Commanding Officer (CO) or a delegated representative approves all health and comfort issues for personnel in a pay status; once the approved documents are received in the retail store, the operator issues the health and comfort items; the original documents with the copy of the member's identification card are forwarded to the disbursing officer; the disbursing officer charges the member's pay record and issues a check payable to the ship's store officer for the total amount of merchandise issued; health and comfort issues to personnel in a pay status are handled as cash sales
- Issues to personnel in a non-pay status—The CO or a delegated representative approves all health and comfort issues to personnel in a non-pay status; a member in a non-pay status is not being credited with any pay or allowances; these include Navy, Marine Corps, Army, Air Force, Coast Guard, and Reserve component personnel; there is no monetary limit on the value of clothing items that may be issued; issues of other items are limited to \$50 per month at retail price per person

Issues to Marine Corps Personnel

Articles required for use by a Marine Corps detachment, which will become the property of the Marine Corps, may be issued on the written request of the officer in command of the detachment. Clothing items apart from health and comfort issues will not be issued to Marine Corps personnel unless accompanied by a signed order from the individual's commanding officer.

Issues to Survivors of Marine and Aircraft Disasters

Ship's store items may be sold for cash to survivors of marine and aircraft disasters if they have personal funds in their possession. The sale of clothing items to survivors who are non-naval personnel will be restricted to non-distinctive items. If the survivor is without personal funds, emergency issues may be made with written approval of the CO.

Issues to Merchant Ships in Distress

Per United States Navy Regulations, Article 1144, when authorized by the senior officer present and upon written order of the CO, merchant ships in distress may be issued items of ship's store stock including non-distinctive clothing. The order must set forth the pertinent circumstances. When practical, items will be sold for cash at retail price. When it is impossible to sell merchandise for cash, the items will be issued upon receipt of a line of accounting data from the supply officer.

Issues for Burial of the Dead

Articles of clothing for burial of the dead will be issued on request of the CO or medical officer. These issues will be expended directly from the NWCF and charged to the appropriate OPTAR or Naval Medical Command subhead.

Issues to the General Mess

Only beverages and individual-size servings of food items, when required for special meals, may be issued to the general mess. Issues to the general mess will be expended at cost price from the holding location. The food service officer will provide the sales officer with a requisition citing the appropriation data, requisition number, and items required. The sales officer will approve the expenditure and direct the RK to prepare the expenditure Requisition and Invoice/Shipping Document (DD Form 1149) as outlined in the ROM User's Guide transfer section. A representation of a modified DD Form 1149 is shown in *Figure 8-5*.

Issues to Ship's Use (OPTAR)

Other than emergent requirements when an alternative source of supply is not available, ship's store items may be issued to Ship's Use. Issues to Ship's Use are charged to OPTAR funds. Ship's store items are issued to ship's use as discussed below.

- Ship's store stock—all ship's store stock, except emblematic items issued to ship's use, is charged to the ship's OPTAR funds; normally, if an item in general stores is not available, a similar item of ship's store stock can be issued for the use of the ship to complete maintenance work or other optional requirements; these items are normally limited to such items as flashlights, batteries, padlocks, and soap; a representation of a modified DD Form 1149 is shown in *Figure 8-6*
- Service activity supplies—these items include laundry detergent, hangers, net bags and pins, forms/tickets, press pads and covers, barber clippers and combs; these items should be purchased using OPTAR funds; in the past, S-3 would order the material and then issue it to ship's use as a charge to OPTAR; in an effort to reduce paperwork, such products may be procured with the government credit card and the OPTAR is charged

TRANSFER TO OTHER APPROPRIATION		Confirmed		Page 1 of 1		4. TRANSFER DATE 2015JUL04		5. EXPENDITURE NUMBER FROM TRANSFERRING SHIP V22202-0154-7547	
6. TRANSFERRED FROM V22202 USS BONHOMME RICHARD (LHD-6) FPO AP 96617-1656				7. DATE MATERIAL REQUIRED 2015JUN02			8. PRIORITY		
9. TRANSFERRED FROM FOOD SERVICE OFFICER USS BONHOMME RICHARD (LHD-6) FPO AP 96617-1656				10. AUTHORITY OR PURPOSE NAVSUP P-487					
				11. SIGNATURE			12. REQUISITION NUMBER FROM RECEIVING SHIP V22202-0154-1234		
13. SHIP TO FOOD SERVICE OFFICER USS BONHOMME RICHARD (LHD-6) FPO AP 96617-1656				14. DATE SHIPPED					
				15. MODE OF SHIPMENT					
				16. AIR MOVEMENT DESIGNATOR					
17. ACCOUNTING AND APPROPRIATION DATA									
Appropriation Symbol and Subhead		Object Class	Bureau Control No.	Sub Allot	Authorization Acct'g Act'Y	Trans Type	Property Acct'g Act'Y	Cost Code	Amount
17X1453.2241		026	41118	0	000031	1J	N/A	206327317OPZ	\$220.00
Stock Number	Description	Qty	Unit	Book Cost	Book Cost Ext.	XFER Cost	XFER Cost Ext.	Gain (loss)	
0700005924	CHIPS, CHEETOS CRUNCHY VENDING	200	EA	\$0.2200	\$44.00	\$0.2200	\$44.00	\$0.00	
0700005932	SNACK, DORITO NACHO VENDING	200		\$0.2200	\$44.00	\$0.2200	\$44.00	\$0.00	
0700005936	SNACK, FRITO REG V/MACHINE	200		\$0.2100	\$42.00	\$0.2200	\$44.00	\$2.00	
0700005938	SNACK, LAYS KC BBQ VENDING	200		\$0.2200	\$44.00	\$0.2200	\$44.00	\$0.00	
0700005940	SNACK, LAYS REGULAR VENDING	200		\$0.2200	\$44.00	\$0.2200	\$44.00	\$0.00	
Total Book Cost								\$218.00	
Gain (Loss) realized, posted to Cost of Ops Retail								\$2.00	
Expenditure Total								\$220.00	

Approved for transfer by _____
Received by _____
Date _____

Figure 8-5 — Issue to general mess (DD Form 1149, modified).

TRANSFER TO OTHER APPROPRIATION	Confirmed	Page 1 of 1	4. TRANSFER DATE 2015JUL04	5. EXPENDITURE NUMBER FROM TRANSFERRING SHIP V22178-2309-9692					
6. TRANSFERRED FROM V22178 USS RONALD REAGAN CVN-76 FPO AP 96616		7. DATE MATERIAL REQUIRED 2015JUL05		8. PRIORITY					
9. TRANSFERRED FROM SUPPLY OFFICER USS RONALD REAGAN CVN-76 FPO AP 96616		10. AUTHORITY OR PURPOSE NAVSUP P-487							
		11. SIGNATURE		12. REQUISITION NUMBER FROM RECEIVING SHIP V22178-2249-9725					
13. SHIP TO SUPPLY OFFICER USS RONALD REAGAN CVN-76 FPO AP 96616		14. DATE SHIPPED 2015JUL05							
		15. MODE OF SHIPMENT HAND DELIVERY							
		16. AIR MOVEMENT DESIGNATOR							
17. ACCOUNTING AND APPROPRIATION DATA									
Appropriation Symbol and Subhead	Object Class	Bureau Control No.	Sub Allot	Authorization Acct'g Act'Y	Trans Type	Property Acct'g Act'Y	Cost Code	Amount	
97X4930.NC1A	000	2100	0	000250	7C	V22178	732600	\$7,326.00	
Stock Number	Description		Qty	Unit	Book Cost	Book Cost Ext.	XFER Cost	XFER Cost Ext.	Gain (loss)
2251100026	MINI MAG-LIGHT W/ HOLDER		1100	EA	\$6.6600	\$7,326.00	\$6.6600	\$7,326.00	\$0.00
Total Book Cost								\$7,326.00	
Gain (Loss) realized, posted to Cost of Ops Retail								0.00	
Expenditure Total								\$7,326.00	
<p>Approved for transfer by _____</p> <p>Received by _____</p> <p>Date _____</p>									
<p>FUNCTIONAL ACCOUNT</p> <p>CREDIT 51000</p> <p>CHARGE 13000</p>									
<div style="border: 1px solid black; display: inline-block; padding: 2px;">DD-1149 (modified)</div>									

Figure 8-6 — Issue to ship's use (DD Form 1149, modified).

Unmatched Expenditures

This list includes all unmatched expenditures (payments and OSO summaries) that have not matched with the corresponding receipt document. It is furnished to each ship on monthly basis and the sales officer must reconcile the listing and return it to DFAS within 30 days after receipt.

The listing contains expenditure differences for a 1 month period. A cumulative listing is generated at the end of each 4-month reporting cycle. Differences of less than \$10.00 do not appear when the expenditure is a payment made by DFAS or a disbursing officer. OSO Summary differences of less than \$10.00 appear for information purposes only on the listing and remain there until aged 6 months. OSO Summary differences of less than \$10.00 do not require adjustments.

An Excel spreadsheet of the Unmatched Expenditure Listing is forwarded to each ship. Upon receipt, the listing will be reconciled in conjunction with the ship's retained returns, purchase order log, and requisition log. Enter the applicable action codes (with information required to fill in the blanks) onto the listing and return the original to DFAS within 30 days and file the copy in WF3.

Surveys

Despite efforts to run a perfect operation, there are times when accidents or events will result in loss of or damage to ship's store stock. At such times, it should be determined if a survey is an appropriate response. A survey is used as a method to expend stock from records and accounts when stock items are lost or damaged, have expired, or are otherwise unsuitable for use or sale. This section deals with several of the alternatives that should be considered when accounting for losses in the value of your stock. The sales officer initiates a survey by requesting that an immediate inspection of the stock involved be made by the formal surveying officer.

Ship's store surveys are distinct in several ways. The most important distinction—also the most frequently abused—is that the value of a ship's store survey should be charged to one of two appropriations: the NWCF (97X4930.NC1A) or Ship's Store Profits, Navy (local) (17X8723.2301). The key to selection of the correct appropriation is the manner in which the stock was lost or damaged. It is important to know what each appropriation covers. The information below examines the two appropriations, discusses the types of damage or loss each one is designed to absorb, and briefly explains the procedures to follow.

Navy Working Capital Fund

The NAVSUP P-487 is quite specific concerning the types of losses that you can survey to the NWCF.

Specifically, the NWCF pays for losses or damages in shipment, including underway or in port replenishment. The NWCF also covers losses or damages caused by fire, water, or oil. In addition, stock received with an expired shelf life is charged against NWCF. This fund also is charged for losses that occur between the amounts that the receipt inspector received on the pier (by the sealed box count) and the amount that the holding location custodian receives when opening the box in the holding location.

Ship's Store Profits, Navy (Local)

One common example of a local profit survey is those covering losses caused by theft. Another example is if the ship's store fails to accomplish timely price reductions (markdowns) of slow-moving items, which ultimately become shopworn merchandise or perishable merchandise that become unfit for human consumption. A reduction in price to sell the merchandise before it is categorized as shopworn or unfit for consumption is always preferable, rather than a ship-store profit survey, since some of the original value of the stock will be recovered.

Sales

Another major type of expenditure in the ship's store is sales. Accountability actually is not reduced in this case since cash is received in place of the stock expended. Using creative merchandising techniques and being proactive in the daily operations of the ship's store can improve your ability to expend ship's store stock through these means.

Markdown (Price Change)

A markdown is a reduction in a previously established retail price of an item of merchandise. Markdowns are a necessary expense of retail operations and a very important procedure in turning the inventory of slow moving items or to create interest in the store. Markdowns will be taken when the merchandise will not sell at its present retail price. All markdowns will be prominently displayed so customers can easily see the markdown prices. To avoid large markdowns on any one item, markdowns will not be delayed or set aside.

The initial markdown should be sufficient to create customer interest and be a fair value in return. The practice of taking markdowns progressively each week will tend to reduce interest, because customers will wait until items are marked down to practically nothing before buying. Initial markdowns of 25 percent to 50 percent are not uncommon and should be taken to stimulate sale of an item. Customers probably will show little interest in an item that is regularly priced at \$10 and is reduced to \$9. However, the same item marked down to \$7.50 may attract an immediate sale.

Make every effort to sell every item at full retail price. However, if a markdown is required, different types of ship's store merchandise should be marked down at different times. The sales officer will determine the retail price that will motivate the crew to buy the item. Merchandise that has no further sales value or cannot be sold due to expiration, damage or for any other reason should be surveyed to profits. The cost of the markdown or survey is chargeable to the individual ship's profits.

Markdown Planning

Any item carried in the ship's store has the potential to be a slow seller and subject to markdown. It is important to learn what is not selling. Based on this information, the sales officer should have a set plan for when to markdown stock. Key items to look for are:

- Seasonal merchandise—determine if the stores have seasonal merchandise and take action to sell it before the end of the season
- Foreign merchandise or deployment excess stock—prior to returning to homeport, determine what items are in excess and will have low sales potential when in homeport; take action while deployed to mark down and sell these items
- Move slow sellers—taking a markdown on slow sellers gets rid of the items that are taking space and not contributing to profit
- Orphan items—often merchandise on the shelf has no sales value, as it is “one of a kind” left over, too big, too small, or the wrong color; find these items, have a sale, and reduce workload associated with managing these “one each” items
- Generate excitement—having a sale will generate excitement on the ship and provides an opportunity for the S-3 to reduce excess stock and provide a “savings” to the crew

Price Change Procedures

In electronic point of sale (EPOS) outlets, the sales officer can increase or decrease the price of an item at any time by changing the price on the line item in ROM. The markdown takes effect at EPOS

outlets upon confirmation of the price change. The cumulative effect of those price changes is reflected on the Profitability Report.

For non-EPOS outlets, to increase or decrease the retail price of an item, the sales officer must conduct an inventory of the targeted items. The retail price of the line items must **then** be changed in ROM.

Credit Memorandum/Cash Refund

A credit memo is used for items received and then returned to vendor. Ship's store items may be returned to a vendor for a credit invoice. Before returning the items, the vendor must be willing to accept returns. For ship's store stock, both ship and vendor should have agreed on the price. All merchandise returned to vendors will be returned from a holding location. The credit memo will remain unconfirmed and the quantity returned will be held in inventory until the ship receives the signed credit memo and accompanying credit invoice. At that time, the sales officer will confirm the credit memo, which will expend the items from inventory. Occasionally, items don't make it to the ship or there is a short shipment, but the vendor is paid by DFAS. The vendor may provide a credit memo for the difference. If the ship did not receive the missing merchandise, the ship should take no action other than sending the credit memo to DFAS.

Procurement of items on a guaranteed sales basis or other conditions permitting return for credit is restricted to magazines, periodicals and other printed matter; recorded material, film, video, cassette tapes, compact discs, and photo mailers; and items listed in the automated contract bulletin (ACB) or automated ship's store afloat listing (ASL) as guaranteed sale items.

Assume that you received merchandise valued at \$75 cost in January. At the end of February, you still have \$50 worth on board and sales have stopped. Since you regularly order from the vendor, the best procedure is to return the remaining merchandise to the vendor for a credit memo. The RK prepares a modified DD Form 1149 in ROM, shown in *Figure 8-7*. The document created will remain in Credit Memorandum and Cash Refund File (WF4) until liquidated.

The vendor sends either a credit invoice or a cash refund to you to liquidate the credit memo or the cash refund as applicable. If the credit memo or the cash refund is not liquidated by the end of the accounting period, the items returned are carried on inventory.

Disposition of Excess Stock

If an excess of stock is discovered because of a monthly supply demand review, it should be disposed of using one of the following methods items.

- Reduction in price for sale on board
- Transfers to OSOs (as a result of the excess stock list or agreement between supply officers)
- Sales to the Navy exchanges
- Return to the vendor for cash or credit refund

Credit Memo									
Credit Memo Details									
Expenditure #: W23153-3219-7906		Receipt #: 149		Status: Confirmed		Date: 06/07/2015			
Reimbursement Type: <input checked="" type="radio"/> Credit Memorandum		Current Address: <input checked="" type="radio"/> Pier Side Address <input type="radio"/> FPO Address		Item(s) Location: 9900 Storeroom					
Vendor/Shipped To									
Vendor: Baba Lou's Grill		Vendor Name: Baba Lou's Grill		Date Required: 08/05/2013					
Original Order #: 12345		Address 1: 2705 Sibley Ave.		Date Shipped: 08/05/2013					
Other Order #:		Address 2: address_2							
Order Type: <input type="radio"/> B01 <input checked="" type="radio"/> B05		Address 3: Terre Haute, IN 47803							
		Phone: 812-235-7145							
Credit Memo Items									
Stock Num	Description	UI	QOH	QOO	Transfer QTY	Cost	Total Cost	Total Reimburse	Remove
5200000000001	Diet Sprite	EA	10	49	1	\$3.0000	\$3.0000	13.00	Remove
<div> < Page 1 of 1 > </div> <div> 10 rows per page </div> <div> Go to page: <input type="text"/> Go </div>									
<div>Print Credit Memo</div>						Total Cost: \$3.0000 Total Reimbursement: \$13.0000 Difference (Charged to Cost of Ops): \$10.0000			
<div>Close</div>									

Figure 8-7 — ROM credit memorandum.

Disposal of Foreign Merchandise

Unsold/undamaged foreign merchandise obtained from the Navy Exchange Service Command (NEX) may be returned for cash refund prior to out chop (leaving the area). If not out chopping at a NEX location, the merchandise should be mailed. If the merchandise cannot be mailed, it should be returned to the NEX via the ship's supply department. Foreign merchandise should not be returned to the continental United States and Puerto Rico except in the event of an unexpected emergency deployment. Forty days before departing an area in which foreign merchandise was obtained, the CO will send a report identifying slow selling foreign merchandise to United States Sixth Fleet Commander with a copy to the Type Commander.

SUMMARY

Proper receipt and expenditure of ship store stock is vital to eliminating the problem of excess stock and waste. As a SH, it is important to familiarize yourself with the correct receiving and distribution procedures discussed in this chapter. Additionally, it is important to recognize the different types of expenditures, to decrease your accountability for incorrect stock control and to ensure that the proper appropriations are charged.

End of Chapter 8

Receipts and Expenditures

Review Questions

- 8-1. What document regulates working party personnel assignments?
- A. Sales officer order
 - B. Command instruction
 - C. Navy Regulations
 - D. Supply instruction
- 8-2. What title is given to the person responsible for the direction of working party personnel along the correct route to prevent theft?
- A. Spotter
 - B. Director
 - C. Guider
 - D. Leader
- 8-3. Holding locations should be arranged in what manner when receiving new stock?
- A. Arrange the store in alphabetic order
 - B. Place new stock in the back of the location and the older stock up front
 - C. Place the lesser-used items on the top shelves
 - D. Arrange the storeroom so that the commonly used items are near the door
- 8-4. Which of the following Naval Supply Systems Command publications is an important reference for checking the accuracy of receipt operations?
- A. P-250
 - B. P-478
 - C. P-487
 - D. P-5100
- 8-5. What person is responsible for the receipt, identification, and inspection of all incoming stock?
- A. Spotter
 - B. Receiving officer
 - C. Receipt inspector
 - D. Supply officer
- 8-6. What two signed documents must be compared to check stock quantity received?
- A. Receipt inspector copy and Receiving Report
 - B. Receipt inspector copy and receipt document
 - C. Receiving Report and receipt document
 - D. Receipt document and receipt survey

8-7. What type of expenditure shifts accountability for material to another supply officer?

- A. Transfer
- B. Issue
- C. Survey
- D. Swap

8-8. What type of expenditure accounts for transfers to the Marine Corps?

- A. Disposition
- B. Issue
- C. Health and comfort
- D. Transfer

8-9. What type of expenditure is used to account for stock that is lost or damaged?

- A. Unmatched
- B. Receipt
- C. Unaccounted for
- D. Survey

8-10. What total number of issue types are available to the ship's store?

- A. 3
- B. 5
- C. 6
- D. 7

8-11. What type of issue may be made to personnel first reporting for active duty?

- A. General emergency
- B. Rapid deployment
- C. Health and comfort
- D. General mess

8-12. What type of issue is made to a service activity of the ship?

- A. Ship's use
- B. Transfer
- C. Daily use
- D. Receipt

RATE TRAINING MANUAL – USER UPDATE

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CHAPTER 9

STOWAGE

Ship's store storerooms are referred to as holding locations. The term stowage describes the process of locating ship's store stock in a holding location until the stock is needed. Stock in holding locations on board ships should be located in a manner that optimizes the use of available space. Stowage plans should provide the following:

- Stock should be neatly stored and easily accessible
- Like items must be stored together
- Older stock must be issued first; use the first-in, first-out (FIFO) rule
- Items must be stored by item, brand name, barcode, and date
- Case lots should be stowed on grating and not be placed directly on the deck
- Holding locations should be ventilated at least once a week; if practical, because stagnant air is detrimental to perishable items

Holding locations present different stocking problems because each holding location is of a different shape and size. Some holding locations on board ships are small, out-of-the-way spaces that are difficult to access. In addition, many holding locations have frames, pipes, stanchions, and other obstacles that may interfere with maximum stowage capacity.

LEARNING OBJECTIVES

When you have completed this chapter, you will be able to do the following:

1. Identify the regulations that apply to stowage and stock rotation.
2. Identify the procedures that apply to stowage and stock rotation.
3. Identify the safety precautions used while handling materials and equipment.
4. Identify the safety procedures used while handling materials and equipment.
5. Identify the dangers associated with handling and stowing hazardous materials (HAZMAT).
6. Identify the proper procedures associated with stowing HAZMAT.

STOREROOM STOWAGE

When stock intended for resale is stowed in a holding location, the space is designated as group III. Group III spaces must be secured using the procedures described in the Naval Supply Systems Command (NAVSUP) Publication (P)-487.

The custodian is in charge of the holding location and is responsible to the sales officer for all of the stock in the holding location. The custodian accepts responsibility for the stock when he or she signs the receipt document. Only ship's store stock is maintained in holding locations.

Responsibility of Holding Location Custodians

The sales officer appoints the custodian. To be eligible, the individual must have successfully completed or must show progress in completing the Bulk Storeroom Custodian Job Qualification Requirement (JQR).

The holding location custodian is responsible for the following:

- Receiving and issuing the ship's store stock
- Stowing the stock
- Securing the stock
- Protecting the stock from damage or deterioration

Holding location custodian responsibilities vary from ship to ship. The size of the ship's store operation and the number of holding locations on board the ship will determine the level of difficulty in carrying out the holding location custodian's responsibilities. On a large ship with several holding locations, the sales officer may assign custodian duties to more than one person. The number of holding locations that one custodian may be responsible for depends on the number of qualified personnel and the total number of storerooms on board the ship. However, one custodian is not usually responsible for more than three holding locations.

Stowage and Stock Rotation

Personnel should issue the oldest stock in the holding location by following the FIFO rule. However, there will be instances where the stock received from Fleet Logistics Centers (FLCs) and Combat Logistics Force (CLF) ships was manufactured before the stock that is currently stowed in the holding location. When this situation occurs, issue the merchandise that was manufactured first.

Ventilation and Humidity Control

Holding locations should be ventilated to prevent the buildup of excessive heat and humidity. Heat and humidity encourages the growth of bacteria and insect infestations. High humidity conditions can result in mold and mildew that will cause mustiness in cookies, crackers, and tobacco products. Leave space between stores and obstructions, such as steam pipes, for maximum ventilation. Holding locations should be ventilated at least one time a week to remove the stagnant air that can cause damage to perishable items.

Holding location custodians are responsible for the condition of the stock in his or her custody. Custodians must ensure to rotate the stock using the FIFO rule to prevent older stock from becoming shelf-worn or deteriorated. Custodians can use the following procedures to minimize the risk of this occurring:

- Place barcode labels generated by the Retail Operations Management (ROM) system on each case
- Mark the receipt date (month/year) or manufacture date on each case

The ROM-generated label contains information about each stock item. Place the bar code in a spot on the item that remains easily visible. The manufacture date is a coded date shown by some manufacturers on each case. The code indicates the date of manufacture for items such as candy, cookies, tobacco products, and canned drinks.

Use the manufacture date, not the receipt date, for items that are highly perishable or that easily deteriorate. If the receipt date is used instead of the manufacture date, consideration is not given to the time the item has been in the supplier's warehouse. For example, if the shelf life is 5 months and the item was manufactured in November 2015, the product may begin to spoil around April 2016. If the item is received in February 2016 and the date of receipt is used, consideration is not being given to the 3-month lapse between the date of manufacture and receipt.

Accessibility of Stock

Accessibility of stock simply means being able to reach and remove stock items out of the holding locations with little effort. Accessibility of stock is fundamental to good stowage.

Custodians must keep in mind that when they receive new stock, they will one day have to issue or inventory that stock. For example, a custodian should never stock 20 cases of an item on a single case of a different item because a single case will be used before the other 20 items are used. This problem should never occur if the custodian properly uses and arranges the holding location.

Arrangement of Stock

Holding locations should be maintained in a neat and orderly condition. The labels of each individual container should be faced out whenever possible. Arrange containers by the item, brand name, date of receipt, or date of manufacture. Arranging each individual container will aid the custodian in easily identifying the contents. The careful arrangement of stock will also make breakouts, inventories, and turnover much easier. Case lots should be stored on deck gratings, not on the deck. Keep the following information in mind when arranging stock:

- Item popularity—must be considered when arranging stock; fast-moving items should be stored in easily accessible areas
- Item size and weight—affects the amount of space that is required and will affect the decision on the storage area; large and heavy items should be stored in a location that will provide a balance between accessibility and required handling; do not store heavy laundry supplies in the forward holding locations if the ship's laundry is located in the aft of the ship
- Item quantity—affects the amount of space that is required and will affect the arrangement of stock; whenever possible store like items in one holding location to make accounting for the items easier
- Aisles—should be about 30-inches wide to provide access to stock; failure to maintain aisles in holding locations will create problems during breakouts or issues; maintaining aisles will be difficult to achieve during deployments and other occasions when there is a lack of storage space
- Item characteristics—most items of a ship's store stock do not require special stowage; however, some stock items, such as flammable stock and perishable stock, require special considerations

Special Stowage of Ship's Store Stock

Some of the ship's store stock items are highly perishable in nature. Therefore, special stowage techniques must be used to prevent the items from becoming spoiled, damaged, contaminated, and so on. Heat and humidity can be the biggest threats to perishable items. Therefore, every effort should be taken to reduce the effects of heat and humidity. For example, if steam lines are present in the holding location, ensure the lines are insulated to reduce the radiated heat. The following paragraphs will provide an overview of the methods that are used to stow special items.

Flammable Ship's Store Stock

NAVSUP P-487 lists flammable items that are authorized to be stocked in ship's stores. These items should be marked for quick identification. To minimize the hazards of handling flammable ship's store stock, take the following precautions:

- Do not overstock flammable items; limit retail store quantities to 3 days of anticipated sales

- Check flammable ship's store stock for condition, accurate identification, and proper marking and labels
- Stow flammable items in a paint and flammable liquid storeroom or Naval Sea Systems Command (NAVSEA) approved flammable locker to provide containment
- Post a copy of the flammable listing in the holding location adjacent to the designated flammable area or on the flammable locker
- Periodically inspect flammable items for leakage
- Ensure that good housekeeping practices are strictly enforced in areas containing flammable stock

Clothing

Clothing items can be susceptible to moisture. Moisture, caused by bulkhead sweating, can be absorbed into clothing containers and create stains and mildew on clothing. Store clothing and clothing containers in an organized manner and arrange the items by stock number and sizes. Loose clothing articles should be wrapped in plastic or paper to ensure that they remain clean and saleable. Grating will be used to keep shoe containers off of the deck. The proper arrangement of clothing articles will save time when a custodian is preparing the stock for inventory. As with any other merchandise, follow the FIFO rule when breaking out clothing articles.

Wrap clothing items, such as cap devices and insignias, individually in non-tarnishing paper. Do not use rubber bands to close the wrapping because rubber bands and certain types of paper contain sulfur that can tarnish gilt or gold articles. White articles should be handled carefully because they may easily become stained. In addition, keep clothing items that are made with rubber clear of heat. Inspect holding areas where clothes are stored frequently for dampness.

Food Products

The proper stowage of food products is essential in providing the customer with a fresh product. Food products should be stored at 70 degrees Fahrenheit (°F). Cookies or crackers should be in a well-ventilated space. Food products will quickly deteriorate and become stale and musty if stored in holding locations where the humidity is greater than 75 percent. High temperatures will also contribute to the accelerated spoilage in canned foods. Storing canned products in high temperatures will also speed up the pin holing process that is caused by the acid in canned citrus fruit juices.

Confections

Confections keep reasonably well when the items are stored in dry spaces with good circulation. If air circulation is inadequate, hot spots may develop and cause the confections to deteriorate. Do not stack cases of confections over 8 feet high because the weight and pressure of the stack will damage the products in the bottom cases. Do not store other ship's store stock near confections. Detergents and dry goods that are protected with camphor can prematurely spoil confections.

High temperatures and humidity in holding locations will make confections spoil. Chocolate products should be stored at temperatures between 60 and 65 °F with a relative humidity of 50 percent. The cocoa butter in chocolate will melt and rise to the surface if chocolate products are stored at temperatures above 70 °F. The melting of the cocoa butter causes a condition called white bloom. Although the chocolate product is still edible, it will look bad, making it difficult to sell to a customer.

High humidity changes the taste of confections that do not contain chocolate. Confections such as marshmallows, nougat, and fudge react in an opposite manner. If the humidity is less than 40

percent, these items will dry out. Confections such as jellies, caramels, and hard candies will become sticky when the relative humidity is over 60 percent.

Tobacco

To keep tobacco products from becoming stale and musty, store the items in dry, well-ventilated spaces. Holding locations storing tobacco products should be kept at temperatures between 70 and 75 °F with a relative humidity of 60 percent. Cigars require a dry storage area that is maintained at 60 °F.

Canned Drinks

Generally speaking, canned drinks can last for quite a while if stored correctly. Always cross stack canned drink cases to keep the stack solid. Do not stack canned drinks too high or bursting or crushing can occur on the lower layers of the stack. Do not stack canned drinks near steam or heated pipes. Canned drinks should be stored on pallets or deck grating and secured with battens. This method of storage provides good circulation around the stacks and prevents the stacks from falling and becoming damaged while the ship is underway.

Canned drink stacks (*Figure 9-1*) should be rotated so the customer purchases a fresh product. Frequently inspect canned drinks and remove leaking or wet cans from the stack to prevent secondary damage. Failing to remove leaking or wet cans will cause the cardboard, plastic wrap, and adjacent cans to become damaged. Sometimes leaks cannot be seen from outside of the stack. The hidden leaks will cause corrosion to take place in that stack. Secondary damage can destroy an entire stack of canned drinks if the leaks are not promptly corrected.



Figure 9-1 — Pallet of canned drinks.

Storeroom Maintenance

The responsible custodian of the holding location is responsible for cleaning and maintaining the space. The maintenance of a holding location includes keeping the area free of items that should be surveyed due to damage or deterioration. The responsible custodian should notify a supervisor when damaged or deteriorated items are in the holding location. If the items are still saleable, they should be marked down to an appropriate price; otherwise, the items should be surveyed. Organize the stock with the content labels visible after major receipts or breakouts have occurred.

Protection from Breakage

Do not store fragile material in the same location as heavy material. Fragile materials should be stored in separate locations that will prevent excessive movement when the ship is underway. Use empty cardboard cartons cut into strips to fill unused space. Pay special attention to items made of glass. The breakage of fragile items not only results in the loss of the material but may also cause damage to other stores creating a hazard to the crew.

STOWAGE AND MATERIAL HANDLING

After stock is inspected and received, it is moved to the staging area. The following paragraphs will discuss how stock should be stored and handled, what the equipment and safety precautions are, and how to safely and manually lift stock. Also discussed are the safe practices of working and supervisory personnel when stock is handled.

Stock is usually handled manually on board ships. However, on some ships equipment is available to move stock from location to location. Some of this equipment includes forklifts, hand trucks, and other related equipment.

Material-Handling Equipment

Ship's serviceman (SH) may not operate some of the material-handling equipment (MHE) on a regular basis; however, it is important to understand its operation and use. Much of the MHE is used extensively on board aircraft carriers, cargo and replenishment ships, and amphibious ships.

MHE speeds up the movement of stock while reducing the number of people required. This is accomplished through large, single movements of stock that simplify the storing and shipping of material with fewer personnel. This method of stock handling reduces the risk of damage to the stock, personnel fatigue, and injuries.

Pallets

Pallets (*Figure 9-2*) are portable platforms that are made of wood, metal, or fiberboard. Supplies are loaded on a pallet are transported or stored in units. Flat pallets may be single- or double-faced. Single-faced pallets have one platform that is built on stringers on which the weight of the load rests. Double-faced pallets have two separate platforms that are separated by stringers. Pallets are built for either two- or four-way entry of MHE. A two-way pallet is built so that the forks of a forklift can be inserted from either the front or rear of the pallet. The four-way pallet is built so that the forks of a forklift may be inserted from any side.



Figure 9-2 — Typical pallet.

Loading Pallets

Consider the following three aspects when loading pallets:

- Size of the pallet
- Stability of the load
- Maximum load allowed

Pallets should be able to pass through doors, aisles, and hatches. Decide on which pallet to use, platform or box, when transferable stock has been identified. Pallets must be carefully loaded to ensure the stability of the load. Arrange the material to fit the pallet and to prevent slipping or sliding. A single pattern for loading a pallet is not always possible because of the different sizes of box pallets. *Figure 9-3* illustrates the correct and incorrect methods to load a pallet.

Place the biggest and sturdiest cases around the outside edge of the pallet and smaller fragile cases in the center. This arrangement will provide a stronger surface for the second and subsequent tiers of cases on the pallet.

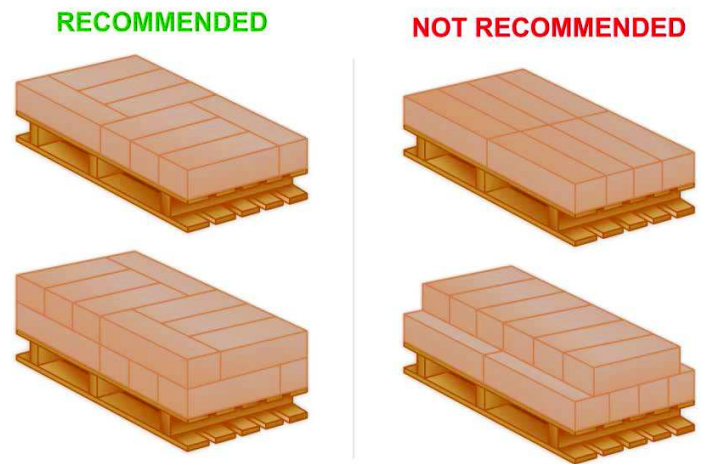


Figure 9-3 — Correct and incorrect methods to load a pallet.

Pallet Slings

Pallet slings are used to lift a pallet with a crane. A pallet sling helps to distribute the load equally on each leg. The safety precautions that cover the use of slings in material and cargo handling operations can be found in the Navy Safety and Occupational Health (SOH) Program Manual for Forces Afloat, Volume II Surface Ship Safety Standards, Office of the Chief of Naval Operations Instruction (OPNAVINST) 5100.19(series). All safety precautions should be observed to prevent damage and personal injury.

Pallet Trucks

Pallet trucks (*Figure 9-4*) are used to pick up and transport palletized loads, especially when the space is limited and handling operations are too small to use a forklift. The pallet truck frame has a fork narrow enough to fit between the top and the bottom decks of a pallet and supports the load of the pallet on its wheelbase. Pallet trucks can be battery-powered or manually operated. The lifting mechanism is usually hydraulically operated and is either electrically or manually powered. The use of pallet trucks can be limited because they need



Figure 9-4 — Typical pallet truck.

a smooth surface on which to operate. In addition, pallet trucks do not have the capability required for stacking operations.

Forklifts

Forklifts (*Figure 9-5, frames 1 through 5*) are designed to lift, carry, and stack unit loads of supplies and equipment. Standard forklifts are available with lifting capacities of 2,000 to 20,000 pounds and lifting heights of 100 to 210 inches. Forklifts may be powered by gasoline, diesel, or propane engines, or they may be battery-powered. Battery-powered forklifts are normally used in enclosed spaces where carbon monoxide emissions from gasoline or diesel engines would be a safety hazard. Some forklifts are equipped with telescopic masts that can lift loads past the top of the mast itself. Loads are balanced by the weight of the forklift with the front wheels acting as the center of balance.



Low Profile Shipboard Diesel Forklift



20K Shipboard Diesel Forklift



Standard Profile Shipboard Diesel Forklift



Shipboard Electric Forklift

Figure 9-5 — Typical forklifts.

Forklifts are excellent for handling unit loads that are palletized, but they can also be used for loads on skids or in boxes. The forks can be replaced with special adapters that are designed to lift special materials such as drums and reels. Forklifts are normally used for loading and unloading pallets on trailers, trucks, railroad cars, and warehouse platforms.

Describing specific forklift controls is difficult because there are so many different makes and models available. However, generally speaking, forklifts have controls for forward and reverse and are driven by the front wheels and steered by the rear wheels. The controls for the forks normally consist of two levers: one to raise and lower the forks and one to tilt the mast. The mast is tilted forward to a vertical position when lifting or lowering a load and back when moving with a load for greater stability.

Observe the following safety precautions when operating a forklift:

- Ensure the load capacity is stenciled on the forklift where it can be clearly viewed
- Do not overload the forklift
- Do not straighten stacks by bumping or pushing the load
- Do not load the forklift while in motion
- Tilt the mast back when moving a load from location to location
- Move forward when transporting a load up a ramp and backward when going down
- Ensure the motor is turned off and the parking brake is set when securing the forklift

Hand Trucks

The most versatile of all MHE is the hand truck. Hand trucks are built with either two or four wheels and are used to move boxes and other bulky materials. An example of the four-wheel type of hand truck is shown in *Figure 9-6*. Hand trucks range in size, weigh from 45 to 155 pounds, and carry up to 2,000 pounds.

When the hand truck is in use, most of the weight is balanced over the wheels and axle, which allows an operator to easily push a load. A hand truck may also be used as a pry or a lever. Pushing the lip under a heavy object allows the operator to raise the object several inches off the deck.



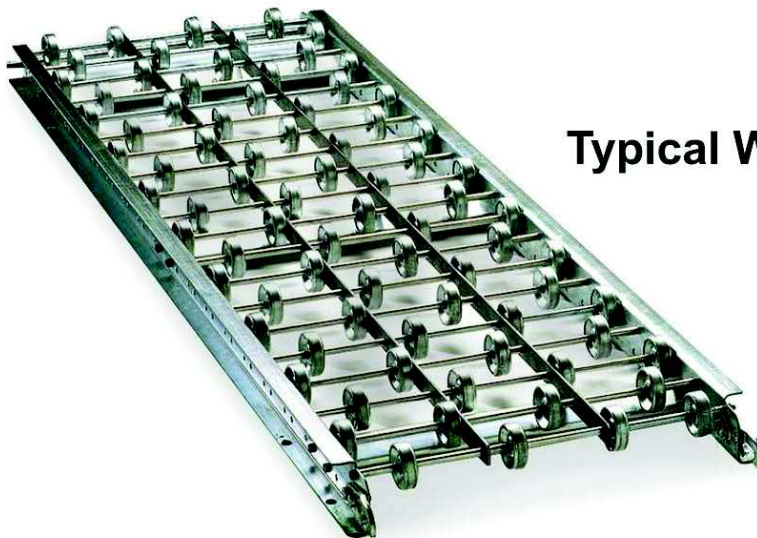
Figure 9-6 — Typical four-wheel hand truck.

Conveyors

Conveyors (*Figure 9-7, frames 1 through 3*) are used to move supplies in a fixed line of travel. The Navy uses two types of conveyors: gravity or wheel conveyor and the power-driven belt. Both types of conveyors are portable.



Typical Power-Driven Belt Conveyor



Typical Wheel Conveyor

Figure 9-7 — Typical conveyors.

The gravity or wheel conveyor is set up so that one end is lower than the other, which allows gravity to move the load. Gravity or wheel conveyors can also be set up on a level surface and the load pushed to its destination. Sections of this type of conveyor can be set up to form a continuous system to move materials during underway or vertical replenishments. Conveyors can also be used on piers, in storerooms, or in locations where a steady flow of supplies is desired.

The power-driven belt conveyor has an endless belt mounted on a frame. The belt is driven by a pulley that is connected to a drive motor. The belt travels over a series of rollers or a sliding bed that can be used to move materials over a fixed path of travel with inclines up to 25 degrees.

Ladder-Chute

The ladder-chute (*Figure 9-8*) provides a rapid means of sending stores downward to below deck holding locations on board ships. Ladder chutes are easy to assemble and use.

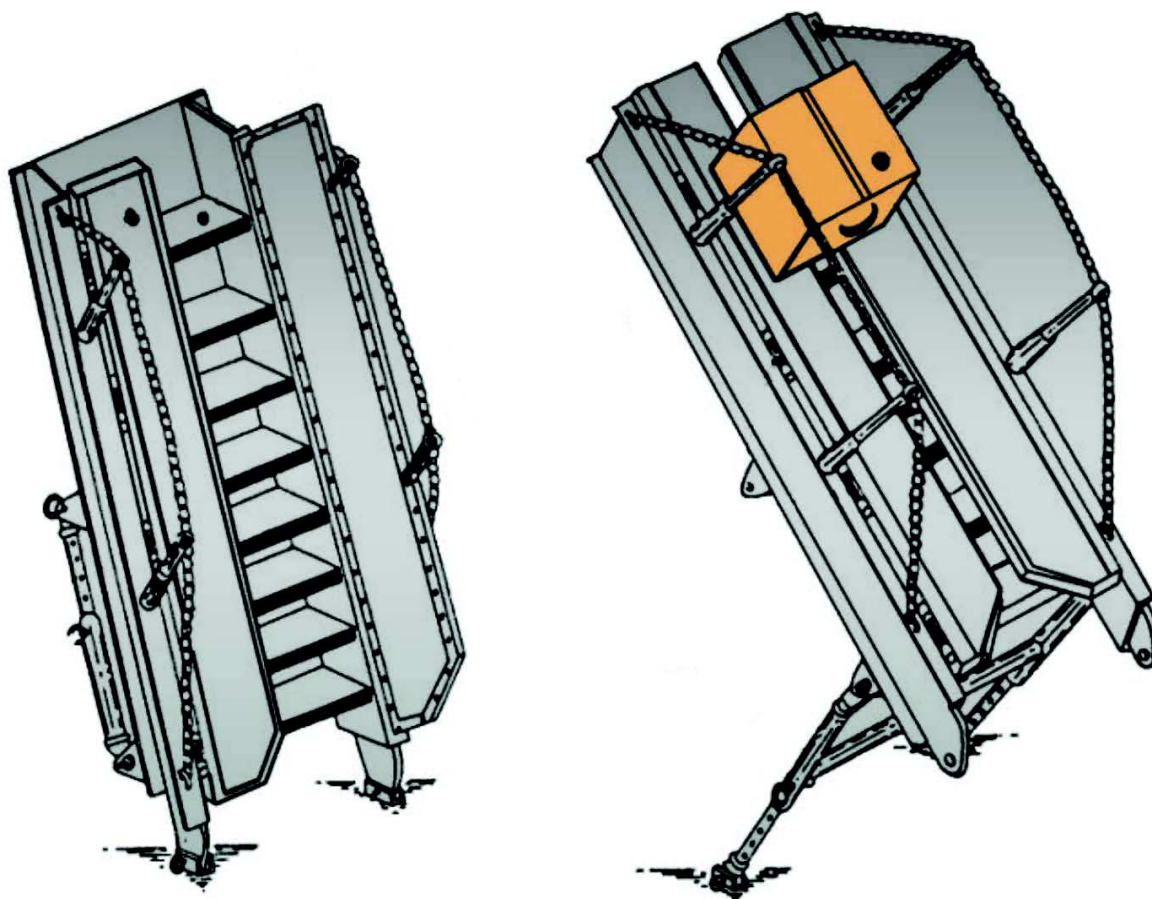


Figure 9-8 — Typical ladder-chute.

Handling Special Stowage Items

Some items of supply require special handling. These items have characteristics that require the use of specific stowage or handling techniques to prevent hazards to people or facilities. Some of the materials require a high degree of protection because they have a limited stowage life. Steps must be taken to ensure that the oldest stock is issued first. There are many different types of foods or confections that must be stored in areas where the temperature or humidity can be controlled to prevent deterioration. Consider the special handling factors when planning the stowage of ship's store items. Refer to the NAVSUP P-487 for more information on stowage.

Safety

Safety is especially important in every phase of the ship's store operation. The safety precautions and procedures for handling stock can be found in the OPNAVINST 5100.19(series). Handling materials can be a dangerous operation requiring strict attention to safe-working practices. The stock handling operations supervisor is responsible for ensuring that all of the personnel are aware of the safety precautions. Stock handlers are responsible for abiding by all of the safety precautions.

At a minimum, personnel handling stock should wear steel-toed safety shoes. In some cases, hard hats, eye protection, and protective gloves may be required. The supervisor of the stock handling operation will indicate what personal protective equipment (PPE) is required for each job.

Manual Handling

Much of the material handling will be done manually (*Figure 9-9*). Therefore, it is important to understand how to correctly lift materials. There are times when personnel assigned to working parties do not think about how to correctly lift or handle materials. Improperly handling materials can lead to hernias, strains, or pulled muscles. Observe the following rules and precautions when lifting objects:



Figure 9-9 — Manually handling materials.

- Do not lift an object if it is too heavy or bulky for good balance; ask for help or use mechanical aid, such as a dolly or hand truck; use a back brace to help lifting and to prevent back injuries
- Keep the load close to the center of your body; the farther the load is from the small of your back the greater the strain; a heavy compact load is easier to lift than a bulky lighter load; the best way to handle a compact load is to squat down close to a load with one foot alongside it and the other foot behind it; you have better stability with the lead foot in position for the upward thrust of the lift
- Pull the load towards you, then lift it gradually; avoid quick and jerky motions; push up on your legs while keeping your back straight; a straight back keeps the spine, back muscles, and other organs of the body in the correct alignment; tucking your chin in helps to align the spine
- Get as close to the load as you can; get a good grip by using the full palm and extending your fingers and hands around the object; remember that your fingers have very little power and that you need the strength of your entire hand
- Keep your arms and elbows tucked in to the side of your body to help keep your body weight centered; avoid twisting your body during the lift or while moving the load; change directions by

moving your feet; twisting your body during a lift is one of the most common causes of back injury

- Be sure that you can see the load that you are carrying
- Be sure that you can see over the load that you are carrying
- Do not change your grip while carrying the load
- Face the location in which you intend to set the object down; bend your knees while keeping your back as straight as possible and the weight of the object close to your body
- Always allow enough room for the load to prevent injuries to your toes and fingers
- Set the load down on the edge and push it forward with your arms and body when placing a load on a table or bench; get help if the load is too heavy or awkward to move alone; remember to always LIFT WITH YOUR LEGS, NOT WITH YOUR BACK!

The supervisor of the evolution has the responsibility to ensure that all personnel have been trained in and observe safety precautions. Supervisors must have a detailed working knowledge of the safety precautions listed in the OPNAVINST 5100.19(series). Supervisors must ensure that all personnel have received training in the following areas of material-handling safety:

- Safety knowledge and training—workers must be instructed in the potential dangers associated with their tasks; awareness of these potential dangers and training to avoid safety hazards will assist in reducing mishaps while performing tasks
- Knowledge of HAZMAT—flammable material, chemicals, and acids require more care and attention than other items; the characteristics of the materials being stored dictate the care and attention necessary to avoid risks and potential hazards; workers handling HAZMAT must know all potential dangers or hazards associated with the materials being used
- Design—equipment generally is designed to perform a specific function; a potential hazard may be created when equipment is used in operations beyond the equipment's rated capacity or for a purpose which it was not designed
- Attachments—workers must be trained how to use the attachments for each piece of equipment; this includes the potential hazards and dangers associated with their use
- Maintenance—equipment that is not operating properly is a hazard; operators must be instructed not to operate equipment that appears to be mechanically unsafe; personnel should be trained to report unsafe equipment to the supervisor and not to attempt repairs themselves
- Methods—operators must be trained in the proper methods of operating equipment before being allowed to use the equipment

Material-handling crews must always be informed of the responsibilities in regards to safety. The safety of personnel and equipment is the responsibility of all hands. *Table 9-1* is a list of safety precautions that should be used by material handlers. The list can be used as a training guide. The need for quick actions in an emergency situation may outweigh the value of some safety precautions. However, never suspend safety practices unless the degree of urgency warrants it. Always put safety first; there is no substitute for good judgement and experience.

Table 9-1 — Safe Material-Handling Practices

1. Wear safety shoes and hard hats.
2. Do not wear rings, watches, or other jewelry.
3. Use accommodation ladders or the brow for boarding or leaving the ship.
4. Use the ladders in the square of the hatch only when the hoist is not in motion.
5. Use the walkway on the ship's side away from the side where cargo is being hoisted.
6. Secure all lashings to the permanent deck fastenings. Never use movable objects on the deck, such as hatch covers, as a holdfast.
7. Secure hatch covers properly.
8. Lower blocks, crowbars, slings, bridles, and other objects into the staging area by cargo falls or other lines. Never drop or throw these items.
9. Stack hatch covers in an orderly manner. Disorderly piles create tripping hazards.
10. Lay strong backs flat to prevent tripping hazards.
11. When removing and replacing strong backs, keep them between you and the open hatch.
12. Stand clear of suspended loads.
13. When steadying loads, always face them and keep your feet clear.
14. Stand clear of slings being pulled from under loads.
15. Stand clear of strong backs and hatch covers being handled on the deck above.
16. Exercise care when handling objects with sharp or rough edges.
17. Learn and practice proper lifting techniques to prevent strains or sprains.
18. Never walk backwards.
19. Report all defects in tools, materials, equipment, and any HAZMAT spills.
20. Report all injuries, however slight, and get immediate first aid or medical attention.
21. Do not use tobacco products (including e-cigarettes) in staging areas or holding locations.
22. Identify and know the location of fire-fighting equipment.
23. Never engage in horseplay, jokes, or arguments while working cargo.

Securing for Sea

Thoroughly inspect and secure holding locations prior to the ship getting underway to prevent the stores from shifting or breaking. Brace or lash stores to bulkheads, stanchions, or battens and secure open bins and shelves to prevent stores from falling to the deck. Notify a supervisor to inspect the holding location after it has been secured for sea. When all of the ship's stores spaces are secured for sea and inspected, the leading SH can make his or her report to the sales officer.

Mishaps

In many cases, mishaps are caused by human error. Equipment may be involved, but people handle the equipment. Many of the mishaps can be traced to carelessness, inexperience, and a disregard for safety.

Carelessness

There are locations on board ships that are inherently dangerous, and inattention may cause mishaps that result in injury and even death. Personnel that work on piers, on weather decks, and in staging areas must be constantly on alert for falling objects. Another cause of carelessness is fatigue. Tired personnel may not be as alert and are more likely to cause a mishap. Complacency with a job can also be a contributing factor to mishaps. Complacency leads to cutting corners to get the job done faster and can lead to a mishap.

Inexperience

Personnel must be trained, qualified, and experienced in handling a particular piece of equipment or he or she must not be allowed to use it. A person may be able to operate a forklift but may not be aware of the safety precautions that should be taken while operating it. Inexperienced personnel operating MHE are not the only cause of mishaps. Personnel working as material handlers for the first time may not be aware of the dangers involved. One small mistake, such as an improperly loaded cargo net, may result in an injury or even death.

Attitude

Personnel may become comfortable working around dangerous machinery or in dangerous work areas. When this situation occurs, the tendency can be to ignore safety. A poor attitude towards safety may require a supervisor to change that person's job assignment. Any person that shows a tendency to ignore safety should not be allowed to operate MHE.

Mishap Costs

Mishaps involving personnel have an immediate impact on operations and planned schedules. The disadvantage of losing personnel to mishaps is that replacements may not be available. Work centers will have to operate shorthanded until the injured person can be replaced. Mishaps also affect materials and equipment. Money and time will have to be spent to replace or repair damaged or destroyed material or equipment.

Danger Areas

Many different types of mishaps can occur when material is handled. The following paragraphs describe some of the more important danger areas and hazards:

- Defective equipment—do not use worn or defective equipment; report unsafe equipment conditions to a supervisor; only qualified personnel should make repairs because a poor repair job may be more hazardous than the defective equipment
- Falling objects—do not throw objects such as blocks, crowbars, and slings in staging areas or onto the pier
- Improperly assembled drafts—properly secure nets and pallets to ensure that items will not fall when hoisted
- Failure to stand clear—loudly give the STAND CLEAR warning when material is being hoisted or lowered into a staging area or onto the pier

- Materials improperly landed—ensure materials are stopped about 1 foot above the intended landing area and guided to a safe landing
- Loads stopped overhead—avoid stopping loads overhead; if a hoisted load must be stopped overhead before being lowered into a staging area, stop the load over a weather deck; never stop a load over the square of a hatch or over the heads of personnel on the pier
- Improper stowage—materials should be tied evenly, tied in, stepped back, or floored off to prevent collapse; dunnage should be used as a firm flooring for tying; never store material improperly
- Hatch beams or boards—pin or lock hatch beams in place when a cargo hatch is open; this will keep the cargo hatch beams from being dislodged and falling on personnel; hatch boards should be stacked back away from the hatch to keep them from being accidentally knocked into a staging area
- Open hatches—place barricades near open hatches and other spaces; safety lines must be used around such openings when material is not being handled through them
- Temporarily covered hatches—hatches with a tarpaulin or other temporary coverings are dangerous; temporary coverings for hatches should only be used during inclement weather with barricades placed around the opening
- Standing in the bight of line—never stand in the bight of a line, the eye of a cargo strip, or a sling; doing so may result in broken bones or a more serious injury
- Fleet freight—carefully inspect all material received as fleet freight for evidence of damaged or leaking containers; extremely hazardous conditions can result from the HAZMAT used on board ship
- Riding on hooks—personnel must never ride on cargo-handling gear, such as hooks or nets; a save-all is a cargo net or device used to prevent the loss of material over the side during loading or unloading operations; never use save-alls as a ladder between the pier and the ship
- Removed handrails—working areas should be roped off to keep personnel from falling over the side when handrails are removed to load cargo or for other reasons
- Ladders—do not use ladders in the square of the hatch when cargo is lowered or hoisted in the staging area; care must be exercised when using ladders, especially when hatch boards from several deck levels have been removed; stairway type ladders should be used when available
- Slippery decks—slippery materials on the decks such as oil, grease, and ice should be removed immediately; cover slippery material with sand, cinders, sawdust, or other anti-slip materials
- Improper lighting—floodlights should be used at night, when concealment is not important, on the weather decks and in staging areas; flashlights should be available for emergencies; carry portable safety lights when entering dark compartments
- Chemical hazards—chemicals or other HAZMAT may be spilled or accidentally released during some material handling or related operations; chemicals may give off toxic gases or vapors that could asphyxiate or cause serious health problems to personnel; HAZMAT on the skin or in the eyes could burn or cause permanent damage; contact the medical department in any exposure situation; evacuate the space and contact a supervisor or the damage control center; spills should be properly cleaned up by properly outfitted personnel before resuming work

HAZARDOUS MATERIALS

Certain HAZMAT requires special stowage facilities and handling precautions. The OPNAVINST 5100.19(series) describes the requirements for stowage of HAZMAT on board ships. The following general precautions must be observed to minimize danger inherent in handling HAZMAT:

- Mark stowage compartments to identify the type of HAZMAT stored; keep the compartment and materials clean and dry at all times
- Provide adequate ventilation throughout all HAZMAT stowage areas; ensure the ventilation systems in HAZMAT stowage areas are in good operating condition; HAZMAT stowage areas must be evaluated by an industrial hygienist before designation
- Allow only authorized personnel in storage areas
- Store incompatible materials in separate compartments to prevent materials from mixing in the event of a spill
- Maintain a separation distance of 3 feet if space limitations require storing incompatible materials in the same compartment; use high combings to prevent the accidental mixing of HAZMAT; combings will not prevent vapors from mixing and reacting
- Stack containers so they will not crush lower containers, become unbalanced, or become difficult to access
- Issue material using the FIFO rule, considering the shelf life
- Prohibit smoking, including e-cigarettes, eating, or drinking in HAZMAT storage areas
- Never permit open flames or spark-producing items in HAZMAT storage areas
- Gas-free engineers will monitor storage compartments for oxygen depletion, suspect explosive atmospheres, presence of potentially toxic vapors, and carbon dioxide accumulation any time the question arises as to the safety of the HAZMAT storage area
- Seal and protect all HAZMAT containers against physical damage and secure for sea
- Ensure explosive-proof electrical fixtures are maintained in the proper condition
- Never store HAZMAT in spaces or locations not designated for such stowage

Flammable Materials

A flammable material is any solid, liquid, vapor, or gas that will ignite easily and burn rapidly. The National Fire Protection Association (NFPA) defines a flammable liquid as a liquid with a flash point below 100 °F and having a vapor pressure not exceeding 40 pounds per square inch (psi). Liquids that have a flash point at or above 100 °F are combustible. Flammable or combustible liquids pose a danger to personnel and to the ship, particularly liquids that have a flashpoint below 200 °F. *Figure 9-10* shows a typical flammable liquids warning placard. Flammable and combustible liquids must be stored in approved locations according to the OPNAVINST 5100.19(series).

Store flammable and combustible liquids separately from oxidizing materials such as sodium nitrate, calcium hypochlorite, potassium permanganate, peroxides, and strong inorganic acids (nitric, hydrochloric, and sulfuric acids).

Bulk storage of flammable and combustible materials is limited to flammable liquid holding locations; the materials involved are as follows:

- Liquids with flash points below 200 °F

- Solids and semisolids that readily give off flammable vapors
- Solids that burn with extreme rapidity because of self-contained oxygen
- Materials that ignite spontaneously when exposed to air
- All lubricating oils and petroleum products with a flash point greater than or equal to 200 °F but less than 1,500 °F

Flammable and combustible liquids that are carried by cargo ships and oilers may be stored in either a staging area under a fixed inert-gas extinguishing system, carbon dioxide gas flooding, or sprinkler protection, or on the weather deck under protection from the elements. Prohibit open flames or other spark-producing items in flammable storage areas. Ensure the containers are secured with metal banding or other approved tie-downs instead of line.



Figure 9-10 — Typical flammable liquids warning placard.

Corrosive Materials

Corrosive materials are chemicals, such as acids, alkalis, or other liquids or solids, that can cause severe damage to living tissue by chemical action when in contact with the tissue. Corrosive materials will materially damage surfaces or cause fires when in contact with organic matter or with certain chemicals. Stow corrosive materials in their properly labeled, original containers. Ensure that acids and alkalis are stored separately from each other. Ensure corrosive materials are not stowed in the vicinity of oxidizers or other incompatible materials.

Inorganic Acids

Inorganic acids, such as hydrochloric, sulfuric, and phosphoric acids, in a bottle or plastic container should be stored in a manner that ensures that the contents are cushioned against shock. Inorganic liquids should be kept in their original shipping carton inside suitable acid-resistant lockers, cabinets, or chests in holding locations that are below the full-load waterline. The lower part of the bulkheads where acids are stored should be provided with a watertight acid-resistant rubber lining.

Hydrofluoric acids should be maintained in acid-proof polyethylene- or ceresin-lined bottles at all times and never come into contact with skin or eyes. Medical acids are stored in lead-lined containers in the medical storeroom. Do not store inorganic acids in flammable liquid holding locations, except when contained within an acid storage locker. However, if inorganic acid is an oxidizer, it must never be stored in a flammable liquid holding location, even in an acid locker.

Organic Acids

Liquid and solid organic acids, such as glacial acetic, oxalic, carbolic, cresylic, and picric acids, should never come into contact with eyes or skin. Organic acids are corrosive to aluminum and its alloys, to zinc, and to lead. Organic acids are usually packaged in glass bottles and should be kept from freezing or physical damage. Stow organic acids in a locker lined with acid-resistant material in

the flammable liquids holding location separated by a partition, or at least 3 feet from all other material.

Alkalies

Alkalies such as lithium hydroxide, sodium hydroxide, potassium hydroxide (lye), disodium phosphate, tri-sodium phosphate, sodium carbonate, and ammonium hydroxide (ammonia water) are stored in designated storage containers (locker, cabinets, or chests.) Keep alkalies separated from acids, oxidizers, and other incompatible materials. Ensure the storage area remains dry. Many shipboard cleaning agents and laundry materials contain alkalies in very strong concentrations.

Oxidizers

An oxidizer is any material, such as chlorate, perchlorate, permanganate, peroxide, or nitrate, that readily yields oxygen to support the combustion of organic matter, produces heat, or reacts explosively when it comes into contact with many other materials. High temperatures increase the possibility of oxygen release from oxidizers and can create fires. Therefore, heat should be avoided when handling and storing oxidizers. *Figure 9-11* shows a typical oxidizer warning placard.

Do not store oxidizers in an area adjacent to a magazine or a heat source where temperatures can exceed 100 °F under normal operating conditions. Never store oxidizers in the same compartment with materials such as fuels, oils, solvents, grease, paints, or cellulose products.

Calcium Hypochlorite

Calcium hypochlorite is a very strong oxidizer that is used to provide the same sanitizing and bleaching property of chlorine without requiring the handling of liquid or gaseous chlorine. Calcium hypochlorite should be stored in labeled ventilated lockers or bins. The lockers and bins should be located in an area where the maximum temperature will not exceed 100 °F under normal operating conditions and is not subject to condensation or water accumulation. The area must not be located adjacent to any magazine, and the locker or bins must be at least 5 feet from any heat source or a surface that may exceed 140 °F. Do not store more than forty-eight 6-ounce bottles or thirty-six 3¾-pound bottles in an individual locker or bin. Only issue calcium hypochlorite to personnel designated by the medical or engineering officer.

Stow calcium hypochlorite, carried as cargo, in a separate enclosure constructed of steel or expanded metals. Ensure that the enclosure has a secure door. Follow the same rules that are described above when placing the storage container. Sprinkler protection is not required but need not be avoided. Equip the enclosure with shelving and retaining bins to contain individual boxes for un-palletized materials.



Figure 9-11 — Typical oxidizer warning placard.

Aerosols

Pressurized dispensers (aerosols) (*Figure 9-12*) are widely used to dispense paints, enamels, lacquers, insecticides, inspection penetrant kits, lubricating oils, silicones, shaving creams, and rust preventatives. The aerosol propellant may be low-boiling halogenated hydrocarbons or other hydrocarbons that are flammable, such as propane or isobutene. The contents of the aerosol-type pressurized containers are under pressure and exposure to heat may cause the bursting of the dispensers. The propellants in higher concentrations are anesthetic, asphyxiating, and extremely flammable. The decomposition products formed when propellants contact open flames or hot surfaces may be corrosive, irritating, or toxic.

Ensure that aerosols including ship's store products are stowed in a flammable liquid holding location. Do not stow containers in areas with temperatures above 120 °F or adjacent to steam lines, hot zones, or other heat sources.

Compressed Gases

There are numerous types of compressed gas cylinders found on board Navy ships. Compressed gases are used for welding operations (oxygen and acetylene), in refrigeration and air-conditioning systems (Freon), and for purging various systems (nitrogen). Cylinders of compressed gases can become explosive, fire, and health hazards if strict compliance with existing requirements is not maintained.

Stow compressed gases, with the exception of flammable and explosive gases and ready service cylinders, in compartments designated for cylinder stowage. Cylinders should be stored, when practical, using a method that allows a person to remove one cylinder without disturbing the other cylinders. Cylinder storage compartments should be kept free of all flammable materials, especially greases and oils. Instructions should be posted that require the ventilation of the compartment for a period of 15 minutes or longer prior to entry.

Securely fasten each individual cylinder in the vertical position (valve end up) by metal collars with horizontal restraints to meet grade B shock mounting requirements in stowage rooms. Stow the cylinder by the date of receipt and place the cylinder into service in the order of receipt. Empty cylinders must be tagged EMPTY, marked "MT," and segregated from partially full or full cylinders. Never stow oxygen bottles in close proximity to fuel gas cylinders. Keep all flammable materials, especially greases and oils, out of the stowage area.

SUMMARY

This chapter covered the proper procedures for stowage, stock rotation, handling of HAZMAT, and the safety precautions used while handling materials and equipment. In addition, you learned that mishaps can occur from carelessness, inexperience, and attitude. These negative traits can be avoided with proper supervision, training, and familiarity and experience with equipment and procedures. The positive outcome is that by following the proper procedures you will be able to effectively handle, stow, and rotate ship's store and laundry stock items.



Figure 9-12 — Typical aerosol dispenser.

End of Chapter 9

Stowage

Review Questions

- 9-1. What rule should be followed for issuing stock?
- A. First-in, first-out
 - B. First-in, last-out
 - C. Last-in, first-out
 - D. Last-in, last-out
- 9-2. In general, a single custodian may be responsible for up to what maximum number of holding locations?
- A. One
 - B. Two
 - C. Three
 - D. Four
- 9-3. What total number of times per week should holding locations be ventilated to remove stagnant air?
- A. One
 - B. Two
 - C. Three
 - D. Four
- 9-4. What date should be used for stock that is highly perishable or that easily deteriorates?
- A. Receipt
 - B. Best by
 - C. Issued
 - D. Manufacture
- 9-5. What Naval Supply Systems Command Publication contains a list of flammable items that are authorized to be stocked in ship's stores?
- A. 485
 - B. 486
 - C. 487
 - D. 488
- 9-6. Clothing in holding locations should be arranged by stock number and what other characteristic?
- A. Color
 - B. Size
 - C. Manufacturer
 - D. Material

- 9-7. Food products should be stored in holding locations that are kept at what temperature, in degrees Fahrenheit?
- A. 50
 - B. 60
 - C. 70
 - D. 80
- 9-8. Dry good products that are protected by what substance can prematurely spoil confections?
- A. Camphor
 - B. Chamomile
 - C. Chlorophyll
 - D. Chloride
- 9-9. What confection is susceptible to white bloom?
- A. Caramels
 - B. Chocolate
 - C. Nougat
 - D. Marshmallows
- 9-10. What method should be used to stack canned drinks to keep the stack solid?
- A. Cross
 - B. Vertical
 - C. Parallel
 - D. Horizontal
- 9-11. What type of pallet is built so that the forks of a forklift may be inserted from any side?
- A. One-way
 - B. Two-way
 - C. Three-way
 - D. Four-way
- 9-12. Other than manually operated, which of the following power sources is used to operate pallet trucks?
- A. Gas
 - B. Battery
 - C. Diesel
 - D. Propane
- 9-13. What information should be stenciled on a forklift in an area that is clearly viewed?
- A. Manufacturer
 - B. Fuel capacity
 - C. Load capacity
 - D. Maximum number of passengers

- 9-14. What type of forklift is normally used in enclosed spaces?
- A. Gasoline
 - B. Battery
 - C. Diesel
 - D. Propane
- 9-15. When a hand truck is being used to push a load, most of the weight is balanced over what section of the truck?
- A. Axle only
 - B. Wheel only
 - C. Frame only
 - D. Axle and wheel
- 9-16. A power-driven conveyor can move materials over a fixed path of travel up to what maximum number of degrees in incline?
- A. 21
 - B. 23
 - C. 25
 - D. 27
- 9-17. What material-handling chute provides a rapid means of sending stores down to below deck holding locations?
- A. Ladder
 - B. Slider
 - C. Material
 - D. Downward
- 9-18. At a minimum, what safety equipment should personnel wear when handling materials?
- A. Goggles
 - B. Hard hat
 - C. Safety shoes
 - D. Rubber aprons
- 9-19. In many cases mishaps are caused by which of the following factors?
- A. Obsolete equipment
 - B. Experience
 - C. Planning
 - D. Human error

- 9-20. Which of the following hazards can be caused by thrown objects such as blocks, crowbars, or slings?
- A. Defective equipment
 - B. Falling objects
 - C. Improperly assembled drafts
 - D. Failure to stand clear
- 9-21. Which of the following hazards can be caused by nets and pallets that are NOT properly secured?
- A. Defective equipment
 - B. Falling objects
 - C. Improperly assembled drafts
 - D. Failure to stand clear
- 9-22. What items should be placed near open hatches?
- A. Barricades
 - B. Ladders
 - C. Tarpaulins
 - D. Cargo strips
- 9-23. What specific height, in feet, should a hoisted load be stopped above the landing area before being guided to a safe landing?
- A. 1
 - B. 2
 - C. 3
 - D. 4
- 9-24. Which of the following individuals must evaluate a storage area before the location can store hazardous materials?
- A. Safety officer
 - B. Industrial hygienist
 - C. Hazardous waste manager
 - D. Storage specialist
- 9-25. What minimum distance, in feet, should be between incompatible hazardous materials if space limitations require storage in the same compartment?
- A. 3
 - B. 6
 - C. 9
 - D. 12

- 9-26. What type of electrical fixtures should be installed in hazardous materials storage areas?
- A. Crack-proof
 - B. Leak-proof
 - C. Explosive-proof
 - D. Tamper-proof
- 9-27. What type of materials can cause severe damage to organic tissue by chemical action?
- A. Corrosives
 - B. Oxidizers
 - C. Compressed gases
 - D. Aerosols
- 9-28. Which of the following chemicals is a very strong oxidizer that is used to provide the same sanitizing and bleaching property of chlorine?
- A. Chlorate
 - B. Glacial acetic
 - C. Permanganate
 - D. Calcium hypochlorite
- 9-29. What type of chemical supports the combustion of organic matter, produces heat, or reacts explosively when it comes into contact with many other materials?
- A. Corrosives
 - B. Oxidizers
 - C. Compressed gases
 - D. Aerosols
- 9-30. What types of dispensers are widely used to dispense paints, enamels, or lacquers?
- A. Corrosives
 - B. Oxidizers
 - C. Compressed gases
 - D. Aerosols

RATE TRAINING MANUAL – USER UPDATE

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CHAPTER 10

INVENTORY

Inventory in ship's store afloat is the process of bringing line items into agreement with stock on hand, determining current money value balances, and reestablishing accountability. As a ship's serviceman, you can expect to be regularly involved in the inventory process. In this chapter we discuss the various steps of this process, including preparing for inventory, accomplishing the actual inventory, accounting for the inventory, and reconciling the results of the inventory.

LEARNING OBJECTIVES

When you have completed this chapter, you will be able to do the following:

1. Identify the purpose of a physical inventory.
2. Identify the reasons to conduct a physical inventory.
3. Identify the procedures to use to account for inventory adjustments.
4. Identify the processes used to prepare for a physical inventory.
5. Identify the processes used when performing a physical inventory.
6. Identify the procedures used after the completion of a physical inventory.
7. Identify the levels of response to financial differences.

PHYSICAL INVENTORY

A physical inventory is the process of identifying, counting, and evaluating all stock on hand at a specific time. The purposes of physical inventory are the following:

- To determine the quantity of the stock on hand so the required financial reports can be prepared
- To check on the accuracy of line items and to adjust any differences that may exist between the line items and the stock on hand
- To determine the dollar value of stock shortage due to spoilage, damage, waste, pilferage, or other losses not shown on the inventory
- To identify stock shortages and overages and to determine financial liability
- To use as a management tool for effective stock control

The following sections will discuss the procedures for conducting an inventory. "Cost of operation" items on hand in activities other than the storeroom are not inventoried because they have already been expended from the records.

INVENTORY PERIODS

An inventory is taken at the following times:

- Monthly
- At the end of each accounting period during the last week of business
- Upon relief of the sales officer

- Upon relief of the responsible custodian (All spaces that the custodian was responsible for will be inventoried)
- When there is evidence of unauthorized entry into a Group III space
- When directed by the Navy Exchange Service Command (NEXCOM), type commander (TYCOM), commanding officer (CO), supply officer (SUPPO), or sales officer

SPOT INVENTORY

Weekly spot inventories are required in retail outlets and in the holding location storeroom. The sales officer will conduct unannounced spot inventories of at least five percent (5%) of the stock on hand. Additional spot inventories are required for each holding location issue refusal or quantity difference. Spot inventories check the balance of selected stock in the outlets, compare it to the balance shown in inventory, and resolve any differences. When possible, a perpetual inventory should be done after each breakout or issue. Inventory results are compared against the line items to maintain retail operation inventory accuracy at 100 percent. Spot inventories are conducted using a Retail Operations Management (ROM) generated Inventory Count Sheet. An Inventory Count Sheet lists the merchandise to be counted and is selected using ROM's Inventory–Create Inventory page.

Create New Inventory Count (5% Random)

This function lets you generate an inventory worksheet of randomly selected articles on which a physical count will be recorded. On ROM's Inventory–Create Inventory page, select an inventory location from the drop-down box and select the “Add 5% Items (Random Inventory)” button as shown in *Figure 10-1*. Select the “Initiate Inventory” button. The “Print Count Sheet” button is activated as well as the ability to download the inventory for completion on a handheld device.

Inventory					
Edit Inventory					
Inventory Control # N/A		Status: Unconfirmed		Date:	
Inventory Location: 9501 Ship Store					
Inventory Items					
<input type="button" value="Add All Items (Full Inventory)"/>		<input type="button" value="Add 5% Items (Random Inventory)"/>		<input type="button" value="Add Additional Items"/>	
Stock Num	Description	UI	QOH	Inventory QTY	Remove
3113130000006	Slim Jim Stick Counter Top	EA	5	<input type="text" value="0"/>	Remove
3113130000003	Sunmaid Yogurt Raisins	EA	5	<input type="text" value="0"/>	Remove
<div> <input type="button" value="Page 1 of 1"/> <input type="button" value="10 rows per page"/> <input type="button" value="Go to page:"/> <input type="button" value="Go"/> </div>					
<input type="button" value="Print Count Sheet"/>					
<input type="button" value="Save & Review Later"/>		<input type="button" value="Initiate Inventory"/>		<input type="button" value="Delete"/> <input type="button" value="Close"/>	

Figure 10-1 — Generating a 5% random inventory.

A physical count can be recorded manually or via a handheld device or portable data terminal (PDT) transfer. Articles will be randomly selected and checked to be included in this spot inventory. For example, if there are 1,459 articles in the ship's inventory, then 73 items will be selected. The next random spot inventory will select a different set of articles.

Accounting for Adjustments

When quantity differences occur between spot inventories and the balance shown on the inventory, the cause of the difference will be investigated thoroughly. Adjustments to line items as a result of the spot inventory are made automatically when the inventory is confirmed. An Inventory Discrepancy Report will be generated reporting all gains or losses that were found as a result of a spot inventory. The Inventory Discrepancy Report will be printed, signed, and dated by the sales officer indicating the corrective actions taken. This report and the corresponding Inventory Count Sheet will be filed in B28 records keeper (RK) file. Additionally, upon confirmation of the inventory, gains or losses are on Navy Comptroller (NAVCOMPT) Form 153, line B14.

PREPARING AN INVENTORY PLAN

The sales officer must ensure that the inventory personnel are assigned and are familiar with local inventory procedures. Layout sketches will be prepared for spaces being inventoried to illustrate stock arrangement and expedite the inventory process to ensure the ship's store records are up-to-date.

Layout Sketch

The purpose of a layout sketch is to ensure that a rapid, accurate inventory is completed. Layout sketches of retail outlets and bulk storerooms are prepared in advance of the inventory. The layout sketches include each bin, shelf, and showcase identified by a number, as shown in *Figure 10-2*. If the space is large, it may be broken down into sections and a layout sketch prepared for each section. A number identical to the one entered on the layout sketch is attached to the corresponding fixture located in the space.

Count Patterns

Before the actual inventory, an inventory pattern should be established. For example, an inventory of a space should start on the left and work to the right, top to bottom, of each section of the space. Layout sketches will help in establishing an inventory pattern.

Stock Arrangement

The ROM system will print labels showing the barcode for each item in stock. To make counting faster and easier, merchandise in retail outlets and storerooms should be sorted and identified with the ROM generated barcode label to facilitate scanning. Empty cartons, except those used for packaging of merchandise on display, must be removed from the sales outlet and storeroom so that they will not be included in the inventory. Open cases, boxes, and containers from which items are removed must be counted individually. Under no circumstances can the markings on the outside of a previously opened box or case be used as your count.

Entries on Records

The RK must ensure that all receipt, expenditure, and breakout documents are confirmed in ROM before the inventory process begins.

Non-Electronic Point of Sale Activities

The RK must ensure that all merchandise in the snack vending, canned drink vending, and other outlets that do not use an electronic point of sale (EPOS) register have a separate Inventory Count Sheet to be used in recording actual counts during the inventory.

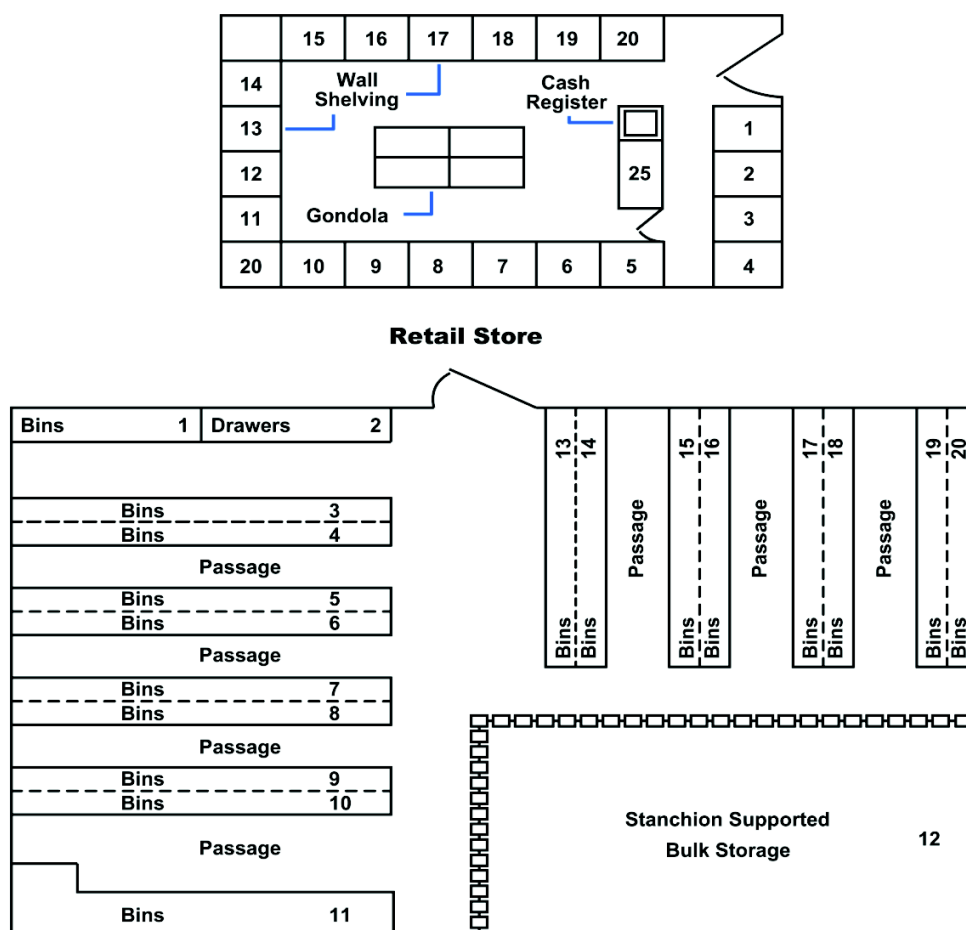


Figure 10-2 — Layout sketch.

Count Sheet Preparation

Inventory teams will use the PDT to record the inventory. If the PDT is damaged or unavailable, inventory teams use Inventory Count Sheets.

When a PDT is being used, the RK must generate an Inventory Count Sheet prior to the inventory. ROM requires this process to facilitate the downloading of inventory data from the PDT to the appropriate outlet Inventory Count Sheet. Inventory Count Sheets should never be created for a non-EPOS outlet. Procedures for creating an Inventory Count Sheet are outlined in the ROM users guide.

When a PDT is not being used, the RK prints the Inventory Count Sheets by location. Since non-EPOS inventories do not generate an Inventory Discrepancy Report, it is important that two count teams inventory the items separately and reconcile all items counted. A third count should be conducted for differences in each team's counts. Once the sales officer is comfortable that an accurate inventory has been conducted, then the inventory will be manually imported in ROM.

Assigning Personnel

The sales officer is responsible for a complete and accurate inventory. If the sales officer determines that the inventory can be expedited with multiple teams, he or she can assign as many teams as deemed necessary. All inventory teams will have two persons assigned; one person must be a second class petty officer or above (normally from Supply Department). One person is assigned as the scanner and the other as the counter. The RK will not be assigned to an inventory team at any

time; however, the responsible custodian for the location should be present during the inventory. The sales officer will be the inventory supervisor.

Pre-Inventory Training

Conducting an inventory is not an everyday evolution. Personnel may not recall the details that are required when conducting one. Holding training before the inventory will provide personnel involved a clear understanding of their role in the inventory process. Training should ensure all team members understand their role and provide them an opportunity to ask questions and to review lessons learned from previous inventories. This training may be used to ensure that all inventory preparation steps are complete.

PERFORMING THE INVENTORY

Before you start the actual inventory, you need to know whether or not PDTs will be used in the inventory. If not, the RK will print the Inventory Count Sheets for the inventory teams. Since every line item in the database is printed on the Inventory Count Sheets, this process is not recommended because it is more time-consuming than using a PDT.

Each sales outlet operator and storeroom custodian should be present when their spaces are inventoried. Stock will not be moved from one space to another before the inventory is complete. During the inventory, when the actual counts are not in progress, the sales officer will secure the spaces by replacing the locks and attaching a numbered car seal in the presence of the responsible custodian. The car seal number will be recorded in the Car Seal Number Log.

Portable Data Terminal Procedures

When conducting an inventory using a PDT, the scanner simply scans the barcode label and enters the count that the counter provides. When the inventory team is using this method, the RK must generate the Inventory Count Sheets in ROM to facilitate the downloading of inventory data from the PDT to the appropriate outlet Inventory Count Sheet after the counts are complete.

Manual Procedures

Manual inventories are conducted without a PDT. The RK will print the Inventory Count Sheets. Inventory Count Sheets are in store-kept unit (SKU) number order versus the order in which the stock is arranged in the store, which causes the inventory process to take longer. A SKU number is a 10-digit number that is identical to the commercial stock number without the tack between the sixth and seventh digit. One person will count and one person will record quantities on the Inventory Count Sheets. All corrections are made in ink with both individuals initialing the correction. Once the inventory is completed, the RK enters the quantities on the applicable Inventory Count Sheet in ROM.

Scanning and Counting

The PDTs are designed to scan the Universal Product Code (UPC) of an item. The RK must ensure that all items carried on inventory have a UPC assigned. Refer to the ROM user's guide for detailed information on how to conduct UPC maintenance.

Inventory teams will have a counter and a scanner assigned (*Figure 10-3*). The counter will verify that the UPC or ROM generated barcode label on the box matches the description of the contents and ensure that each open case is counted individually. Manufacturer-sealed case-counts are acceptable. The scanner will scan the UPC or ROM generated barcode label on each case or item if a case is open and record the quantity provided by the counter. The scanner is also responsible for providing quality control over the counter to ensure that the best "first count" is made.

If a PDT is used, the scanner must have a stock record listing. If the UPC is not found, the scanner will enter the stock number into the PDT. This process may be completed manually using the stock record listing or by scanning the ROM generated barcode label. When multiple teams are used in a single space, the teams must be careful not to count the same stock.

Accounting for Outstanding Credit Memorandums

The sales officer adds all credit memorandums and cash refunds that are outstanding as part of the holding location inventory. The RK obtains copies of all outstanding credit memorandums and cash refunds from the working file (WF) 4 and assists the sales officer in adding the merchandise to the inventory.



Figure 10-3 — Counter and scanner inventory team.

Accounting for Non-Electronic Point of Sale Outlets Inventory

All non-EPOS outlets require a complete inventory and all cash collections posted to determine the cost of sales figures for the outlets.

SUBMITTING THE INVENTORY

After all inventory count quantities are recorded, the physical counts will be either imported from the PDT or manually entered into the applicable Inventory Count Sheet. Only personnel designated by the sales officer will perform this function.

If the inventory was completed on a handheld device, it will automatically be submitted during synchronization. After synchronization, the inventory from the PDT appears as a submitted inventory in ROM. The inventory can now be confirmed like any other inventory created in ROM.

If the inventory was completed using Inventory Count Sheets, the RK may enter the Inventory–Edit Inventory page to enter and submit inventory quantities as shown in *Figure 10-4*. At the bottom of the screen, you can see the various functions that are available to the RK when posting the inventory. The fields and buttons displayed may be different from those shown here depending on your user role. A brief discussion of ROM system inventory functions follows.

Inventory						
Edit Inventory						
Inventory Control #0000700		Status: Initiated		Date: 08/14/2013		
Inventory Location: 9505 Retail Store 1						
Inventory Items						
Stock Num	Description	UI	Cost	QOH	Inventory QTY	Remove
050001HH0001	African Nut Bars	EA	0.0000	10	10	Remove
3113130000005	ACT II Butter Lovers Popcorn	EA	0.0000	0	0	Remove
<input type="button" value="Page 1 of 1"/> <input type="button" value="10 rows per page"/> <input type="button" value="Go to page:"/> <input type="button" value="Go"/>						
<input type="button" value="Print Count Sheet"/>						
<input type="button" value="Save & Review Later"/> <input type="button" value="Submit Counts"/> <input type="button" value="Delete"/> <input type="button" value="Close"/>						

Figure 10-4 — Inventory–Edit Inventory page (Initiated).

Print Count Sheet

This button is used to print a hard copy of the Inventory Count Sheet for an inventory conducted by the manual method.

Save & Review Later

This button saves the updated inventory quantities for viewing at a later time. This does not submit counts for confirmation.

Submit Counts

This button updates the inventory quantities, displays a confirmation message, and updates the page as shown in *Figure 10-5*. After the Submit Counts button is pushed, the status will change from Initiated to Submitted.

CONFIRMING THE INVENTORY

After the Inventory–Edit Inventory page is updated with the inventory, the Print Discrepancy Report button will become active. The Inventory Discrepancy Report may now be printed by pushing the Print Discrepancy Report button shown in *Figure 10-5*. The inventory will remain unconfirmed until the sales officer validates all discrepancies from the Inventory Discrepancy Report. The sales officer will assign a team to verify items reported on the Inventory Discrepancy Report. Any corrections will be made to the applicable Inventory Count Sheet. A final Inventory Discrepancy Report will be generated after all corrections are made to inventory counts. This process will continue until the sales officer is confident that an accurate inventory count has been taken. Once the inventory is confirmed, the line items are adjusted and losses or gains are reported on Line B14 of the NAVCOMPT Form 153. The B14 report will be printed and filed in the B14 (RK) file.

Inventory						
Edit Inventory						
Inventory Control #0000700		Status: Submitted			Date: 08/14/2013	
Inventory Location: 9505 Retail Store 1						
Inventory Items						
Stock Num	Description	UI	QOH	Inventory QTY	Difference	
050001HH0001	African Nut Bars	EA	10	10	0	
3113130000005	ACT II Butter Lovers Popcorn	EA	0	0	0	
< Page 1 of 1 > 10 rows per page Go to page: Go						
Print Discrepancy Report					Total Gain/Loss: \$0.0000	
Save & Review Later		Confirm & Submit		Delete		Close

Figure 10-5 — Inventory–Edit Inventory page (Submitted).

Any corrections will be made to the applicable Inventory–Edit Inventory page. Once the sales officer is satisfied that an accurate inventory was conducted, the RK confirms the inventory by pushing the Confirm & Submit button shown in *Figure 10-5*. The page will update and the status will change from Submitted to Confirmed, as shown in *Figure 10-6*. The RK prints the Inventory Count Report for each space inventoried. The sales officer and all members of the inventory count team sign the Inventory Count Sheets (if a manual inventory was taken), the Inventory Count Report, and the Inventory Discrepancy Report in B28 (RK) file. Additional copies will be provided to the accountable custodian if requested.

Inventory						
View Inventory						
<i>Inventory #0000700 has been confirmed.</i>						
Inventory Control #0000700		Status: Confirmed			Date: 08/14/2013	
Inventory Location: 9505 Retail Store 1						
Inventory Items						
Stock Num	Description	UI	QOH	Inventory QTY	Difference	
3113130000005	ACT II Butter Lovers Popcorn	EA	0	0	0	
050001HH0001	African Nut Bars	EA	10	10	0	
< Page 1 of 1 > 10 rows per page Go to page: Go						
Print Discrepancy Report					Total Gain/Loss: \$0.0000	
Close			Print Relieving Inventory Sheet			

Figure 10-6 — Inventory–Edit Inventory page (Confirmed).

BALANCING OUT EPOS OUTLETS

To obtain an accurate balance of an EPOS outlet, the financial difference must be determined. The financial difference is reported on the Back of 153 Report, titled Accounting Period Profitability, after the inventory is confirmed and all cash is posted. The Back of 153 Report, as shown in *Figure 10-7*, lists the sales (cost and retail), gross profit percentages, cash collections, overages/shortages (cost and retail), inventory gains and losses (cost and retail), and net differences by individual outlets. This report is used to balance your operation and determine your financial position. This report also is used to determine your operations level of financial difference.

NAVCOMPT 153											
USS Bonhomme Richard - V22202											
Generate Printable Version											
Accounting Period is still Open						Period Date Range: 07/18/2015 00:00:01 – 09/30/2015					
Accounting Period Profitability											
Loc	Sales at Cost	Sales Retail	Book GP	GP %	Collections	Over (Short)	Over(Short) Cost	Inv Over (Short)	Net Diff	% Diff	
1	\$29,465.72	\$35,992.00	\$6,526.28	18.13 %	\$36,064.40	\$72.40	\$59.27	\$144.42	\$203.69	0.34 %	
99	\$0.00	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00 %	
9700	\$0.00	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00 %	
9800	\$0.00	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00 %	
	\$29,465.72	\$35,992.00	\$6,526.28	18.13 %	\$36,064.40	\$72.40	\$59.27	\$144.42	\$203.69	0.34 %	

Page 1 of 1

10 rows per page

[View Front of 153](#)

[Close](#)

Figure 10-7 — Back of 153 Report (Accounting Period Profitability).

BALANCING OUT NON-EPOS OUTLETS

All merchandise located in a non-EPOS outlet, other than snack or vending, will be broken out to a holding location after an inventory is taken. All cash collections must be posted in ROM. Any financial difference is reported on the Back of 153 Report, titled Accounting Period Profitability, after the breakout is confirmed and the cash is posted.

BALANCING THE ENTIRE OPERATION

Once the RK determines that all inventories have been confirmed and all cash is posted, ROM automatically adjusts the new counts in inventory and updates the Back of 153 Report that shows the financial difference (gain or loss) by dollar amount and percentage. Any gains or losses are reported on line B14 and ultimately absorbed as an operating expense on Line C12 of NAVCOMPT Form 153.

CLOSEOUT LINE ITEMS

ROM adjusts on-hand quantities upon confirmation of an inventory. Upon closeout of the current accounting period, the ending inventory becomes the opening inventory for the new accounting period. Any gains/losses during the accounting period are reported on line B14 of the NAVCOMPT Form 153 and will be examined by the sales officer. Inventory Discrepancy Reports are produced for each inventory conducted to aid the sales officer in identifying discrepancies.

PROFITABILITY REPORT

ROM will automatically compute the amount of the gross profit generated for each item and by each location based on sales. To determine the actual gross profit, the report compares the dollar value of merchandise sold against the dollar value of cash collections.

FINANCIAL DIFFERENCES

After confirming an inventory for EPOS and non-EPOS outlets, you can review the net difference column on the Back of 153 Report to identify financial differences. A financial difference may be caused by a difference in inventory and/or cash. An inventory difference is a difference between the Book inventory and the Actual inventory, while a cash difference is a monetary difference between the sales at retail figure on the Back of 153 Report and the actual cash collected. The amount of the difference determines whether adequate controls are in place and what further action is required.

Levels of Response to Financial Differences

Financial differences are divided into three levels, based upon monetary amount and actions to be taken by the ship.

Level 1 Difference (Concern)

A Level 1 difference—any difference below 1 percent of sales at cost **and** \$1,500 is a matter of concern to the SUPPO and the sales officer. This level of difference in any outlet requires review by the sales officer to determine if procedures are being followed. The sales officer should take action to remedy and improve operations. If the SUPPO and sales officer are satisfied with their examination of the issue, no further action is required. If they are not satisfied with the results of their review, they may contact the local Fleet Assistance Team for assistance.

Level 2 Difference (Caution)

A Level 2 difference—any difference above 1 percent of sales at cost **and** \$1,500.00 is an indication that procedures require managerial review to determine the cause of the difference and action if the ship is unable to resolve the difference. If a Level 2 difference exists for an individual sales outlet or holding location, the entire ship's store operation will be inventoried and balanced to determine if a Level 2 difference exists for the entire operation. If the difference in the individual outlets does not cause an overall Level 2 difference, then the ship will conduct an internal review of procedures and no further action is required. If the entire operation has a Level 2 difference, the ship must do the following:

- Notify the SUPPO of the difference
- Verify all columns on the Back of 153 Report, Accounting Period Profitability, for all outlets
- Conduct a re-inventory and secure spaces
- Reopen spaces when the SUPPO is sure that an accurate inventory was taken
- The ship has 5 workdays to resolve the difference; if the ship is unable to resolve the difference, the ship must contact the local Fleet Assistance Team for assistance
- The Fleet Assistance Team has 10 days to examine the difference; a report with recommendations is provided to the ship

- If the Fleet Assistance Team cannot determine the cause of the difference, the SUPPO will immediately notify the CO concerning of the difference and the final recommendations provided to the ship; the CO may:
 - Direct informal examinations of the loss; if theft or fraud is discovered during the examination, follow the procedures listed in NAVSUP P-487, Chapter 1
 - Notify the TYCOM if the recommendations indicate a higher level of involvement
 - Take any other disciplinary action per the Uniform Code of Military Justice if appropriate

Level 3 Difference (Adverse)

Level 3 difference—any difference above 3 percent of sales at cost **and** \$3,000.00 is considered an adverse difference, which mandates review and examination by the SUPPO and/or the CO depending on the circumstances. If a Level 3 difference exists for any individual sales outlet or holding location, the entire ship's store operation will be inventoried and balanced to determine if a Level 3 difference exists for the entire operation. If after re-inventory, the difference in the individual outlet does not cause an overall Level 3 difference, but does cause a Level 1 or Level 2 difference, then follow the procedures listed above for that difference. If the entire operation has a Level 3 difference, the ship must do the following:

- Notify the SUPPO of the difference
- Verify all columns on the Back of 153 Report, Accounting Period Profitability
- Secure spaces and conduct a re-inventory
- The ship has 5 workdays to resolve the difference or it must contact the TYCOM or the Fleet Assistance Team for assistance; if the assistance does not resolve the difference or an assistance visit is unable to be performed within a reasonable period of time, the ship should do the following:
 - Establish a formal fact-finding body according to Judge Advocate General Manual (JAGMAN)
 - Relieve the responsible individual when culpability on his or her part is indicated
 - In the event of relief of the accountable officer, records are closed out and the relieved officer submits returns
 - Reopen spaces after inventory and cash collections are verified by the SUPPO and upon receipt of concurrence and recommendations from TYCOM or Fleet Assistance Team
- For a Level 3 difference, a letter must be submitted to the TYCOM with a copy to Defense Finance and Accounting Service (DFAS); the letter must explain possible causes and corrective action taken to prevent the differences in the future; additionally, the ship will submit any additional reports required by TYCOM

SUMMARY

Inventory is the process of bringing line items into agreement with stock on hand, determining current monetary balances, and establishing accountability. A ship's serviceman can expect to be regularly involved in the inventory process. This chapter discussed the various steps involved in both EPOS and non-EPOS outlet inventory procedures, including preparing, accomplishing, accounting for, and reconciling the results of the inventory.

End of Chapter 10

Inventory

Review Questions

10-1. Which of the following is a purpose for conducting a physical inventory?

- A. To identify the fastest selling stock
- B. To measure merchandise storage facilities
- C. To determine the quantity of stock on hand
- D. To process new merchandise orders

10-2. In which of the following situations would an inventory be helpful?

- A. To identify stock shortages and overages
- B. To test merchandise quality and reliability
- C. To provide feedback on merchandise appearance
- D. To take marketing samples

10-3. What is a management tool for effective stock control?

- A. Survey
- B. Inventory
- C. Poll
- D. Questionnaire

10-4. Which of the following time frames is a ship's store inventory interval?

- A. Bi-monthly
- B. Quarterly
- C. Semi-annually
- D. Monthly

10-5. An inventory is required upon relief of which of the following personnel?

- A. Disbursing officer
- B. Sales officer
- C. Maintenance officer
- D. Inventory officer

10-6. Which of the following entities may decide to conduct an inventory?

- A. Type commander
- B. Prime vendor
- C. Invoiced contractor
- D. Expeditor

- 10-7. What computer system automatically adjusts line items for differences discovered during a spot inventory?
- A. Stock System Management
 - B. Stock Adjustment System
 - C. Inventory Management System
 - D. Retail Operations Management
- 10-8. Which of the following is a tool to account for adjustments to inventory?
- A. Layout Sketch Report
 - B. Inventory Discrepancy Report
 - C. Inventory Modification Report
 - D. Merchandise Shortage Report
- 10-9. What sheet is used during an inventory to document actual inventory on hand?
- A. Merchandise
 - B. Master List
 - C. Inventory Count
 - D. Discrepancy
- 10-10. What diagram shows the physical location of inventory?
- A. Layout sketch
 - B. Location sketch
 - C. Storeroom drawing
 - D. Ship's drawing
- 10-11. What term describes the actual path inventory teams will use when conducting an inventory?
- A. Inventory path
 - B. Count path
 - C. Count pattern
 - D. Merchandise pattern
- 10-12. What function of the Retail Operations Management (ROM) system expedites counting of inventory?
- A. Infrared merchandise tags
 - B. ROM generated inventory pattern
 - C. ROM generated layout sketch
 - D. Barcode labels on inventory
- 10-13. When, if ever, is stock moved from one storeroom to another during an inventory?
- A. After the first storeroom has been inventoried
 - B. After both have been inventoried
 - C. Before the sales officer secures them with locks
 - D. Never

10-14. Why is using the portable data terminal the preferred method of identifying and counting inventory?

- A. The data is in store-kept unit number order
- B. Simple as scan and count
- C. Only one person is required to count and scan
- D. Does not require spaces to be secured after scanning

10-15. What are the roles that make up an inventory team?

- A. Counter and auditor only
- B. Auditor and scanner only
- C. Scanner and counter only
- D. Auditor, counter, and scanner

10-16. When a portable data terminal (PDT) is used, how are the Inventory Count Sheets physical counts entered into the system?

- A. Emailed to Retail Operations Management headquarters
- B. Submitted manually to the Inventory–Edit page
- C. Transcribed from the PDT
- D. Imported from the PDT

10-17. Before counts are submitted, an inventory is in what status?

- A. Pre-submission
- B. Initiated
- C. Confirmed
- D. In-process

10-18. For what purpose does the sales officer use the Inventory Discrepancy Report?

- A. To validate all discrepancies prior to confirming the inventory
- B. To validate all discrepancies prior to initiating the inventory
- C. To obtain initial quantities prior to starting an inventory
- D. To obtain a listing of discrepancies after confirming the inventory

10-19. What report allows users to identify and review financial differences?

- A. Total Expenditure
- B. Difference
- C. Cost of Retail Sales
- D. Back of 153

10-20. What level of financial difference is below 1 percent of sales at cost and \$1,500?

- A. 1
- B. 2
- C. 3
- D. 4

10-21. What level of financial difference requires a formal Judge Advocate General investigation?

- A. 1
- B. 2
- C. 3
- D. 4

RATE TRAINING MANUAL – USER UPDATE

CSS makes every effort to keep their manuals up-to-date and free of technical errors. We appreciate your help in this process. If you have an idea for improving this manual, or if you find an error, a typographical mistake, or an inaccuracy in CSS manuals, please write or e-mail us, using this form or a photocopy. Be sure to include the exact chapter number, topic, detailed description, and correction, if applicable. Your input will be brought to the attention of the Technical Review Committee. Thank you for your assistance.

Write: CSS Rate Training Manager
1183 Cushing Road
Newport, RI 02841

E-mail: Refer to the NKO CSS Web page for current contact information.

Rate _____ Course Name _____

Revision Date _____ Chapter Number _____ Page Number(s) _____

Description

(Optional) Correction

(Optional) Your Name and Address

CHAPTER 11

RETURNS

The term ship's store returns refers to the reporting form, Ship's Store Balance Sheet and Profit and Loss Statement, Navy Comptroller Form 153 (NAVCOMPT Form 153), and all of the required supporting documents that must be sent to Defense Finance and Accounting Service (DFAS) within 15 days of the end of each accounting period.

Ship's store returns serve the following purposes:

- Establish accountability
- Furnish operational information to the Navy Exchange Service Command (NEXCOM)(Ship's Store Program)/type commander (TYCOM)
- Establish the basis for the analysis, segregation, and presentation of appropriation and cost accounting charges

This chapter discusses the types of ship's store returns, rules covering their submission, and the steps necessary in assembling and preparing the NAVCOMPT Form 153 for electronic submission.

LEARNING OBJECTIVES

When you have completed this chapter, you will be able to do the following:

1. Identify the steps in the closeout procedure of ship's store records.
2. Identify the steps in the preparation of returns.

TYPES OF RETURNS AND THEIR SUBMISSION

There are two types of returns, 4-month returns and merged returns.

Four-Month Accounting Period Returns

Ship's store returns must be submitted for 4-month periods ending 31 January, 31 May, and 30 September. These dates mark the end of an accounting period. Additionally, the sales officer must prepare and submit a return for each of the following transitional periods:

- At the end of the 4-month accounting period or from the date he or she assumed the duty as sales officer through the last day of the period and thereafter
- Upon relief as sales officer

Merged Returns

Returns may be merged, if the total of the normal accounting period and the merged period does not exceed 5 consecutive months. Returns for a fractional period may be merged with the returns for the previous or the subsequent accounting period (except for the 30 September accounting period) upon written authorization from the commanding officer (CO). When returns are merged, the sales officer must notify the TYCOM, DFAS, and NEXCOM by email.

The original authorization letter will be included with the merged returns submitted to DFAS. Returns may not be merged for the accounting period ending 30 September without approval from NEXCOM.

Corrections to Returns

The Retail Operations Management (ROM) computer system does not allow any corrections to financial documents after the information has been confirmed. No corrected returns will be submitted to DFAS. After reconciling the returns, if corrections are necessary, DFAS will direct the sales officer on how to correct the current NAVCOMPT Form 153.

Delay in Submitting

When returns cannot be submitted on or before the date they are required to be submitted, the ship must notify DFAS, NEXCOM, and TYCOM via email, Windows Standard Automated Logistics Tool Set (WINSALTS) or naval message, explaining the reason for the delay and the anticipated mailing date.

Copy of Returns for Navy Supply Corps School

To provide current training aids for students preparing for shipboard duty, one copy (front and back) of NAVCOMPT Form 153 for the accounting period ending 30 September will be mailed to the following address:

Navy Supply Corps School
Code N71
55 Porter Avenue
Newport, RI 02841

PREPARING THE SHIP'S STORE BALANCE SHEET AND PROFIT AND LOSS STATEMENT

The NAVCOMPT Form 153 is separated into two parts—the balance sheet and the profit and loss statement. The balance sheet accounts for the receipts and expenditures of ship's store stock and establishes the current value of the stock. The profit and loss statement is a report of the total income from sales, cost of sales, and other operating expenses and is used to compute the net profit for the accounting period. A completed ROM NAVCOMPT Form 153 is shown in *Figure 11-1*. To view a representation of the back of the form, press the "View Back of 153" button.

Although ROM automatically generates the NAVCOMPT Form 153, it is important to know the location from which each entry is derived. The dates of the start and the end of the accounting period are printed in the top-right corner of the ROM-generated NAVCOMPT Form 153.

The sales officer must verify the information reported on the NAVCOMPT Form 153 against the reports and supporting documentation as part of the validation process.

Ship's Store Balance Sheet

The balance sheet accounts for the receipts, the expenditures, and the opening and closing inventory. Assuming that records were properly maintained and all transactions were accurately posted in the ROM database, the NAVCOMPT Form 153 should be accurate. Only due diligence and thorough verification will validate this notion.

Click on "View Back of 153" button to view Back of 153 Report.

NAVCOMPT 153							
USS Bonhomme Richard - V22202				Generate Printable Version			
<i>Accounting Period is still Open</i>		Period Date Range: 07/18/2015 00:00:01 – 09/30/2015					
Balance Sheet							
B01	Receipts from Purchase	\$40,391.57	B10	Issues to Use	\$4.10		
B05	Receipts from OSO	\$0.00	B14	Loss (Gain) by Inventory	\$1,223.81		
B08	Opening Inventory	\$156,142.47	B15	Surveys to NWCF	\$8,132.74		
			B19	Transfers to OSO	\$475.80		
			B21	Cost of Retail Sales	\$29,465.72		
			B22	Cost of Ops, Retail	(\$317.16)		
			B23	Surveys to SSPN, Retail	\$0.00		
			B25	Cost of Vending Sales	\$4,690.58		
			B26	Cost of Ops, Vending	\$0.00		
			B27	Surveys to SSPN, Vending	\$0.00		
			B28	Closing Inventory	\$152,858.45		
B29	Total Receipts	\$196,534.04	B30	Total Expenditures	\$196,534.04		
Profit and Loss Statement							
C01	Funds Brought Forward	\$0.00	C10	Cost of Retail Sales	\$29,465.72		
C02	Retail Sales	\$35,992.00	C12	Operating Expenses	\$906.65		
C03	Vending Sales	\$11,072.80	C13	Laundry Claims/Services	\$0.00		
C04A	Rebates	\$0.00	C14A	GF Assessment Local	\$179.96		
C04B	Contributions	\$0.00	C14B	GF Assessment BUPERS	\$0.00		
C05	Loans	\$0.00	C15	Cost of Vending Sales	\$4,690.58		
C06	Grants	\$0.00	C18	Equipment Purchases	\$0.00		
			C20	Loan Repayments	\$0.00		
			C21	Beginning Loan Balance	\$0.00		
			C21A	Ending Loan Balance	\$0.00		
			C22	Funds Transferred	\$0.00		
			C23	Total Expenditures	\$35,242.91		
			C24	Funds Available	\$11,821.89		
			C24A	Liabilities Assumed	\$0.00		
C09	Total Receipts	\$47,064.80	C24B	Net Funds Available	\$11,821.89		
<table style="width: 100%;"> <tr> <td style="width: 50%;"> Emblematic: 0.00 % Stock Turn: .28 Target Inventory: \$158,212.12 </td> <td style="width: 50%;"> C25 Operating Profit: \$5,439.67 C26 Soft Drink Vending Machine Profit: \$6,382.22 </td> </tr> </table>						Emblematic: 0.00 % Stock Turn: .28 Target Inventory: \$158,212.12	C25 Operating Profit: \$5,439.67 C26 Soft Drink Vending Machine Profit: \$6,382.22
Emblematic: 0.00 % Stock Turn: .28 Target Inventory: \$158,212.12	C25 Operating Profit: \$5,439.67 C26 Soft Drink Vending Machine Profit: \$6,382.22						
View Back of 153		Close					

Figure 11-1 — NAVCOMPT Form 153.

Receipts Section

To familiarize yourself with the various entries, follow the figures for each section of the NAVCOMPT Form 153. The first section described is the “receipts” section shown in *Figure 11-2*.

1. Line B01—Receipts from Purchase: The total value of receipt from purchases as reported and itemized on the Journal of Receipts (B01/B05 Report). This figure should match the sum of the monthly transmittals of receipt documents.

- a. Merchandise received and reported as a receipt in the current accounting period. This figure includes the dollar value of credit memorandums forwarded to DFAS.

- b. Adjustments made to receipts that occurred in the current accounting period.

2. Line B05—Receipts from OSO (Other Supply Officers): The total value of receipts from OSOs as reported and itemized on the Journal of Receipts (B01/B05 Report). This figure should match the sum of the monthly transmittals of receipt documents.

- a. Merchandise received and reported as a receipt in the current accounting period.

- b. Adjustments made to receipts that occurred in the current accounting period.

3. Line B08—Opening Inventory: The total value of all ship’s store stock at the beginning of the accounting period is reported on line B08. The amount must equal Line B28 of the NAVCOMPT Form 153 from the previous accounting period.

4. Line B29—Total Receipts: The sum of the amounts reported on lines B01 through B08 will be reported on line B29.

B01	Receipts from Purchase	\$40,391.57
B05	Receipts from OSO	\$0.00
B08	Opening Inventory	\$156,142.47
B29	Total Receipts	\$196,534.04

Figure 11-2 — NAVCOMPT Form 153, balance sheet, receipts section.

Expenditure Section

The next section described is the “expenditures” section shown in *Figure 11-3*.

1. Line B10—Issues to Use: The total value of issues to use as reported and itemized on the Issues to Use (B10) Report.

- a. Dollar value of all issues listed in NAVSUP P-487, Chapter 7, except cost of operations issues and issues for health and comfort to personnel in a pay status.

- b. Transfer to other appropriations (such as general mess and general stores).

- c. Receipts from other appropriations.

B10	Issues to Use	\$4.10
B14	Loss (Gain) by Inventory	\$1,223.81
B15	Surveys to NWCF	\$8,132.74
B19	Transfers to OSO	\$475.80
B21	Cost of Retail Sales	\$29,465.72
B22	Cost of Ops, Retail	(\$317.16)
B23	Surveys to SSPN, Retail	\$0.00
B25	Cost of Vending Sales	\$4,690.58
B26	Cost of Ops, Vending	\$0.00
B27	Surveys to SSPN, Vending	\$0.00
B28	Closing Inventory	\$152,858.45
B30	Total Expenditures	\$196,534.04

Figure 11-3 — NAVCOMPT Form 153, balance sheet, expenditures section.

2. Line B14–Gain/Loss by Inventory: The total value of gain/loss by inventory as reported and itemized on the Gain/Loss by Inventory (B14) Report. Gains and losses occur as a result of “spot inventories.”
3. Line B15–Surveys to NWCF (Navy Working Capital Fund): The total value of ship’s store stock surveyed to the NWCF as reported and itemized on the Surveys to NWCF (B15) Report.
4. Line B19–Transfers to OSO: The total value of ship’s store stock transferred to other supply officers as reported and itemized on the Transfer to OSO (B19) Report.
5. Line B21–Cost of Retail Sales: The total value of ship’s store stock sold at cost price as reported and itemized by retail location on the Cost of Retail Sales (B21) Report.
6. Line B22–Cost of Operations, Retail: The total value of cost of operations, retail as reported and itemized on the Cost of Operations (B22) Report.
7. Line B23–Surveys to SSPN (Ship’s Store Profits, Navy), Retail: The total value of surveys charged to profits (except surveys of drink vending machine merchandise) as reported and itemized on the Survey to SSPN, Retail (B23) Report.
8. Line B25–Cost of Vending Sales: The total value of cost of vending sales as reported and itemized on the Canned Vending Profitability (B25) Report.
9. Line B27–Surveys to SSPN, Vending: The total value of surveys of can vending machine merchandise charged to profits as reported and itemized on the Surveys to SSPN Vending (B27) Report.
10. Line B28–Closing Inventory: The total value of all ship’s store stock as reported and itemized on the Consolidated Stock Record (B28) Listing. The sales officer will compare the closing inventory count reports against the B28 listing to ensure both figures match.
11. Line B30–Total Expenditures: The sum of the amounts reported on lines B10 through B28. The amount of line B30 must equal the amount on line B29.

Ship’s Store Profit and Loss Statement

Refer to *Figure 11-4* for this section.

Receipts Section

1. Line C01–Funds Brought Forward: The amount as reported on line C24 of the NAVCOMPT Form 153 for the previous accounting period.
2. Line C02–Retail Sales: The total cash received from sales in retail stores and all non-electronic point-of-service (EPOS) outlets except canned vending machines as reported and itemized on the Retail Cash Collection (C02) Report. The sales officer will compare cash totals against the monthly Memorandum Cash Sales Invoice Deposit of Cash with the disbursing officer (Department of Defense Form (DD) 1149) to ensure both figures

C01	Funds Brought Forward	\$0.00
C02	Retail Sales	\$35,992.00
C03	Vending Sales	\$11,072.80
C04A	Rebates	\$0.00
C04B	Contributions	\$0.00
C05	Loans	\$0.00
C06	Grants	\$0.00
C09	Total Receipts	\$47,064.80

Figure 11-4 — NAVCOMPT Form 153, profit and loss statement, receipts section.

match. The sales officer will also ensure monthly totals in the Navy Cash Monthly Merchant Report match each monthly Cash Sales Invoice (DD Form 1149).

3. Line C03–Vending Sales: The total cash received from can drink vending machines as reported and itemized on the Drink Vending Collection (C03) Report. This figure will be compared by the sales officer against the monthly Memorandum Cash Sales Invoice Deposits of Cash with the disbursing officer (DD Form 1149) to ensure both figures match. The sales officer will also ensure monthly totals in the Navy Cash Monthly Merchant Report match each monthly Cash Sales Invoice (DD Form 1149).
4. Line C04A–Rebates: NEXCOM (Ship’s Store Program) will enter the dollar value of rebates provided to them by vendors. ROM automatically enters this figure when NEXCOM confirms the entry ashore and the value is replicated to the ship.
5. Line C04B–Contributions: The total value of all other contributions, regardless of source, as reported and itemized on the Contributions to Ship’s Store Profits (C04B) Report. This figure also includes monies collected as service charges. This figure will be compared by the sales officer against the monthly Memorandum Cash Sales Invoice Deposit with the disbursing officer (DD Form 1149) to ensure both figures match.
6. Line C05–Loans: NEXCOM (Ship’s Store Program) authorizes and posts loans. The total amount of all confirmed loans is posted on line C05 as a one-time entry at the end of the accounting period in which the loan is received. The NEXCOM (Ship’s Store Program) letter authorizing the loan may be referenced in the comment block. ROM automatically enters this figure when NEXCOM confirms the entry ashore and the value is replicated to the ship.
7. Line C06–Grants: The total value of grants received as reported and itemized on the Grants Received (C06) Report. NEXCOM (Ship’s Store Program) authorizes and posts non-reimbursable grants. The amount of a grant is reported on Line C06 at the end of the accounting period in which the grant is received. The NEXCOM (Ship’s Store Program) letter authorizing the grant may be referenced in the comment block. ROM automatically enters this figure when NEXCOM confirms the entry ashore and the value is replicated to ROM.
8. Line C08–DFAS Funds Adjustments: If corrections to a previous NAVCOMPT Form 153 are required, DFAS will enter the dollar value, plus or minus, to this line. ROM automatically enters this figure when DFAS confirms the entry ashore and the value is replicated to the ship.
9. Line C09–Total Receipts: The sum of the amounts reported on lines C01 through C08.

Expenditure Section

Refer to *Figure 11-5* for this section.

1. Line C10–Cost of Retail Sales: The cost of retail sales as reported on line B21 of the current NAVCOMPT Form 153.
2. Line C12–Operating Expenses: The total value as reported on lines B22, B23, and B14 of the current NAVCOMPT Form 153.

C10	Cost of Retail Sales	\$29,465.72
C12	Operating Expenses	\$906.65
C13	Laundry Claims/Services	\$0.00
C14A	GF Assessment Local	\$179.96
C14B	GF Assessment BUPERS	\$0.00
C15	Cost of Vending Sales	\$4,690.58
C16	Cost of Ops Vending	\$0.00
C18	Equipment Purchases	\$0.00
C20	Loan Repayments	\$0.00
C21	Beginning Loan Balance	\$0.00
C21A	Ending Loan Balance	\$0.00
C22	Funds Transferred	\$0.00
C23	Total Expenditures	\$35,242.91
C24	Funds Available	\$11,821.89
C24A	Liabilities assumed	\$0.00
C24B	Net Funds Available	\$11,821.89

Figure 11-5 — NAVCOMPT Form 153, profit and loss statement, expenditures section.

3. Line C13—Laundry Claims: The total value as reported and itemized on the Laundry Claims/Service Charges (C13) Report.
 - a. Reimbursement Vouchers (Standard Form (SF) 1034) for settling claims for loss or damage of personal clothing in the ship's store activities. See NAVSUP P-487, Chapter 8.
 - b. The Abstract Data Reports covering repairs to vending machines, repairs to ship's store stock, and laundry service charges.
4. Line C14A—General Fund (GF) Assessment, Local: The GF Assessment reported on line C14A will be automatically entered by ROM as a percentage of sales in accordance with the NAVSUP P-487, Chapter 8.
5. Line C14B—GF Assessment, Bureau of Naval Personnel (BUPERS): The GF Assessment reported on line C14B will be automatically entered by ROM as a percentage of sales in accordance with the NAVSUP P-487, Chapter 8.
6. Line C15—Cost of Vending Sales: The cost of vending sales as reported on line B25 of the current NAVCOMPT Form 153.
7. Line C18—Equipment Purchases: The total value as reported and itemized on the Equipment Purchase (C18) Report. DFAS posts the value of each Abstract Data Report received for the current accounting period.
8. Line C20—Loan Repayments: The total value as prescribed by NEXCOM (Ship's Store Program) reported and itemized on the Loans Received (C05) and Loan Payments (C20) Report. ROM automatically enters this figure.
9. Line C21—Beginning Loan Balance: The balance of the loan at the beginning of the accounting period as reported on line C21A of the previous NAVCOMPT Form 153 or, if repayment of the loan will be in the same accounting period as the loan was received, the value will be zero. ROM automatically enters this figure.
10. Line C21A—Ending Loan Balance: The balance of the loan at the end of the accounting period after payments reported on line C20 have been deducted.
11. Line C22—Funds Transferred (recreation fund): The total value of all SF 1034 covering funds transferred to the recreation fund.
12. Line C23—Total Expenditures: The sum of the amounts reported on lines C10 through C20 and C22.
13. Line C24—Funds Available (for transfer to the recreation fund): The amount of line C09 minus the amount reported on line C23.
14. Line C24A—Liabilities Assumed (and anticipated operating expenses): The total amount of liabilities assumed and anticipated operating expenses as outlined in the NAVSUP P-487, paragraph 8300. The sales officer will enter the liabilities assumed and anticipated operating expenses as outlined in the ROM user's guide.
15. Line C24B—Net Funds Available (for transfer to recreation fund): The amount reported on line C24 minus the amount reported on line C24A.

Profit Computation

Refer to *Figure 11-6* in the following discussion.

1. Line C25—Operating Profit: The amount reported on line C02 minus the amounts reported on lines C10 through C14B.

Profit and Loss Statement					
C01	Funds Brought Forward	\$0.00	C10	Cost of Retail Sales	\$29,465.72
C02	Retail Sales	\$35,992.00	C12	Operating Expenses	\$906.65
C03	Vending Sales	\$11,072.80	C13	Laundry Claims/Services	\$0.00
C04A	Rebates	\$0.00	C14A	GF Assessment Local	\$179.96
C04B	Contributions	\$0.00	C14B	GF Assessment BUPERS	\$0.00
C05	Loans	\$0.00	C15	Cost of Vending Sales	\$4,690.58
C06	Grants	\$0.00	C16	Cost of Ops Vending	\$0.00
			C18	Equipment Purchases	\$0.00
			C20	Loan Repayments	\$0.00
			C21	Beginning Loan Balance	\$0.00
			C21A	Ending Loan Balance	\$0.00
			C22	Funds Transferred	\$0.00
			C23	Total Expenditures	\$35,242.91
			C24	Funds Available	\$11,821.89
			C24A	Liabilities assumed	\$0.00
C09	Total Receipts	\$47,064.80	C24B	Net Funds Available	\$11,821.89
Emblematic:		0.00 %			
Stock Turn:		.28	C25	Operating Profit:	\$5,439.67
Target Inventory:		\$158,212.12	C26	Soft Drink Vending Machine Profit:	\$6,382.22

Figure 11-6 — Profit computation.

2. Line C26—Soft Drink Vending Machine Profit: The amount reported on line C02 minus the amounts reported on lines C15 and C16.
3. Signature—The sales officer will sign, date, and print the NAVCOMPT Form 153 and all associated documentation when using backup procedures.

Operation Information

Additional information is included on the NAVCOMPT Form 153 as follows:

1. Emblematic—The percent of emblematic inventory as a percent of total inventory. Each TYCOM sets a target cap on the maximum allowed.
2. Stock Turn—The monthly stock turn based on a rolling 12-month period.
3. Target Inventory—The maximum dollar amount of inventory computed for the number of personnel onboard the ship.

Completing NAVCOMPT Form 153

Returns are normally electronically submitted using procedures outlined in the ROM user's guide. While electronic submission is the primary method of submission, to illustrate the process, a manual compilation is discussed to be used as a backup procedure.

Documents Attached to NAVCOMPT Form 153

The Back of 153 Report, titled Accounting Period Profitability (*Figure 11-7*), will be attached along with supporting documentation. NAVSUP P-485, Appendix B lists the documents required to substantiate ship's store returns that will be submitted to DFAS and those returns that are retained.

NAVCOMPT 153										
USS Bonhomme Richard - V22202								<input type="button" value="Generate Printable Version"/>		
Accounting Period is still Open				Period Date Range: 07/18/2015 00:00:01 – 09/30/2015						
Accounting Period Profitability										
Loc	Sales at Cost	Sales Retail	Book GP	GP %	Collections	Over (Short)	Over(Short) Cost	Inv Over (Short)	Net Diff	% Diff
1	\$29,465.72	\$35,992.00	\$6,526.28	18.13 %	\$36,064.40	\$72.40	\$59.27	\$144.42	\$203.69	0.34 %
99	\$0.00	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00 %
9700	\$0.00	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00 %
9800	\$0.00	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00 %
	\$29,465.72	\$35,992.00	\$6,526.28	18.13 %	\$36,064.40	\$72.40	\$59.27	\$144.42	\$203.69	0.34 %

Page 1 of 1
10 rows per page ▼

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Close

Figure 11-7 — NAVCOMPT Form 153, accounting period profitability.

Distribution of the NAVCOMPT Form 153

The NAVCOMPT Form 153 will be distributed per NAVSUP P-487, Appendix B, as follows:

1. Returns to DFAS (accountable officer (AO))
 - a. Original (DFAS version) (DFAS will forward one copy to NEXCOM (Ship's Store Program)).
2. Retained Returns (records keeper (RK))
 - a. Original (Ship's version).
 - b. Copy to TYCOM.
 - c. Copy to Navy Supply Corps School (period ending 30 September).

ASSEMBLING AND SUBSTANTIATING THE RETURNS

After completing NAVCOMPT Form 153, you assemble and substantiate the store returns at the same time. This strategy will allow you to double-check all figures on the substantiating documents and to make certain you have copies for both sets. When assembling your returns, make two stacks and compile both as you go along, making sure that both stacks contain exactly what NAVSUP P-487, Appendix B requires (*Table 11-1*). All documents must be legible. Carefully read through the information in the table. Follow the sequence given when you are substantiating and assembling your ship's store returns.

Make-up of Returns and Retained Returns

The original returns (submitted electronically to DFAS) will be compiled from documents in the AO file. The retained returns will be compiled from documents from the RK file and will include AO documents that were not included with the original returns. Retained returns are to be held by the ship until advised by NEXCOM that they may be destroyed.

Table 11-1 — NAVSUP P-487, Appendix B

NAVCOMPT 153 and Line Captions	Returns to DFAS (AO Documents)	Retained Returns (RK Documents)	NAVSUP Pub-487 Paragraph
Files			
NAVCOMPT 153	Original (DFAS Version)	(a) Original (Ship's Version) (b) Copy to TYCOM (c) Copy to Navy Supply Corps School (30 Sep)	9331
B01 Receipts from Purchases	Journal of Receipts (B01 and B05) Report	(a) Bulk Custodian & Receipt Inspector's copies of DD Form 1155 with Receiving Report showing quantity and date of material receipt and vendor invoice attached (b) Original of each credit memorandum DD Form 1149 with copy of dealer's credit invoice attached (c) Original of each accounting adjustment DD Form 1149 Ten purchase orders will be placed in numerical sequence in separate folders. (For example, purchase orders 9700 – 9709 will be placed in one folder, purchase orders 9710 – 9719 in another folder.)	5201 5304
B05 Receipts from OSO	Journal of Receipts (B01 and B05) Report	(a) Bulk Custodian and receipt Inspector's copies of DD Form 1348-1A or 1149 with Receiving Report showing quantity and date of material receipt (b) Original of each accounting adjustment DD Form 1149 Ten requisitions will be placed in numerical sequence in separate folders. (For example, requisition 9900 – 9909 will be placed in one folder, requisition 9910 – 9919 in another folder.)	5200 5304
B10 Issues to Use	(a) Original DD Form 1149 (Signed confirmed copy) (b) Original DD Form 504	(a) Copy of DD Form 1149 (b) Copy of 504 (c) B10 Report	7405 & 7406
B14 Loss/Gain by Inventory	No document required	B14 Report	9007
B15 Surveys to NWCF	Signed/Confirmed Original of DD Form 200	(a) Copy of DD Form 200 (b) B15 Report	7102
B19 Transfer to OSO	Two copies of DD Form 1348-1A or 1149 Signed/Confirmed copy of DD 1149	(a) Original of DD Form 1348-1A or 1149 (b) B19 Report	7200
B21 Cost of Retail Sales	No document required	B21 Report	
B22 Cost of OPS Retail	No document required	B22 Report	7500
B23 Survey to Ship's Store SSPN, Retail	Signed/Confirmed Original of DD Form 200	(a) Copy of DD Form 200 (b) B23 Report	7102
B25 Cost of Vending Sales	No document required	B25 Report	
B27 Survey to – SSPN, Vending	Signed/Confirmed Original of DD Form 200	(a) Copy of DD Form 200 (b) B27 Report	7102
B28 Closing Inventory	No document required	(a) Original of Closing Inventory	9008
C02 C03 C04	Two copies of each monthly Cash Sales Invoice DD Form 1149 deposited with the Disbursing Officer	(a) Original of each monthly Cash Sales Invoice DD Form 1149 deposited with the Disbursing Officer (b) NAVSUP 469 and NAVSUP 470 (c) Navy Cash Reports (d) C02-C04B Report	2230 & 2231
C05 Loans	Copy of NEXCOM letter authorizing loan	(a) Letter from NEXCOM authorizing loan (b) C05 Report	8102
C06 Grants	Copy of NEXCOM letter authorizing grant	(a) Letter from NEXCOM authorizing grant (b) C06 Report	8102
C13 Laundry Claims	(a) Laundry Claims – Copy of SF 1034 (b) Service Charges – Copy of Abstract Data Report	(a) Laundry Claims – Copy of SF 1034 with Laundry Claim (b) Service Charges – Dealer's bill and copy of Abstract Data Report (c) C13 Report	8202
C18 Equipment Purchases	Copy of Abstract Data Report	(a) Over \$2,500.00 – Copy of DD Form 1155, dealer's bill, and copy of Abstract Data Report (b) Under \$2,500.00 – Copy of dealer's bill and copy of Abstract Data Report	1002
C20 Loan Payments	No document required	Same as C05	8102

NAVCOMPT 153 and Line Captions	Returns to DFAS (AO Documents)	Retained Returns (RK Documents)	NAVSUP Pub-487 Paragraph
C22 Funds Transferred to Recreation Fund	Copy of SF 1034	Copy of SF 1034	8301
MISCELLANEOUS			
Change Fund Audit	No document required to be submitted to DFAS	Signed copy to Correspondence File (WF3)	Appendix G
CO's Monthly Report	No document required to be submitted to DFAS	Retained Returns File #2	1106
Credit Memorandum and Cash Refund	No document required to be submitted to DFAS	Non-liquidated copy to Credit Memo & Cash Refund (WF4)	7700
Intra-Store Transfer	No document required to be submitted to DFAS	Retained Returns File #1	6103
Assignment Letters	No document required to be submitted to DFAS	Original to WF3	1106
Sanitation Inspection Report	No document required to be submitted to DFAS	Signed copy to WF3	2304
Unmatched Expenditure Listing	No document required to be submitted to DFAS	Signed copy to WF3	5305
Unsatisfactory Performance Report	No document required to be submitted to DFAS	Copy to WF3	1106
Memorandum of Agreement for Leased Vending Machines	No document required to be submitted to DFAS	Copy to WF3	1106
Correspondences from Military and Commercial Activities	No document required to be submitted to DFAS	Copy to WF3	1106

Notes:

1. At the end of each accounting period, all documents (with the exception of items in the miscellaneous section) in the AO file are processed and electronically sent to DFAS for auditing.
2. At the end of each accounting period, all documents in the RK file are filed as the retained returns.
3. As per Department of Navy guidance, ship's store returns will be retained on board indefinitely or until further guidance is received.

Arrangement of Original and Retained Returns

The original and retained returns should be arranged in the same order. Whether the returns are prepared for submission or for filing, the arrangement is always the same. The original and retained returns will be arranged following the lines on NAVCOMPT Form 153. Additional documents required for the retained returns will be filed at the bottom of the documents substantiating the NAVCOMPT Form 153. The arrangement you should use for all returns is shown in *Figure 11-8*.

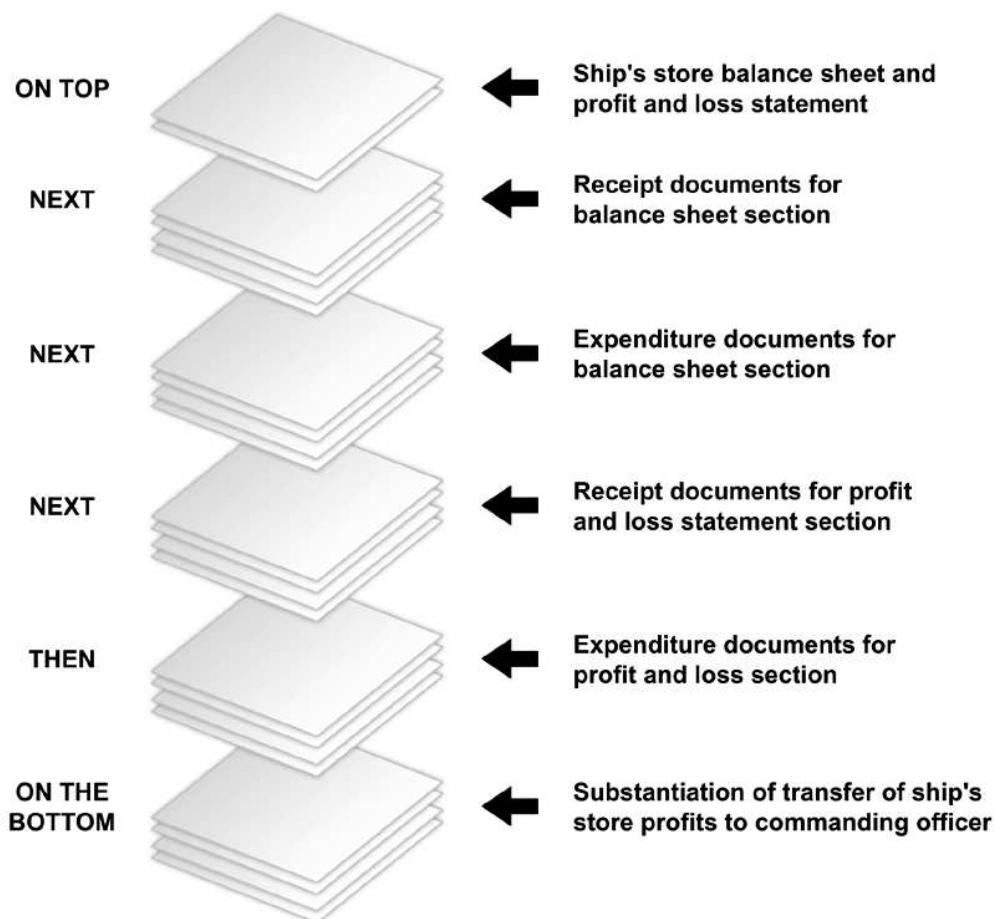


Figure 11-8 — Arrangement of ship's store returns.

Substantiating Reports

Substantiating reports are required for each line of the NAVCOMPT Form 153 when that line has a corresponding report available and the line is reporting a dollar value. The reports will be securely attached to the appropriate document(s) in a manner that will not cover any pertinent information.

Substantiation of Returns and Retained Returns

For substantiation of ship's store returns submitted to DFAS and the retained returns, refer to NAVSUP P-487, Appendix B.

Other documents required for retained returns:

- Retained Returns File #1: Original breakout documents with confirmed copy attached
- Retained Returns File #2: Copy of CO's Monthly Management Report for each month of accounting period

Forwarding of Original Returns

Original returns may be forwarded as follows:

- By email—Electronic submission is the primary and preferred method of forwarding returns; NAVCOMPT Form 153 and supporting documentation will be sent as PDF files via email to both the ship's auditor and to the Ship's Store Mailbox (shipstores@dfas.mil).

- By mail—Returns will be packed unfolded and flat. If returns are no larger than an ordinary letter, heavy envelopes may be used; in all cases, the following will be shown in the upper left corner of each package:

Sales officer's name
UIC, name, and hull number of ship
"Ship's store returns for the period ending (Date)."

If two or more packages are used, the number of the packages and a brief description of the contents shall be shown.

Returns will be forwarded by first class mail for packages weighing 13 ounces or less, or Military Official Mail (MOM) for those weighing over 13 ounces. For service designator "V" and "R" ships, forward the returns to the following:

Defense Finance and Accounting Service
ATTN: Accounts Payable, Ship's Stores
Code JAQBDA, Room 2799
1240 East 9th Street
Cleveland, OH 44199

Disposition of Retained Returns

Retained returns should be maintained on board until advised by NEXCOM.

RELIEF OF SALES OFFICER

The following paragraphs will cover the procedures that occur when a sales officer is relieved from his or her duties. The topics covered are inventory, returns, and disposition of records and files.

Inventory

When the sales officer is relieved, a complete physical inventory of the ship's store stock on hand will be taken. Both the detaching and relieving officer will certify the inventory as accurate. Distribution of the completed inventory will be the same as prescribed in NAVSUP P-487, paragraph 9008, except that one certified copy of the inventory will be given to the detaching officer. A memorandum for the record will be manually prepared for the money value of the ship's store stock on hand at the time of relief, as shown from the totals of the Inventory Count Reports. The original memorandum for the record will be submitted with the first set of returns submitted by the relieving officer.

Returns

When a sales officer is relieved, the detaching officer and the relieving officer will conduct a complete inventory as outlined in NAVSUP P-487, paragraph 9500. Ship's store returns will be submitted at the end of the next accounting period jointly by both officers. If the relieving officer is not satisfied that accountability has been established, the CO may direct the detaching sales officer to close out all records and render returns.

Disposition of Records and Files

All ship's store records, files, and documents of the detaching officer will be maintained by the relieving officer. The relieving officer will make any adjustments or settlements of previous transactions as necessary. If the relieving officer is not satisfied with the condition of the records, he or she will report the facts immediately to the CO for such action as considered necessary. As per the Navy policy, ship's store returns will be kept on board until advised by NEXCOM.

Whenever the sales officer is relieved, ROM will generate a report. When using contingency or backup operations, a Requisition and Invoice/Shipping Document (DD Form 1149) will be prepared manually for the monetary value of the ship's store stock on hand at the time of relief, as shown from the totals of the Inventory Count Reports. Certification will be signed by the detaching officer and the relieving officer stating:

- "I certify that the inventory of ship's store stock and standard Navy clothing stock in the value shown here has been received into my custody and I acknowledge accountability as of (Date)"
- The original DD Form 1149 will be submitted with the first set of returns submitted by the relieving officer

SUMMARY

The NAVCOMPT Form 153 is the most important document of the Return process. It is the RK's responsibility to ensure that all documents are signed and filed correctly in the Retained Returns (RR) to ensure an effective closeout. With training and guidance, you will be able to balance an accounting period properly, and to understand the difference between 4-month and merged returns. Always remember to sign, date, and print the returns.

End of Chapter 11

Returns

Review Questions

- 11-1. What form is used to report ship's store returns?
- A. Navy Comptroller (NAVCOMPT) Form 153
 - B. Department of Defense Form (DD) 1149
 - C. DD Form 200
 - D. Navy Supply Systems Command (NAVSUP) Form 469
- 11-2. Why are dates ending 31 January, 31 May, and 30 September important to a Ship's Serviceman?
- A. Navy Exchange Service Command conference meeting
 - B. Quarterly vendors' delivery dates
 - C. Commanding officer's inspection of S-3 division
 - D. End of accounting period dates
- 11-3. What line on the Navy Comptroller Form 153 balance sheet represents the total value of all ship's store stock at the beginning of the accounting period?
- A. B08—Starting Inventory
 - B. B08—Opening Inventory
 - C. B29—Total Receivables
 - D. B30—Total Expenditures
- 11-4. What is the primary and preferred method of submitting returns?
- A. Certified courier
 - B. First class mail
 - C. Electronically
 - D. Hand-carried
- 11-5. How long should a sales officer maintain retained returns onboard a ship?
- A. Until the ship is decommissioned
 - B. Until properly relieved by a new sales officer
 - C. Until the next change of command
 - D. Until advised by Navy Exchange Service Command
- 11-6. Which lines on the Navy Comptroller Form 153 must be substantiated with supporting documentation?
- A. When a line is reporting a dollar value greater than \$1,500 only
 - B. When a line has a corresponding report available and the line is reporting a dollar value
 - C. When a line has a corresponding report available only
 - D. All lines on the Navy Comptroller require substantiation

RATE TRAINING MANUAL – USER UPDATE

CSS makes every effort to keep their manuals up-to-date and free of technical errors. We appreciate your help in this process. If you have an idea for improving this manual, or if you find an error, a typographical mistake, or an inaccuracy in CSS manuals, please write or e-mail us, using this form or a photocopy. Be sure to include the exact chapter number, topic, detailed description, and correction, if applicable. Your input will be brought to the attention of the Technical Review Committee. Thank you for your assistance.

Write: CSS Rate Training Manager
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E-mail: Refer to the NKO CSS Web page for current contact information.

Rate ____ Course Name _____

Revision Date _____ Chapter Number ____ Page Number(s) _____

Description

(Optional) Correction

(Optional) Your Name and Address

APPENDIX I

ACRONYMS

°C—Degrees Celsius

°F—Degrees Fahrenheit

3-M—Maintenance and Material Management

AAA—Authorization Accounting Activity

ACB—Automated Contractor Bulletin

AO—Accountable Officer

ASL—Automated Ship's Store Afloat Listing

ASUPPO—Assistant Supply Officer

BUMED—Bureau of Medicine

BUPERS—Bureau of Naval Personnel

CAD—Card Accepting Device

CARGO—Consolidated Afloat Requisitioning Guide Overseas

CCA—Cash Collection Agent

CDA—Computer Design Agency

CDO—Command Duty Officer

CHT—Collection, Holding, and Transfer

CLF—Combat Logistics Force

CNIC—Commander, Navy Installations Command

CNO—Chief of Naval Operations

CO—Commanding Officer

COG—Cognizance Symbol

COMNAVAIRFOR—Commander, Naval Air Forces

COMNAVSURFOR—Commander, Naval Surface Force

COMSIXTHFLT—Commander, Sixth Fleet

CONREP—Connected Replenishment

CONUS—Continental United States

COSAL—Coordinated Shipboard Allowance List

CPO—Chief Petty Officer

CNP—Chief of Naval Personnel

CS—Culinary Specialist

CSMP—Current Ship's Maintenance Project

DD FORM—Department of Defense Form

DDS—Direct Deposit System
DECA—Defense Commissary Agency
DFAS—Defense Financial and Accounting Service
DLA—Defense Logistics Agency
DoD—Department of Defense
DON—Department of the Navy
DTS—Defense Transportation System
DVD—Direct Vendor Delivery
DWCF—Defense Working Capital Fund
EDI—Electronic Data Interchange
EGL—Equipment Guide List
EOD—End of Day
EOM—End of Month
EPA—Environmental Protection Agency
EPOS—Electronic Point of Sale
FDA—Food and Drug Administration
FIFO—First-In, First-Out
FLC—Fleet Logistics Center
FMSO—Fleet Material Support Office
FOUO—For Official Use Only
GF—General Fund
GLS—Global Logistics Support
GMT—Greenwich Mean Time
GSA—General Services Administration
HAZMAT—Hazardous Material
HM—Hospital Corpsman
ICP—Inventory Control Point
INST—Instruction
INSURV—Board of Inspection and Survey
JAGMAN—Judge Advocate General Manual
JPEG—Joint Photographic Experts Group
JPMC—JP Morgan Chase
JQR—Job Qualification Requirement
JTAV—Joint Total Asset Visibility
LCPO—Leading Chief Petty Officer

LED—Light Emitting Diode
LOEP—List of Effective Pages
LOGREP—Logistics Report
LS—Logistics Specialist
MDS—Maintenance Data System
MHE—Material Handling Equipment
MILSTRIP—Military Standard Requisitioning and Issue Procedures
MIP—Maintenance Index Page
MOM—Military Official Mail
MRC—Maintenance Requirement Card
MWR—Morale, Welfare, and Recreation
NAS—Naval Air Station
NAVCOMPT—Navy Comptroller
NAVMED—Navy Medicine
NAVPERS—Navy Personnel
NAVSEA—Naval Sea Systems Command
NAVSUP—Naval Supply Systems Command
NCTRF—Navy Clothing and Textile Research Facility
NEC—Navy Enlisted Classification
NECO—Navy Electronic Commerce Online
NEX—Navy Exchange
NEXCOM—Navy Exchange Service Command
NFPA—National Fire Protection Agency
NSA—Navy Stock Account
NSN—National Stock Number
NSTM—Naval Ship's Technical Manual
NWCF—Navy Working Capital Fund
NWU—Navy Working Uniform
OCONUS—Outside the Continental United States
OPNAV—Office of the Chief of Naval Operations
OPTAR—Operating Target
OSO—Other Supply Officer
PAL—Principal Assistant for Logistics
PAS/SERVO—Principal Assistant for Services
PDF—Portable Document Format

PDT—Portable Data Terminal
PIN—Personal Identification Number
PMA—Preventive Medicine Authority
PMS—Preventive Maintenance System
POD—Plan of the Day
POS—Point of Sale
PPE—Personal Protective Equipment
PQS—Personnel Qualification Standard
psi—Pounds per Square Inch
psig—Pounds per Square Inch Gauge
RAS—Replenishment at Sea
RK—Records Keeper
RMA—Regional Maintenance Activities
ROM—Retail Operations Management
RR—Retained Returns
SDS—Safety Data Sheet
SF—Standard Form
SH—Ship's Serviceman
SKU—Store-Kept Unit
SNCO—Senior Non-Commissioned Officer
SOH—Safety and Occupational Health
SSPN—Ship's Store Profits, Navy
SUPPO—Supply Officer
TDY—Temporary Duty
TGL—Tag Guide List
TIFF—Tagged Image File Format
TWH—Time While Heating
TYCOM—Type Commander
UIC—Unit Identification Code
UNREP—Underway Replenishment
UPC—Universal Product Code
USPS—United States Postal Service
UTC—Coordinated Universal Time
VERTREP—Vertical Replenishment
WF—Working File

WINSALTS—Windows Standard Automated Logistics Tool Set

WSS—Weapons Systems Support

APPENDIX II

REFERENCES

NOTE

Although the following references were current when this NRTC was published, their continued currency cannot be assured. When consulting these references, keep in mind that they may have been revised to reflect new technology or revised methods, practices, or procedures; therefore, you need to ensure that you are studying the latest references.

If you find an incorrect or obsolete reference, please use the Rate Training Manual User Update Form provided at the end of each chapter to contact the CSS Rate Training Manager.

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APPENDIX III

Answers to End of Chapter Questions

Chapter 1 — Organization/Administration/Security

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1-3.	A
1-4.	D
1-5.	B
1-6.	C
1-7.	D
1-8.	A
1-9.	D
1-10.	A
1-11.	B
1-12.	C
1-13.	D
1-14.	A
1-15.	C
1-16.	B
1-17.	B

1-18.	C
1-19.	C
1-20.	A
1-21.	D
1-22.	A
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1-24.	C
1-25.	C
1-26.	B
1-27.	C
1-28.	D
1-29.	B
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Chapter 2 — Ship's Laundry

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2-8.	D
2-9.	D
2-10.	B
2-11.	B
2-12.	C
2-13.	D
2-14.	A
2-15.	C
2-16.	B
2-17.	D
2-18.	C
2-19.	D
2-20.	C
2-21.	A
2-22.	B
2-23.	C
2-24.	B

2-25.	C
2-26.	B
2-27.	C
2-28.	A
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2-30.	D
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2-34.	B
2-35.	C
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2-37.	A
2-38.	A
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2-40.	D
2-41.	C
2-42.	B
2-43.	B
2-44.	A
2-45.	C
2-46.	B
2-47.	A
2-48.	C

2-49.	B
2-50.	D
2-51.	B
2-52.	C
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2-54.	A
2-55.	B
2-56.	D
2-57.	A
2-58.	A
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2-60.	B
2-61.	B
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2-63.	A
2-64.	A
2-65.	B
2-66.	C
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3-5.	C
3-6.	B
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3-9.	D

3-10.	C
3-11.	C
3-12.	D
3-13.	C
3-14.	D
3-15.	B
3-16.	B
3-17.	C
3-18.	A

3-19.	D
3-20.	A
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3-22.	D
3-23.	A
3-24.	A
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4-7.	A
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4-9.	D
4-10.	C

4-11.	C
4-12.	D
4-13.	C
4-14.	D
4-15.	B
4-16.	B
4-17.	C
4-18.	A
4-19.	D
4-20.	A

4-21.	D
4-22.	D
4-23.	A
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5-1.	C
5-2.	A
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5-7.	A
5-8.	B
5-9.	D

5-10.	D
5-11.	C
5-12.	A
5-13.	B
5-14.	A
5-15.	B
5-16.	B
5-17.	A
5-18.	C

5-19.	A
5-20.	C
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5-22.	C
5-23.	B
5-24.	D
5-25.	A
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5-27.	D

Chapter 6 — Appropriations and Funds

6-1.	B
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6-4.	D
6-5.	B
6-6.	D

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6-8.	C
6-9.	D

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7-1.	C
7-2.	A
7-3.	D
7-4.	C
7-5.	D
7-6.	A
7-7.	D
7-8.	D
7-9.	B

7-10.	C
7-11.	C
7-12.	A
7-13.	D
7-14.	B
7-15.	A
7-16.	D
7-17.	C
7-18.	B

7-19.	A
7-20.	D
7-21.	B
7-22.	B
7-23.	A
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Chapter 8 – Receipts and Expenditures

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8-3.	B
8-4.	C

8-5.	C
8-6.	B
8-7.	A
8-8.	B

8-9.	D
8-10.	D
8-11.	C
8-12.	A

Chapter 9 – Stowage

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9-3.	A
9-4.	D
9-5.	C
9-6.	B
9-7.	C
9-8.	A
9-9.	B
9-10.	A

9-11.	D
9-12.	B
9-13.	C
9-14.	B
9-15.	D
9-16.	C
9-17.	A
9-18.	C
9-19.	D
9-20.	B

9-21.	C
9-22.	A
9-23.	A
9-24.	B
9-25.	A
9-26.	C
9-27.	A
9-28.	D
9-29.	B
9-30.	D

Chapter 10 – Inventory

10-1.	C
10-2.	A
10-3.	B
10-4.	D
10-5.	B
10-6.	A
10-7.	D

10-8.	B
10-9.	C
10-10.	A
10-11.	C
10-12.	D
10-13.	D
10-14.	B

10-15.	C
10-16.	D
10-17.	B
10-18.	A
10-19.	D
10-20.	A
10-21.	C

Chapter 11 — Returns

11-1.	A
11-2.	D

11-3.	B
11-4.	C

11-5.	D
11-6.	B

End of Book Questions Chapter 1

Organization/Administration/Security

- 1-1. The first part of the mission of the supply system is providing _____ supply support to the operating forces.
- A. reactive
 - B. realistic
 - C. responsive
 - D. reticent
- 1-2. What supply system management agency is located in Fort Belvoir, Virginia?
- A. Naval Supply System Command
 - B. Defense Logistics Agency
 - C. Assistant Secretary of Defense
 - D. Navy Exchange Service Command
- 1-3. There is what total number of Defense Logistics Agency primary level field activities?
- A. Three
 - B. Four
 - C. Five
 - D. Six
- 1-4. The Defense Logistics Agency Distribution primary level field activity manages a network of what total number of worldwide distribution depots?
- A. 26
 - B. 28
 - C. 30
 - D. 32
- 1-5. What material management program is managed by the United States Air Force?
- A. Joint total assessment visibility
 - B. Joint total arrangement visibility
 - C. Joint total agreement visibility
 - D. Joint total asset visibility
- 1-6. What Naval Supply Systems Command facilities are located in both Philadelphia and Mechanicsburg, Pennsylvania?
- A. Global logistics support
 - B. Weapons systems support
 - C. Fleet logistics center
 - D. Inventory control points

- 1-7. Current lists of cognizance symbols can be found in what Naval Supply Systems Command publication?
- A. 482
 - B. 483
 - C. 484
 - D. 485
- 1-8. Fleet logistics centers are also known as what?
- A. Stock centers
 - B. Stock control
 - C. Stock points
 - D. Stock managers
- 1-9. What division of the inventory control department maintains the library used to identify materials?
- A. Technical
 - B. Purchase
 - C. Requirements
 - D. Customer service
- 1-10. What division of the inventory control department provides liaison services for fleet and shore activities on material and service requirements?
- A. Technical
 - B. Purchase
 - C. Requirements
 - D. Customer service
- 1-11. The purpose of the combat logistics forces is to keep the fleet supplied with fuel, food, general stores, repair parts, and what other material?
- A. Ammunition
 - B. Uniforms
 - C. Containers
 - D. Lumber
- 1-12. What method of underway replenishment uses helicopters to deliver supplies?
- A. Connected
 - B. Horizontal
 - C. Tracked
 - D. Vertical

- 1-13. Which of the following combat logistics force ships are equipped with new machinery that increases the efficiency and cost effectiveness of operations?
- A. Fleet replenishment oilers
 - B. Dry cargo/ammunition
 - C. Fast combat support
 - D. High speed vessels
- 1-14. What supply organization maintains headquarters in Virginia Beach, Virginia?
- A. Assistant Secretary of the Navy, Logistics
 - B. Naval Supply Systems Command
 - C. Defense Logistics Agency
 - D. Navy Exchange Service Command
- 1-15. The Navy Exchange Service Command is subject to the guidance provided in what Exchange Regulation?
- A. Air Force
 - B. Marine Corps
 - C. Armed Forces
 - D. Department of Defense
- 1-16. A Navy's ship's store is an activity ashore, usually in a(n) _____ location.
- A. remote
 - B. isolated
 - C. populated
 - D. metropolitan
- 1-17. Fleet Assistance Teams maintain offices in which of the following locations?
- A. Portsmouth, Virginia
 - B. Pensacola, Florida
 - C. Yokosuka, Japan
 - D. Los Angeles, California
- 1-18. What information should be provided in a request for a Fleet Assistance Team visit?
- A. The specific problem
 - B. Location of the ship's store
 - C. Number of personnel
 - D. Number of barber chairs onboard the ship
- 1-19. Other than a naval message, what other method can be used to schedule an urgent Fleet Assistance Team visit?
- A. Radio
 - B. Telephone
 - C. Email
 - D. Fax machine

1-20. The overall mission of the supply department afloat is to support the material and what other needs of the ship?

- A. Service
- B. Financial
- C. Personnel
- D. Vendor

1-21. What officer provides general supervision of the quality assurance division?

- A. Sales
- B. Retail
- C. Assistant supply
- D. Maintenance

1-22. What section of the S-1 division incorporates postal operations?

- A. Receiving
- B. Stock control
- C. Logistics support
- D. Customer service

1-23. What supply division operates all phases of the enlisted and officer dining facilities onboard a ship?

- A. S-1
- B. S-2
- C. S-3
- D. S-4

1-24. What supply division manages and executes the Navy Cash[®] program?

- A. S-1
- B. S-2
- C. S-3
- D. S-4

1-25. What supply division is responsible for the operations of the ship's chief petty officer mess?

- A. S-9
- B. S-10
- C. S-11
- D. S-13

1-26. What supply division is responsible for determining the overall performance of the supply department?

- A. S-9
- B. S-10
- C. S-11
- D. S-13

- 1-27. What supply division is responsible for complying with the maintenance requirements of the supply department?
- A. S-9
 - B. S-10
 - C. S-11
 - D. S-13
- 1-28. The profits from the sales made in the ship's store are used to support what crew activity?
- A. Recreation
 - B. Working parties
 - C. Award ceremonies
 - D. Command training
- 1-29. What is the latest version of the Retail Operations Management system?
- A. ROM
 - B. ROM II
 - C. ROM3
 - D. ROM IV
- 1-30. What Navy Comptroller Form number is contained in the sale's officer accountability file?
- A. 123
 - B. 133
 - C. 143
 - D. 153
- 1-31. The Working File 3 Correspondence File contains which of the following items?
- A. Copies of satisfactory performance reports
 - B. Copies of monthly/quarterly sanitation reports
 - C. Copies of monthly/quarterly mated expenditure reports
 - D. Copies of memorandums of agreement for purchased vending machines
- 1-32. Each line item in the ship's store afloat file has what number of files to document the Navy Comptroller Form 153 caption lines?
- A. Two
 - B. Three
 - C. Four
 - D. Five
- 1-33. Which of the following files contains documents that substantiate issues to health and comfort?
- A. Loss or gain by inventory
 - B. Surveys to the Navy Working Capital Fund
 - C. Issue to other appropriation
 - D. Transfer to other supply officers

- 1-34. Which of the following files contains the total value of inventory adjustments that occurs from the results of spot inventories?
- A. Loss or gain by inventory
 - B. Surveys to the Navy Working Capital Fund
 - C. Issue to other appropriation
 - D. Transfer to other supply officers
- 1-35. The loan file contains the letter that authorizes a loan granted by what organization?
- A. Naval Supply Systems Command
 - B. Navy Exchange Service Command
 - C. Chief of Naval Operations
 - D. Defense Logistics Agency
- 1-36. Which of the following files contains the Standard Form 1034?
- A. Grants
 - B. Loans
 - C. Equipment purchases
 - D. Funds transferred to the recreation fund
- 1-37. What administrative log uses the serial number series 9900 through 9999?
- A. Purchase
 - B. Laundry
 - C. Requisition
 - D. Expenditure
- 1-38. What administrative log uses the serial number series 9700 through 9899?
- A. Purchase
 - B. Laundry
 - C. Requisition
 - D. Expenditure
- 1-39. What administrative log uses serial numbers that are assigned by the supply officer?
- A. Purchase
 - B. Laundry
 - C. Requisition
 - D. Expenditure
- 1-40. Which of the following logbooks are NOT maintained by ship's serviceman?
- A. Laundry bulk work
 - B. Laundry press deck
 - C. Laundry equipment maintenance
 - D. Laundry vending machines

- 1-41. Supply department spaces are organized into groups as prescribed in what Naval Supply Systems Command publication?
- A. 465
 - B. 475
 - C. 485
 - D. 495
- 1-42. The keys to what group spaces are passed between supervisors as they relieve one another?
- A. I
 - B. II
 - C. III
 - D. IV
- 1-43. What group space requires the sales officer to maintain the original key if the key is part of a lockset?
- A. I
 - B. II
 - C. III
 - D. IV
- 1-44. Doors to group III spaces should have what type of lock installed?
- A. Combination
 - B. Tempered steel
 - C. Dead bolt
 - D. Electronic
- 1-45. What kind of tape is used to seal the flaps of a duplicate key envelope?
- A. Cellophane
 - B. Masking
 - C. Paint
 - D. Duct
- 1-46. What person is responsible for setting a combination into a keyless lock?
- A. Security officer
 - B. Manufacturer
 - C. Custodian
 - D. Sales officer
- 1-47. Combinations to a keyless padlock should be changed at what time interval, in months?
- A. 4
 - B. 6
 - C. 8
 - D. 10

1-48. What type of rivets should NOT be used to replace door hasp tamper-proof bolts?

- A. Pop
- B. Universal
- C. Cone head
- D. Button head

1-49. What type of items should be removed from the retail store display cases after working hours?

- A. Clothing
- B. Seasonal
- C. Bulky
- D. High value

1-50. The Department of Defense requires all documents and media to be marked as what classification?

- A. Private
- B. Controlled
- C. Time Sensitive
- D. For Official Use Only

1-51. Passwords to the Retail Operations Management system should be what number of characters long?

- A. 2 to 6
- B. 7 to 14
- C. 15 to 20
- D. 21 or more

End of Book Questions Chapter 2

Ship's Laundry

- 2-1. Which of the following heat-related injuries can lead to life-threatening injuries?
- A. Exhaustion
 - B. Sunburn
 - C. Cramps
 - D. Stroke
- 2-2. Temperatures that reach or exceed what minimum number of degrees Fahrenheit should be circled in the heat-stress log?
- A. 81
 - B. 83
 - C. 85
 - D. 87
- 2-3. What minimum number of hours of continuous sleep should personnel get when working in a heat-stress environment?
- A. 4
 - B. 6
 - C. 8
 - D. 10
- 2-4. What Chief of Naval Operations Instruction contains the specific requirements of the Navy's heat-stress program?
- A. 5100.17
 - B. 5100.18
 - C. 5100.19
 - D. 5100.20
- 2-5. What officer should inspect laundry areas each workday to ensure that operators are following sanitation regulations?
- A. Supply
 - B. Commanding
 - C. Executive
 - D. Sales
- 2-6. Other than the Naval Ship's Technical Manual, what other document provides hazardous material disposal information?
- A. Safety Data Sheet
 - B. Safety Delivery Sheet
 - C. Safety Detail Sheet
 - D. Safety Disposal Sheet

- 2-7. What key should be retained by the sales officer if the ship's laundry is secured with a lockset?
- A. Duplicate
 - B. Electronic
 - C. Master
 - D. Access
- 2-8. What document must personnel complete before operating any laundry equipment?
- A. Navy Enlisted Occupational Standard
 - B. Learning and Development Roadmap
 - C. Personnel Qualification Standard
 - D. Job Qualification Requirement
- 2-9. What Naval Supply Systems Command Publication lists the additional security for group III spaces?
- A. 487
 - B. 488
 - C. 489
 - D. 490
- 2-10. Which of the following laundry personnel oversees operations in the laundry and is directly responsible to the sales officer?
- A. Operator
 - B. Supervisor
 - C. Management
 - D. Temporary duty
- 2-11. Which of the following laundry personnel may be assigned from embarked squadrons on an aircraft carrier?
- A. Operator
 - B. Supervisor
 - C. Management
 - D. Temporary duty
- 2-12. Training personnel is an important duty of what individual in the laundry?
- A. Manager
 - B. Supervisor
 - C. Operator
 - D. Leading chief
- 2-13. What is the best method to reduce the interruption of laundry services?
- A. Cross training
 - B. Extending work hours
 - C. Assigning extra personnel
 - D. Purchasing new equipment

- 2-14. Operators can anticipate the ship's laundry total work will include what percentage of flatwork that needs ironing?
- A. 2
 - B. 4
 - C. 6
 - D. 8
- 2-15. What number identifies the average number of pounds of laundry that may be expected to be processed weekly for each ship's crew member?
- A. 16
 - B. 20
 - C. 24
 - D. 28
- 2-16. What total number of logs are typically used in the ship's laundry?
- A. Four
 - B. Five
 - C. Six
 - D. Seven
- 2-17. What document does the laundry supervisor generate weekly and route to the supply officer for review and signature?
- A. Temporary duty personnel roster
 - B. Hazardous material inventory
 - C. Heat-stress summary sheet
 - D. Laundry summary sheet
- 2-18. The laundry operator assigned to what laundry section is responsible for maintaining the bulk work and press deck logs?
- A. Processing
 - B. Receiving
 - C. Sorting
 - D. Drying
- 2-19. Standard stock laundry supplies are requisitioned from what type of supply activities?
- A. Overseas
 - B. Afloat
 - C. Ashore
 - D. Local
- 2-20. What type of containers of laundry supplies should be stored close to the laundry?
- A. Heavy
 - B. Light
 - C. Plastic
 - D. Cardboard

2-21. Solid cake chemical dispensers require what type of water?

- A. Hot
- B. Cold
- C. Warm
- D. Distilled

2-22. Solid cake containers require what percentage less storage space than conventional detergent?

- A. 30
- B. 40
- C. 50
- D. 60

2-23. What minimum amount of time, in minutes, should eyes be flushed if they come in contact with detergent?

- A. 5
- B. 10
- C. 15
- D. 20

2-24. What condition, if any, can result from skin contact with detergent?

- A. Burn
- B. Laceration
- C. Nausea
- D. None

2-25. What laundry lot includes medical items?

- A. Division
- B. Flatwork
- C. Service
- D. Linen

2-26. What type of lot is delivered to the receiving area in net bags?

- A. Bulk
- B. Service
- C. Individual
- D. Flatwork

2-27. Which of the following items is NOT a part of the customer information required on the Ship's Store Laundry List?

- A. Name
- B. Division
- C. Last four of social security number
- D. Date and time processed

- 2-28. Other than the last four numbers of the social security number, what other component makes up a laundry mark?
- A. First letter of the first name
 - B. Last letter of the first name
 - C. First letter of the last name
 - D. Last letter of the last name
- 2-29. The submission of what items can be reduced by the proper stenciling of uniform articles?
- A. Laundry claims
 - B. Laundry checklists
 - C. Laundry summary sheets
 - D. Equipment repair requests
- 2-30. What uniform article is stenciled with the last name and initials on the bottom inner right side of the hem?
- A. Coveralls
 - B. Physical Training Uniform shirt
 - C. Physical Training Uniform shorts
 - D. Navy Working Uniform blue undershirt
- 2-31. What size of square cloth, in inches, can be cut and used as an alternative method to mark bulk laundry lots?
- A. 6
 - B. 5 to 10
 - C. 8 to 12
 - D. 14
- 2-32. What fund can laundry supervisors use to obtain black or white laundry markers?
- A. Operating target
 - B. Non-appropriated
 - C. Navy Working Capital
 - D. Defense Working Capital
- 2-33. What total number of laundry bundles makes it easier for a laundry operator to handle?
- A. 20
 - B. 30
 - C. 40
 - D. 50
- 2-34. What laundry person is responsible for contacting an individual when laundry count numbers do NOT agree?
- A. Operator
 - B. Supervisor
 - C. Division officer
 - D. Supply officer

2-35. Other than woven, what is another type of nylon net laundry bags?

- A. Mesh
- B. Lattice
- C. Blended
- D. Knit

2-36. What is the capacity, in pounds, of a 25- by 36-inch knitted net bag?

- A. 6
- B. 8 to 12
- C. 12 to 16
- D. 24

2-37. What items are weighed used hanging scales in the ship's laundry?

- A. Bulk lots
- B. Detergent containers
- C. Laundry equipment
- D. Individual lots

2-38. What types of fabrics do not absorb water?

- A. Cotton
- B. Wool
- C. Synthetic
- D. Silk

2-39. What type of soil can cause "graying" of fabrics?

- A. Chemical-soluble
- B. Water-soluble
- C. Insoluble
- D. Special

2-40. What type of soil may require special treatment due to insolubility?

- A. Chemical-soluble
- B. Water-soluble
- C. Insoluble
- D. Special

2-41. What type of soil includes a wide variety of substances found in food?

- A. Chemical-soluble
- B. Water-soluble
- C. Insoluble
- D. Special

- 2-42. What type of soil may require spotting operations to completely or partially remove?
- A. Chemical-soluble
 - B. Water-soluble
 - C. Insoluble
 - D. Special
- 2-43. What division of the Naval Surface Warfare Center maintains a website containing information about laundry equipment?
- A. Carderock
 - B. Rockville
 - C. Potomac
 - D. Baltimore
- 2-44. What total number of 200-pound washer-extractors are typically installed on board aircraft carriers?
- A. Four
 - B. Five
 - C. Six
 - D. Seven
- 2-45. What washer-extractor mechanism prevents the outer shell from opening during the extract cycle?
- A. Braking
 - B. Interlock
 - C. Switching
 - D. Master
- 2-46. What switch may stop incorrectly loaded machines during the extract cycle?
- A. Control
 - B. Master
 - C. Braking
 - D. Vibration
- 2-47. Other than the control switch, what other washer-extractor switch can be used as an emergency stop?
- A. Master
 - B. Braking
 - C. Vibration
 - D. Interlock
- 2-48. What component of a washer-extractor is perforated with holes that allow wash water to enter?
- A. Outer shell
 - B. Inner shell
 - C. Spin basin
 - D. Cylinder

- 2-49. What condition can occur if a multi-pocketed washer-extractor is not evenly loaded with clothing?
- A. Improper cleaning
 - B. Balanced
 - C. Out-of-balance
 - D. Emergency stop
- 2-50. What chemical is an integral part of the two-shot detergent?
- A. Sodium phosphate
 - B. Bleach
 - C. Sour
 - D. Magnesium chloride
- 2-51. What timeframe, in hours, should the primary lint trap be cleaned during the operation of a dryer?
- A. 2
 - B. 4
 - C. 6
 - D. 8
- 2-52. What timeframe, in hours, should the secondary lint trap be cleaned during the operation of a dryer?
- A. 2
 - B. 4
 - C. 6
 - D. 8
- 2-53. Which of the following lint traps helps to cut down on the buildup of lint in the ducting and vents?
- A. Primary
 - B. Secondary
 - C. Tertiary
 - D. In-line
- 2-54. What type of laundry press head is used for the general pressing of wearing apparel and flatwork items?
- A. Round
 - B. Tapered
 - C. Square
 - D. Rectangular

- 2-55. What organization determines the placement of press equipment on board ships?
- A. Naval Air Systems Command
 - B. Naval Sea Systems Command
 - C. Naval Supply Systems Command
 - D. Naval Surface Warfare Center
- 2-56. What is the minimum size, in inches, that an object can be to prevent a press head from closing or locking?
- A. 5/16
 - B. 1/2
 - C. 3/4
 - D. 1
- 2-57. What timeframe, in minutes, should the steam valve be partially opened to heat a steam press?
- A. 10
 - B. 20
 - C. 30
 - D. 40
- 2-58. Which of the following factors will NOT affect the time to press a garment?
- A. Head pressure
 - B. Type of material
 - C. Moisture in the material
 - D. Cleanliness of the article
- 2-59. Other than 60-inch, what other flatwork ironer cylinder size, in inches, is used on Navy ships?
- A. 81
 - B. 83
 - C. 85
 - D. 87
- 2-60. What component of a flatwork ironer engages the compression roll?
- A. Foot pedal
 - B. Delivery table
 - C. Speed control plate
 - D. Feed ribbon drive roll
- 2-61. What timeframe, in minutes, should a flatwork ironer run without steam to secure the operation?
- A. 10
 - B. 20-30
 - C. 30-40
 - D. 60

- 2-62. What is the final step in assembling an individual lot of laundry?
- A. Identify finished presswork
 - B. Place the laundry list in assembly bins
 - C. Attach the correct sock bag to the mesh bag
 - D. Verify the correct name is clearly shown on the mesh bag
- 2-63. Finished articles do not need to be checked for which of the following conditions?
- A. Cleanliness
 - B. Scratches
 - C. Blemishes
 - D. Sizes
- 2-64. What officer makes the final determination of the reimbursement amount for lost or damaged clothing?
- A. Sales
 - B. Division
 - C. Executive
 - D. Commanding
- 2-65. What is the maximum percentage allowed according to the clothing reimbursement depreciation scale?
- A. 10
 - B. 30
 - C. 50
 - D. 70
- 2-66. What ship's maintenance and material management planning system is used to collect data and to store the data for future use?
- A. Planned maintenance
 - B. Maintenance data
 - C. Operational planning
 - D. Work breakdown
- 2-67. Which of the following individuals directly reports to the work center supervisor?
- A. Maintenance
 - B. Work center supervisor
 - C. Group supervisor
 - D. Tool supervisor
- 2-68. What component of the work center planned maintenance system lists safety precautions associated with maintenance tasks?
- A. Ship's systems listing
 - B. List of effective pages
 - C. Maintenance requirement cards
 - D. Maintenance index pages

2-69. What component of the work center planned maintenance system lists the system equipment that does NOT require maintenance within the work center?

- A. Ship's systems listing
- B. List of effective pages
- C. Maintenance requirement cards
- D. Maintenance index pages

2-70. What Naval Sea Systems Command Instruction contains specific information about the ship's maintenance and material planning system?

- A. 4790.8
- B. 4791.8
- C. 4792.8
- D. 4793.8

End of Book Questions Chapter 3

Barbershop

- 3-1. Which of the following supply department activities is primarily responsible for enabling the ship's crew to maintain proper grooming standards?
- A. Retail outlet
 - B. Internet cafe
 - C. Barbershop
 - D. Post office
- 3-2. Which of the following personnel are responsible for understanding the grooming standards in United States Navy Regulations?
- A. Contractor
 - B. Manufacturer
 - C. Barber
 - D. Vendor
- 3-3. While personnel are responsible for giving regulation haircuts, what person is ultimately responsible for receiving a haircut consistent with the Navy Regulation personal grooming standards?
- A. Customer
 - B. Barbershop supervisor
 - C. Barber
 - D. Sales officer
- 3-4. Which of the following documents describes the conduct expected of barbershop personnel?
- A. Ship's rules
 - B. Supply Department instructions
 - C. Navy Regulations
 - D. Navy Exchange standard operating procedures
- 3-5. Which of the following documents publishes the barbershop appointment guidelines?
- A. Standard Organization Manual
 - B. Preventive Medicine Guidelines
 - C. Navy Organization and Regulations Manual
 - D. Ship's instructions
- 3-6. Which of the following personnel sign and approve local sanitation and hygiene instructions for the barbershop?
- A. Supply officer
 - B. Senior medical officer
 - C. Retail sales manager
 - D. Barbershop manager

- 3-7. Which of the following personal hygiene activities can prevent bacteria and viruses from entering the bloodstream of a barber?
- A. Wear respirator
 - B. Wear Tyvek® suit
 - C. Prevent chapped hands
 - D. Floss teeth
- 3-8. Which of the following personal hygiene activities should barbers practice before leaving the barbershop?
- A. Floss teeth
 - B. Wash hands
 - C. Shave
 - D. Cut fingernails
- 3-9. Which of the following methods can a barber use to improve personal hygiene habits?
- A. Carry a clipboard to record daily hygiene activities
 - B. Develop a daily hygiene routine
 - C. Designate a hygiene buddy to enforce hygiene rules
 - D. Complete Personal Hygiene qualification standard
- 3-10. Which of the following requirements must prospective barbers meet before working in the barbershop?
- A. Holds Class A barber's license
 - B. Graduated from barbering C-school
 - C. Screened by sales officer
 - D. Medically screened
- 3-11. What type of sanitation equipment is filled with a chemical disinfectant to sanitize combs and shears?
- A. Disinfectant cabinet
 - B. Sterilizing jar
 - C. CJ Atomizer®
 - D. Hydrolyzer tube
- 3-12. For what purpose is the standard barbershop disinfecting cabinet used?
- A. Disinfect barbershop instruments
 - B. Store disinfected instruments
 - C. Disinfect sterilizer jars
 - D. Store hazardous disinfecting materials

- 3-13. When cutting coarse or curly hair, cutting in which direction normally produces the best results?
- A. Against the grain
 - B. With the grain
 - C. Upward motion
 - D. Downward motion
- 3-14. Which of the following types of clippers is used to thin hair around the ears and the back of the neck?
- A. Spacely ultrathin
 - B. Z-max
 - C. T-edger
 - D. Super thins
- 3-15. Which of the following barber tools is particularly helpful when cutting longer female hair?
- A. Flobee®
 - B. RoboCut®
 - C. Hair clips
 - D. Hair extensions
- 3-16. What type of preventative maintenance plan should be used on electric clippers?
- A. Manufacturer's
 - B. Navy Maintenance and Material Management
 - C. Navy Exchange
 - D. Medical Material Maintenance
- 3-17. In addition to their disinfecting qualities, which of the following characteristics do disinfecting sprays like Clippercide® possess that prolongs the serviceable life of electric clippers?
- A. Toxic
 - B. Corrosive
 - C. Lubricating
 - D. Oxidizing
- 3-18. When performing preventative maintenance, which of the following actions should be taken if there is a question about the use of hazardous materials aboard ship?
- A. Throw it over the side
 - B. Contact supervisor for guidance
 - C. Deliver the material to the supply officer
 - D. Contact the officer of the deck

- 3-19. Which of the following barber tools is used to make a neat, clean, and even line on the back of the neck or ears?
- A. AutoCut
 - B. Finisher
 - C. FloBee[®]
 - D. Shears
- 3-20. What condition should straight female hair be in before using hand shears during the layering process?
- A. Dry
 - B. Slightly wet
 - C. Dripping wet
 - D. Heavily oiled
- 3-21. Which of the following pieces of barbering equipment is required to hold female hair during the layering process?
- A. Hair clip
 - B. Stick pin
 - C. Double-sided tape
 - D. Rubber band
- 3-22. Which of the following officers is responsible for the operation of the ship's barbershop?
- A. Barbershop
 - B. Supply
 - C. Medical
 - D. Tactical
- 3-23. What person is responsible for training personnel and ensuring proper preventative maintenance is completed on barbershop equipment?
- A. Barbershop maintenance leader
 - B. Preventive medicine technician
 - C. Barbershop manager
 - D. Training manager
- 3-24. What amount of time per appointment, in minutes, should the barbershop supervisor consider when planning the number of haircut appointments per barber?
- A. 10
 - B. 15
 - C. 20
 - D. 25

3-25. What is the best way for barbershop managers to learn of opportunities to improve customer service in the barbershop?

- A. Be a guest on the next captain's call
- B. Ask the leading chief petty officer
- C. Pay attention to customers' suggestions
- D. Initiate a barbershop telephone hotline

3-26. What action should be taken if a customer receives a bad haircut?

- A. Notify the commanding officer
- B. Take disciplinary action on the offending barber
- C. Pay for a haircut at a commercial barbershop
- D. Attempt to correct the bad haircut

3-27. Which of the following actions will improve customer service in the barbershop?

- A. Complete timely preventative maintenance and repair of equipment only
- B. Strictly follow sanitation and hygiene regulations only
- C. Maintain adequate supplies only
- D. All of the above

End of Book Questions Chapter 4

Retail Outlets

- 4-1. After establishing a ship's store, which of the following sales or service activities may be authorized?
- A. Tattoo parlor
 - B. Internet cafe
 - C. Vending machine
 - D. Vehicle rental
- 4-2. In addition to notifying the Navy Exchange Service Command, which of the following activities must be notified of the establishment of a ship's store?
- A. Local newspaper
 - B. Navy Times®
 - C. Type commander
 - D. Chief of Naval Operations
- 4-3. The operation of a ship's store is important to the crew because it provides which of the following benefits?
- A. Health and comfort items at lowest practical price
 - B. Merchandise sales data to technology companies that rely on it
 - C. Support the Navy Exchange stock price
 - D. Discount prices on liquor and tobacco
- 4-4. Which of the following types of obligations holds the sales officer accountable for keeping accurate records of public funds?
- A. Ship's rules
 - B. Lawful order
 - C. Congressional act
 - D. National regulation
- 4-5. What officer may be held accountable for the actions of responsible persons working in the ship's store?
- A. Postal
 - B. Supply
 - C. Commanding
 - D. Sales
- 4-6. What type of trust does the sales officer assume when operating the ship's store?
- A. Public
 - B. Special
 - C. National
 - D. Secret

- 4-7. What two types of responsibility are used to describe the operation of retail sales outlets and their holding locations that supply them?
- A. Individual and shared
 - B. Individual and combined
 - C. Separate and combined
 - D. Separate and shared
- 4-8. What type of responsibility operation is in effect when the same person operates both the sales outlet and the holding location that supplies it?
- A. Shared
 - B. Combined
 - C. Separate
 - D. Individual
- 4-9. Under what type of responsibility operation do most ship's stores operate?
- A. Combined
 - B. Separate
 - C. Individual
 - D. Shared
- 4-10. Which of the following personnel is (are) authorized to purchase nondistinctive merchandise from the ship's store?
- A. Officer and enlisted personnel on board en route to duty
 - B. U.S. Foreign Service en route to duty
 - C. Accredited technical representatives assigned to the ship
 - D. All of the above
- 4-11. When, if ever, are emblematic items authorized to be sold to the general public during ship tours?
- A. During all tours
 - B. When authorized by the commanding officer
 - C. When authorized by the leading petty officer
 - D. Never
- 4-12. In locations outside the United States, which of the following personnel is authorized to purchase nondistinctive merchandise from the ship's retail store?
- A. Foreign military officers
 - B. Marine or aircraft disaster survivors
 - C. General public
 - D. Foreign enlisted personnel

- 4-13. What minimum number of hours should the ship's store be open while in port?
- A. 10
 - B. 20
 - C. 30
 - D. 40
- 4-14. What minimum number of minutes should you allow customers to finish the shopping in walk-in stores?
- A. 5
 - B. 10
 - C. 15
 - D. 20
- 4-15. Changes to the ship's store hours should be publicized in the Plan of the Day what minimum number of days in advance?
- A. 3
 - B. 5
 - C. 7
 - D. 10
- 4-16. In which of the following locations are special sales outlets commonly located?
- A. Vending machine alley
 - B. Hangar bay
 - C. Ship's library
 - D. Sales office
- 4-17. What process is required to sell emblematic merchandise to the general public on the pier?
- A. Approval from the local town council
 - B. Authorization from the Bureau of Naval Personnel
 - C. Establishment of a special sales outlet
 - D. Establishment of a nonprofit organization
- 4-18. What type of sales outlet is normally established in the Retail Operations Management system for a special sales outlet?
- A. Cash and check sales
 - B. Nonelectronic point of sales
 - C. Electronic point of sales
 - D. Navy Cash card sales
- 4-19. During vending machine replenishment, what good business practice prevents the bringing of unnecessary stock?
- A. Checking the daily sales report to get an item count
 - B. Physically verifying the item count required
 - C. Checking Navy Cash[®] sales to get the item count
 - D. Logging the daily average to forecast the item count

- 4-20. To replenish a canned drink vending machine, what minimum number of minutes is recommended to allow canned drinks to cool before work shifts begin?
- A. 30
 - B. 45
 - C. 60
 - D. 90
- 4-21. Which of the following publications contains information on medical inspections of vending machines?
- A. Tri-Service Food Code, Navy Medicine Publication 5010-1
 - B. Food Service Guide, National Health Code 1095-2
 - C. Tri-Service Food Management Guide, Navy Health Publication 4790-4
 - D. Food Management Code, Navy Medicine Publication OU-81
- 4-22. What specific information is required on the outside of vending machine moneyboxes?
- A. Type of vending machine
 - B. Unique identification number
 - C. Custodian's name
 - D. Date installed
- 4-23. What person designated by the sales officer is responsible for maintaining the moneybox key?
- A. Vending machine custodian
 - B. Supply officer
 - C. Cash collection agent
 - D. Disbursing cashier
- 4-24. What person maintains control of moneyboxes and the moneybox log on the weekend?
- A. Cash collection agent
 - B. Supply officer
 - C. Officer of the deck
 - D. Supply duty officer
- 4-25. What type of security classification is a holding location?
- A. Group I
 - B. Group II
 - C. Group III
 - D. Group IV
- 4-26. Whose primary responsibility is it to prevent theft in a retail sales outlet?
- A. Supply officer
 - B. Security personnel
 - C. Commanding officer
 - D. Store operator

- 4-27. Which of the following actions will help keep theft to a minimum in the ship's store?
- A. Limiting the number of customers in the store
 - B. Keeping all merchandise behind the counter
 - C. Deploying loss prevention teams
 - D. Randomly stopping and searching customers in the store
- 4-28. When there is evidence of a break-in but the investigation revealed no financial loss, the commanding officer is required to take what action, if any?
- A. Relieve the store operator.
 - B. Notify the Fleet Assistance Team.
 - C. Conduct a command-wide health and comfort check.
 - D. None.
- 4-29. After an act of fraud is suspected in the ship's store, which of the following personnel could the commanding officer appoint as the investigator?
- A. Supply officer
 - B. Avionics officer
 - C. Records keeper
 - D. Sales officer
- 4-30. When fraud is suspected in the ship's store, what action, if any, is required in the Retail Operations Management system?
- A. Establish a new sales outlet.
 - B. Cease all transactions.
 - C. Create a backup and continue sales.
 - D. No further action.

End of Book Questions Chapter 5

Navy Cash[®]

- 5-1. What two ways does the Navy Cash[®] Financial System (Navy Cash) stores funds on a card?
- A. Chip and magnetic strip
 - B. Chip and optical strip
 - C. Magnetic strip and barcode
 - D. Barcode and chip
- 5-2. At which locations is the magnetic strip on a Navy Cash[®] card designed to be used?
- A. Navy Cash kiosks
 - B. In the ship's post office and store
 - C. Anywhere MasterCard[®] is accepted
 - D. Electronic point of sale outlets
- 5-3. What type of Navy Cash[®] management system is used in shipboard vending machines?
- A. Optical strip
 - B. Barcode
 - C. Magnetic strip
 - D. Chip
- 5-4. Which of the following reports can the sales officer use to view the business day's Navy Cash[®] sales?
- A. Comprehensive Daily Sales
 - B. Merchant Sales Summary
 - C. Indicated Daily Sales
 - D. Greenwich Mean Sales
- 5-5. What officer compares the Retail Operations Management End of Day Report and the Navy Cash[®] Merchant Sales Summary Report to validate electronic sales in the ship's store?
- A. Sales
 - B. Supply
 - C. Commanding
 - D. Postal
- 5-6. Where are the End of Day round-trip reports stored in ship's records?
- A. Navy Exchange Service Command servers
 - B. Supply officer's folder
 - C. Sales outlet file
 - D. Shore Reports folder

- 5-7. When are purchases at vending machines normally forwarded to the Navy Cash® server?
- A. End of day
 - B. End of month
 - C. Time of sale
 - D. Every hour
- 5-8. What message will be displayed on the card accepting device when the \$25.00 transaction limit is exceeded?
- A. Over limit
 - B. Insufficient funds
 - C. Transaction limit reached
 - D. No available funds
- 5-9. Which of the following customer actions are required after reaching the \$25.00 transaction limit at a vending machine?
- A. Call the Navy Cash® customer service line to reset the card limit
 - B. Run a request chit to reset your Navy Cash® card limit
 - C. Enter personal identification number at a kiosk or point of service device
 - D. Change your personal identification number at disbursing
- 5-10. Which of the following reports provides information on vending machine sales?
- A. Merchant Sales Summary
 - B. End of Week
 - C. Over/Short
 - D. Insufficient Fund
- 5-11. Vending machine sales numbers are included in which of the following disbursing officer's monthly documents?
- A. Monthly Sales
 - B. Statement of Accuracy
 - C. Statement of Accountability
 - D. Retail Operation Management
- 5-12. To allow for thorough and accurate numbers, when does the sales office normally start End of Month reports for vending machines?
- A. 2 days before 2259Z on the 27th
 - B. 5 days before 2359Z on the last day of the month
 - C. 5 days before 2100Z on the 27th
 - D. 5 days before the first day of the next month

- 5-13. What Department of Defense form is used to document the custody of a retail sales outlet's change fund?
- A. 200
 - B. 701
 - C. 1081
 - D. 1149
- 5-14. What minimum number of times per week should the sales officer review the Navy Supply Systems Command Cash Register Record Form 469?
- A. 2
 - B. 3
 - C. 4
 - D. 7
- 5-15. Where can a blank Cash Register Record sheet be found?
- A. Retail Operations Management document library
 - B. Ship's technical library
 - C. Supply administrative officer files
 - D. Sales office
- 5-16. The outlet operator and which other person sign the Cash Register Record Form 469 after all figures have been entered?
- A. Commanding officer
 - B. Second class petty officer witness
 - C. Records keeper
 - D. Cash collection agent
- 5-17. Where are vending machine moneybox car seal numbers documented?
- A. Deck log
 - B. Sales officer ledger
 - C. Navy Supply System Command Form 469
 - D. Supply duty officer's log
- 5-18. At a minimum, how often will the sales officer review cash register records if the cash collection agent is making collections?
- A. Once per week
 - B. Twice per week
 - C. Weekly
 - D. Monthly

- 5-19. After verifying Navy Cash[®] information in the Retail Operations Management (ROM) system, what is the second action required when an End of Month (EOM) difference is discovered?
- A. Start the EOM process over with a new team
 - B. Print out the ROM Over/Short Report
 - C. Request Fleet Assistance Team
 - D. Call the Navy Cash[®] customer service line
- 5-20. Which of the following reports will be compared with the Retail Operations Management (ROM) Over/Short Report when investigating an End of Month difference?
- A. Merchant Sales Summary
 - B. Navy Cash[®] Summary
 - C. Merchant Daily Detail
 - D. JP Morgan Chase Daily Detail
- 5-21. Who signs an unresolved End of Month difference letter?
- A. Commanding officer
 - B. Sales and disbursing officers
 - C. Commanding and sales officers
 - D. Investigating and sales officers
- 5-22. What type of refund is used when a customer returns a single item from a multiple item purchase?
- A. Chip purchase
 - B. Individual
 - C. Miscellaneous
 - D. No questions asked
- 5-23. What happens to undamaged items returned to the ship's store?
- A. Destroyed
 - B. Reduced in price
 - C. Surveyed
 - D. Returned to inventory
- 5-24. What happens to the sales officer's copy of a return receipt after verifying the Navy Cash[®] Daily Refund Report?
- A. Returned to customer
 - B. Filed by the records keeper
 - C. Destroyed and disposed
 - D. Sent to supply officer

- 5-25. What officer is responsible for issuing local instructions on procedures for collecting cash from ship's stores?
- A. Supply
 - B. Sales
 - C. Commanding
 - D. Disbursing
- 5-26. Which of the following personnel will have the combination to the cash collection agent's safe?
- A. Cash collection agent and supply office
 - B. Commanding officer and cash collection agent
 - C. Sales officer
 - D. Cash collection agent only
- 5-27. When closing out an electronic point of sale outlet at the end of the month, the sale outlet operator and what other person sign the cash register record?
- A. Supply officer
 - B. Sales officer
 - C. Cash collection agent
 - D. Treasury financial agent

End of Book Questions Chapter 6

Appropriations and Funds

- 6-1. In addition to annual, what are the two types of appropriations associated with the ship's store operation?
- A. Continuing and semiannual
 - B. Continuing and multiple-year
 - C. Perpetual and biannual
 - D. Biannual and multiple-year
- 6-2. What type of appropriation lasts for 1 year?
- A. Yearly
 - B. Semiannual
 - C. Annual
 - D. Bi-annual
- 6-3. What type of appropriation is used for large projects that last for several years with a definite completion date?
- A. Renewable
 - B. Continuing
 - C. Semiannual
 - D. Multiple-year
- 6-4. How many funds do ship's stores commonly use?
- A. 2
 - B. 3
 - C. 5
 - D. 10
- 6-5. What type of fund is the Defense Working Capital Fund?
- A. Trust
 - B. Discretionary
 - C. Revolving
 - D. General
- 6-6. From what fund does Congress make appropriations to carry on the business operations of the Government?
- A. Congressional
 - B. President's
 - C. Trust
 - D. General

- 6-7. What appropriation code represents a Department of the Navy accounting code?
- A. 16X2817
 - B. 17X1587
 - C. 20X4837
 - D. 97X3721
- 6-8. In an accounting code subhead, what code designates Naval Supply Systems Command as the administering office?
- A. 18
 - B. 20
 - C. 23
 - D. 25
- 6-9. In the accounting classification system, what does the authorization accounting activity code 000250 signify?
- A. Naval Supply Systems Command unit identification code
 - B. Navy Exchange Service Command unit identification code
 - C. Navy Working Capital Fund account
 - D. Defense Working Capital Fund account

End of Book Questions Chapter 7

Procurement

- 7-1. What result is determined by the markup over the cost for items sold in the ship's store?
- A. Overhead
 - B. Expense
 - C. Trend
 - D. Profit
- 7-2. Which of the following results can occur from exceeding the anticipated 90-day supply of stock?
- A. Profits from sales will be increased
 - B. Money will be tied up in excess inventory
 - C. Ship's holding locations will be empty
 - D. Money will be depleted from the Navy Working Capital Fund
- 7-3. What total number of times should a ship's stock supply turnover in a 4-month period?
- A. $1 \frac{1}{3}$
 - B. $1 \frac{1}{4}$
 - C. $1 \frac{1}{5}$
 - D. $1 \frac{1}{6}$
- 7-4. What mathematical operation is used to manually calculate a stock turn ratio?
- A. Addition
 - B. Subtraction
 - C. Multiplication
 - D. Division
- 7-5. The Navy Exchange Service Command Publication 81 is published in what total number of editions?
- A. One
 - B. Two
 - C. Three
 - D. Four
- 7-6. What stocking list should ship's store management tailor to the ship and use as a management tool?
- A. Mandatory
 - B. Suggested
 - C. Itemized
 - D. Resale

- 7-7. National best-selling items are marked with what symbol in the Navy Exchange Service Command Publication 81?
- A. X
 - B. &
 - C. *
 - D. @
- 7-8. What organization controls the total dollar value of emblematic inventory as a percent of inventory?
- A. Type Commander
 - B. Chief of Naval Operations
 - C. Naval Supply Systems Command
 - D. Navy Exchange Service Command
- 7-9. What organization can approve the addition of items not listed on the authorized stock list on a case-by-case basis?
- A. Type Commander
 - B. Chief of Naval Operations
 - C. Naval Supply Systems Command
 - D. Navy Exchange Service Command
- 7-10. Items that bear what United States impression are prohibited for sale in the ship's store?
- A. Currency
 - B. Presidents
 - C. National parks
 - D. State flowers
- 7-11. What is the maximum authorized inventory level per person, in dollars, for ships that are deployed?
- A. 102.00
 - B. 125.00
 - C. 200.00
 - D. 204.00
- 7-12. What review is one of the most effective methods to ensure that merchandise remains in-stock and that inventories remain within the prescribed limitations?
- A. Sale-resale
 - B. Cost-inventory
 - C. Supply-demand
 - D. Retail-extended retail

7-13. Sales ranking reports are printed using what code?

- A. Work center
- B. Division
- C. Department
- D. Ship

7-14. Which of the following organizations does NOT receive a copy of the excess stock list?

- A. Type Commander
- B. Navy Exchange Service Command
- C. Fleet assistance team
- D. Military Sealift Command

7-15. What is the Department of Defense Form number for the Order for Supplies or Services/Request for Quotations document?

- A. 1145
- B. 1155
- C. 1165
- D. 1175

7-16. An updated copy of the automated contract bulletin can be found on what Web site?

- A. Navy Electronic Contracts Online
- B. Navy Electronic Consolidated Online
- C. Navy Electronic Commerce Online
- D. Navy Electronic Clearance Online

7-17. Which of the following methods is an effective way to avoid continuous interruptions from commercial sale representatives?

- A. Ask for free items
- B. Allow free access to the ship
- C. Accept kickbacks for purchases
- D. Set aside a timeframe to have a meeting

7-18. Other than computers, what other item is NOT purchased from the Navy Exchange at the retail price less 10 percent?

- A. Cosmetics
- B. Snacks
- C. Uniforms
- D. Hazardous material

7-19. Most Navy Exchanges require the use of what item to purchase merchandise for the ship's store?

- A. Cashier's check
- B. Credit card
- C. United States Treasury Check
- D. Department of Defense Form 1138

- 7-20. Which of the following personnel is the most likely to deal with ashore supply activities to procure laundry supplies?
- A. Sales officer
 - B. Junior ship's serviceman
 - C. Senior ship's serviceman
 - D. Air transfer officer
- 7-21. Which of the following reports contains the underway replenishment requests submitted by the sales officer?
- A. Logistics
 - B. Procurement
 - C. Replenishment at sea
 - D. Vertical replenishment
- 7-22. What is the maximum dollar value that the senior supply officer is authorized to use to open purchase ship's store stock, equipment, and services?
- A. 100,000.00
 - B. 200,000.00
 - C. 300,000.00
 - D. 400,000.00
- 7-23. What is the maximum dollar value allowed for items transferred from the ship's store to the general mess on board large ships?
- A. 2,000.00
 - B. 3,000.00
 - C. 4,000.00
 - D. 5,000.00
- 7-24. Which of the following ship's funds should be used to procure minor equipment and supplies?
- A. Operating target
 - B. Working target
 - C. Functional target
 - D. Service target
- 7-25. What total number of accounting periods does a ship typically have to repay an interest-free loan?
- A. 1
 - B. 2 or 3
 - C. 3 to 5
 - D. 6

End of Book Questions Chapter 8

Receipts and Expenditures

- 8-1. What term describes arranging stock so that the oldest stock is issued before newly arrived stock?
- A. Last-in, First-out
 - B. First-in, First-out
 - C. Top-in, Top-out
 - D. Top-in, Bottom-out
- 8-2. Which of the following outcomes is a result of proper staging during receipt of stock?
- A. Quick merchandise sales
 - B. Consolidation of unloading operations
 - C. Rapid ordering of required stock
 - D. Expedited receipt of disposition
- 8-3. What process is used to annotate a quantity error on a Department of Defense 1348-1A?
- A. Erase the quantity shown and write in the actual quantity received on the receipt document
 - B. Send a memo and copy of the receipt document to the sales officer notifying them of the actual quantity received
 - C. Circle quantity shown on the receipt document and notify the holding location custodian that the receipt document is incorrect
 - D. Record, circle, and initial the actual quantity received and line out the quantity shown on the receipt document
- 8-4. Which of the following pieces of documentation are the greatest contributors to accurate ship's store returns?
- A. Receipt files and records
 - B. Detail of supplier's invoice
 - C. Vendor's receipts
 - D. Credit memorandums
- 8-5. What action should occur when a counting discrepancy is found during an audit?
- A. Immediate survey by the sales officer
 - B. Merchandise markdown by the store manager
 - C. Immediate investigation by the sales officer
 - D. Relief of responsible custodian

- 8-6. When, if ever, are receipts from purchases and receipts from other supply officers filed together?
- A. Before confirmation
 - B. After confirmation
 - C. Upon receipt
 - D. Never
- 8-7. What type of expenditure returns merchandise to the commercial supplier?
- A. Survey
 - B. Issue
 - C. Credit memorandum
 - D. Transfer
- 8-8. A transfer expenditure shifts custody to a different activity or other _____.
- A. department.
 - B. sales officer.
 - C. supply officer.
 - D. appropriation.
- 8-9. Surveys are charged against what two types of appropriations?
- A. Navy Working Capital Fund and General Fund
 - B. Navy Working Capital Fund and Ship's Store Profits, Navy (local)
 - C. General Fund and Ship's Store Profits, Navy (local)
 - D. Ship's Store Profits, Navy (local) and General Defense Fund
- 8-10. How often is a list of unmatched expenditures provided to each ship?
- A. Every week
 - B. Every month
 - C. Every 4 months
 - D. Every 6 months
- 8-11. Which of the following methods is used to generate interest in slow moving merchandise?
- A. Write-off
 - B. Charge-back
 - C. Stock swap
 - D. Markdown
- 8-12. What Department of Defense form (DD) is generated to document the return of merchandise for a credit memorandum?
- A. 200
 - B. 1149
 - C. 1370
 - D. 4790

End of Book Questions Chapter 9

Stowage

- 9-1. When securing group III spaces, the custodian must follow the procedures described in what Naval Supply Systems Command Publication?
- A. 485
 - B. 486
 - C. 487
 - D. 488
- 9-2. Holding location custodians are NOT responsible for which of the following tasks?
- A. Stowing stock
 - B. Securing stock
 - C. Purchasing stock from commercial vendors
 - D. Receiving and issuing the ship's store stock
- 9-3. What ship's officer may assign more than one holding location custodian on a large ship with several holding locations?
- A. Deck
 - B. Sales
 - C. Service
 - D. Engineering
- 9-4. Other than the receipt date, what other date should be marked on individual cases?
- A. Manufacture
 - B. Best by
 - C. Julian
 - D. Expiration
- 9-5. Aisles should be what total width, in inches, to provide easy access to stock?
- A. 20
 - B. 30
 - C. 40
 - D. 50
- 9-6. Flammable liquids should be stored in lockers that have been approved by what organization?
- A. Naval Sea Systems Command
 - B. Military Sealift Command
 - C. Naval Safety Center
 - D. Naval Air Systems Command

- 9-7. Retail store quantities of flammable items should not exceed what maximum number of days of anticipated sales?
- A. One
 - B. Two
 - C. Three
 - D. Four
- 9-8. Cap devices and insignias should be stored in what type of paper?
- A. Acid
 - B. Blotting
 - C. Tarnishing
 - D. Non-tarnishing
- 9-9. Canned citrus fruit juices are susceptible to what process when being stored in high temperatures?
- A. Compression
 - B. Blooming
 - C. Pin holing
 - D. Melting
- 9-10. Chocolate products should be stored in a location where the relative humidity is at what percentage?
- A. 40
 - B. 50
 - C. 60
 - D. 70
- 9-11. What component of chocolate will melt and cause white bloom if stored at temperatures above 70 degrees Fahrenheit?
- A. Syrup
 - B. Vanilla
 - C. Sugar
 - D. Cocoa butter
- 9-12. What type of pallet is built so that the forks of a forklift can be inserted from either the front or rear of the pallet only?
- A. One-way
 - B. Two-way
 - C. Three-way
 - D. Four-way

9-13. What equipment is used to lift a pallet sling?

- A. Forklift
- B. Crane
- C. Hand truck
- D. Pallet truck

9-14. What piece of material-handling equipment does NOT have the capacity required for stacking operations?

- A. Forklift
- B. Crane
- C. Hand truck
- D. Pallet truck

9-15. What piece of material-handling equipment may be powered by gasoline, diesel, or propane engines?

- A. Forklift
- B. Crane
- C. Hand truck
- D. Pallet truck

9-16. Which of the following concepts is especially important in every phase of the ship's store operation?

- A. Safety
- B. Security
- C. Purchasing
- D. Stacking operations

9-17. Improperly handling materials can lead to which of the following injuries?

- A. Hernias only
- B. Strains only
- C. Pulled muscles only
- D. Hernias, strains, and pulled muscles

9-18. What piece of safety equipment can be used to help lift objects and to prevent back injuries?

- A. Gloves
- B. Hard hat
- C. Goggles
- D. Back brace

9-19. Which of the following personnel should NOT handle material-handling equipment?

- A. Experienced
- B. Inexperienced
- C. Qualified
- D. Skilled

- 9-20. Where can a hoisted load be safely stopped before being lowered into a staging area?
- A. Over weather decks
 - B. Above the pier
 - C. Above the heads of personnel
 - D. Over the square of a hatch
- 9-21. What type of ladder should be used when available in the square of a hatch?
- A. A-frame
 - B. Extension
 - C. Stairway
 - D. Industrial
- 9-22. Other than a supervisor, what shipboard department should be contacted in the event of a hazardous material spill?
- A. Deck
 - B. Supply
 - C. Engineering
 - D. Damage control
- 9-23. Gas-free engineers will NOT monitor hazardous material storage areas for which of the following conditions?
- A. Oxygen depletion
 - B. Oxygen enrichment
 - C. Explosive atmosphere
 - D. Carbon dioxide accumulation
- 9-24. What organization defines a flammable liquid as a liquid with a flash point below 100 degrees Fahrenheit?
- A. National Fire Protection Association
 - B. National Fire Monitoring Association
 - C. National Flammable Materials Association
 - D. National Fireproof Protection Association
- 9-25. What types of liquids are defined as having a vapor pressure that does not exceed 40 pounds per square inch?
- A. Inert
 - B. Toxic
 - C. Flammable
 - D. Flame resistant

9-26. Alkalis and acids are what type of chemicals?

- A. Corrosives
- B. Oxidizers
- C. Compressed gases
- D. Aerosols

9-27. Hydrofluoric acids should be maintained in what type of bottle?

- A. Acid-dyed
- B. Acid-proof
- C. Acid-based
- D. Acid-resistant

9-28. Chlorate, perchlorate, and nitrate are what types of chemicals?

- A. Corrosives
- B. Oxidizers
- C. Compressed gases
- D. Aerosols

9-29. Calcium hypochlorite should be stored in an area where the temperature does not exceed what maximum number, in degrees Fahrenheit?

- A. 100
- B. 150
- C. 200
- D. 250

9-30. What grade of shock mounts should be used to secure compressed gas cylinders in stowage rooms?

- A. A
- B. B
- C. C
- D. D

End of Book Questions Chapter 10

Inventory

- 10-1. Which of the following actions could a sales officer take to check the accuracy of stock records compared to stock on hand quantities?
- A. Spot survey
 - B. Physical inventory
 - C. Physical audit
 - D. Spot audit
- 10-2. Which of the following is a purpose for conducting a physical inventory?
- A. To determine the value of stock shortage due to spoilage not shown on stock records
 - B. To select the most popular items for holiday sales
 - C. To provide part-time employment opportunities for non-profit organizations
 - D. To select items for free issue
- 10-3. What action must be taken by the sales officer before financial reports can be prepared?
- A. Audit electronic records
 - B. Sell all stock on hand and count money
 - C. Estimate inventory
 - D. Physical inventory
- 10-4. What percentage of inventory is included in a retail outlet's weekly spot inventory?
- A. 5
 - B. 10
 - C. 25
 - D. 50
- 10-5. Which of the following situations is a reason for a spot inventory?
- A. Relief of sales officer
 - B. End of fiscal year
 - C. Holding location refusal
 - D. Relief of responsible custodian
- 10-6. What is required after an unauthorized entrance into a Group III space?
- A. Security alert
 - B. Physical inventory
 - C. Fiscal audit
 - D. Change of command

10-7. When are adjustments to the stock line items made after a spot inventory?

- A. When the inventory is confirmed
- B. After approved by the supply officer
- C. When the inventory is initiated
- D. After arrival of new stock

10-8. Who signs the Inventory Discrepancy Report before filing after a spot inventory?

- A. Commanding officer
- B. Inventorying officer
- C. Supply officer
- D. Sales officer

10-9. Upon confirmation of an inventory, what document is used to report gains and losses?

- A. Department of Defense Form (DD Form) 1149
- B. DD Form 2
- C. DD Form 200
- D. Navy Comptroller Form 153

10-10. What type of documents must the records keeper confirm in the Retail Operations Management system in preparation for an inventory?

- A. Receipt, transfer, and expenditure
- B. Transfer, loss, and breakout
- C. Receipt, expenditure, and breakout
- D. Gain, loss, and expenditure

10-11. When an inventory is manually conducted, how are Inventory Count Sheets printed out?

- A. By command
- B. By location
- C. In alphabetical order
- D. By merchandise type

10-12. Which of the following individuals is never assigned to an inventory team?

- A. Inventory officer
- B. Records keeper
- C. Holding location custodian
- D. Supply officer

10-13. Which of the following is a significant advantage of using a portable data terminal (PDT) over Inventory Count Sheets?

- A. Only inventory items are printed on Inventory Count Sheets
- B. Only inventory items are printed on PDT
- C. Printed Inventory Count Sheets are less time consuming to use
- D. PDT requires manual entry into the Retail Operations Management system

10-14. After the sales officer and holding location custodian place a lock and seal on a space, where are the seal numbers recorded?

- A. Ship's store
- B. Supply officer's office
- C. Car Seal Number log
- D. Retail Operations Management system log

10-15. Who is responsible for providing quality control to ensure that the best "first count" is made?

- A. Counter
- B. Scanner
- C. Custodian
- D. Sales officer

10-16. When a portable data terminal is used, when is the inventory submitted?

- A. After confirmation
- B. Prior to initiation
- C. During initiation
- D. During synchronization

10-17. What button on the Inventory–Edit Inventory page allows information to be viewed at a later time without the information being submitted?

- A. Archive
- B. Submit Counts
- C. Save & Review
- D. Synchronize

10-18. When is the final Inventory Discrepancy Report generated?

- A. After the auditor has completed his or her review
- B. After the inventory is submitted and confirmed
- C. After all corrections are made to inventory counts
- D. After the inventory is initiated and reviewed

10-19. What level of financial difference is commonly called a caution?

- A. 1
- B. 2
- C. 3
- D. 4

10-20. What is the maximum number of workdays a ship has to resolve a Level 2 financial difference before contacting the Fleet Assistance Team?

- A. 3
- B. 5
- C. 7
- D. 10

10-21. What correspondence is required after a Level 3 financial difference is addressed?

- A. A letter to the type commander designating a new sales officer
- B. A letter assigning a new holding location custodian
- C. The resignation letter of the supply officer and corrective actions
- D. A letter to the type commander addressing corrective actions

End of Book Questions Chapter 11

Returns

- 11-1. Where are Navy Comptroller Form 153 and supporting documentation sent at the end of each accounting period?
- A. Congressional Budget Office
 - B. Defense Finance and Accounting Service
 - C. Center for Financial Excellence
 - D. Bureau of Naval Personnel
- 11-2. Navy Comptroller Form 153 is comprised of the balance sheet and what other section?
- A. Expenditures
 - B. Receipts
 - C. Profit and loss statement
 - D. Operating statement
- 11-3. On what line is the total cash received from sales reported on a ship's store profit and loss statement?
- A. A12—Accounts Receivable
 - B. B30—Total Expenditures
 - C. B32—Total Sales
 - D. C02—Retail Sales
- 11-4. What report is required to be attached to Navy Comptroller Form 153 along with supporting documentation when submitting returns to Defense Finance and Accounting Service?
- A. Retail Cost Analysis
 - B. Accounting Period Profitability
 - C. Merchandise Layout
 - D. Marketing Strategy
- 11-5. When assembling returns, where can you find distribution instructions for Navy Comptroller Form 153?
- A. Navy Supply Systems Command (NAVSUP) Publication-153 (P-153)
 - B. NAVSUP P-478
 - C. NAVSUP P-485
 - D. NAVSUP P-487
- 11-6. What two locations do you forward returns to when submitting them by email?
- A. Ship's Store Mailbox and ship's auditor
 - B. Commanding officer and supply officer
 - C. Type Commander and ship's auditor
 - D. Ship's Store Mailbox and commanding officer