DEPARTMENT OF THE NAVY
PERSONNEL SUPPORT ACTIVITY
937 NORTH HARBOR DRIVE
SAN DIEGO, CALIFORNIA 92132-5190

PERSUPPACTSANDIEGOINST 7200.5A
Code 70
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PERSUPPACT SAN DIEGO INSTRUCTION 7200.5A

Subj: OPERATION PROCEDURES FOR MILITARY PAY DIVISION WITHIN PERSONNEL SUPPORT ACTIVITY SAN DIEGO NETWORK

Ref: (a) DODFMR MANUAL VOLUME 5
(b) DFAS/PAYPERSMAN
(c) SDSPROMAN

Encl: (1) Customer Service
(2) Disbursing Office Security
(3) Special Pay Procedures
(4) Regular Payday Controls
(5) LESEN User Check List
(6) LESEN Supervisors Check List
(7) Processing and Audit of Event Reporting and Other Pay/Personnel Action Documents
(8) Military Pay Division Retain Files
(9) Financial Returns
(10) Leave Tickler File
(11) Internal Controls and Audits
(12) Officer in Charge Quarterly Check List
(13) Military Training

1. Purpose. To provide information, procedures and internal controls for the operations of Military Pay (MILPAY) divisions within the PERSUPPACT San Diego network as required by references (a) through (c). This instruction is a substantial revision and should be reviewed in its entirety.

2. Cancellation. PERSUPPACTSANDIEGOINST 7200.5

3. Information. Military Pay is the divisional component of each PERSUPPDET tasked with the responsibilities of maintaining and providing disbursing support to all Navy and Naval Reserve personnel on active duty, temporary active duty, and active duty for training at commands/activities supported by PERSUPPACT San Diego.

4. Responsibilities and Functional Relationships

a. Officer in Charge. The Military Pay Division within PERSUPPDETs are under the overall administration and management of Commanding Officer, Personnel Support Activity, San Diego, under command of the Officer in Charge, who had overall responsibility for all aspects of military pay.

b. Director, Military Pay. The PERSUPPACT Staff Director, Military Pay, is the principal advisor to the Commanding Officer and to the Officer in Charge on all matters concerning military pay functions, and establishes technical guidelines for carrying out all pay related duties of the network.

c. Assistant Director, Military Pay/Associate Disbursing Officer (ADO). The PERSUPPACT Assistant Director, Military Pay/Associate Disbursing Officer is responsible to both the Officer in Charge, PERSUPPDETs and to the Commanding Officer, Personnel Support Activity, San Diego for providing technical control and oversight of the complete range of services to military personnel assigned to naval activities within the geographical area. ADOs are held personal and Pecuniarily accountable for their disbursing acts and for the legal expenditures and proper accounting of funds entrusted to them. In the execution of their duties they will comply with the provisions of DODFMR Volume 5 and other laws and regulations pertinent to the receipt, custody, expenditure and accounting for public monies, and will ensure the existence of adequate internal controls and local audit procedures within the Detachments to provide adequate similar accountability of their designated Agents.

d. Agents. The ADO will, in coordination with the Officer in Charge, appoint Agents as required. As a minimum, each PERSUPPDET within the San Diego network will have two accountable positions whose incumbents are authorized to sign treasury checks. The responsibility of the Agent will be the same as those of the ADO, except that all financial reporting of accountability shall be made to the appointing Assistant Director, MILPAY/Associate Disbursing Officer (ADO). Agents directly responsible to the appointing ADO for disbursing acts and pecuniarily accountable for the legal expenditure and proper accounting of these funds. Notwithstanding this direct accountability to the ADO, the Officer in Charge retains the ultimate responsibility for ensuring that regulations and procedures and necessary controls are in effect.

e. Authority to Hold Cash at Personal Risk. The Commanding Officer must approve all requests of disbursing officers to hold cash at personal risk. The request, in writing, will describe the type of payments or other transactions requiring the use of cash, the maximum of cash to be held at any time, and the facilities to be used for safeguarding the cash. Cash funds held at personal risk include U.S. currency and coins on hand and cash on deposit in a designated depository. The cash on hand limitations will be computed by calculating the average

miscellaneous cash disbursements made during the pa
When the maximum amount of cash required is increas
decreased, a new request will be made to establish
and to cancel the previous authority.

5. Action. Military Pay Divisions within PERSUPPAC
shall follow procedures in reference (a) through (c)
enclosures (1) through (13).

M. Hayes
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Distribution:
PERSUPPACTSANDIEGOINST 5216.1G Lists I and II

CUSTOMER SERVICE

Ref: (a) SDSPROMAN B40503

1. Per reference (a), the following information is provided:

a. Disbursing Offices are service organizations and will be operated accordingly, with all personnel maintaining a decorum of cooperation, courtesy, and patience at all times. Appropriate standards of service should be established for all customer-contact personnel employed in disbursing offices. For example, every effort should be made to commence work on behalf of a customer no later than 10 minutes following arrival in the Disbursing Office. Customer service surveys will help assess the quality of service provided by detachment personnel.

b. The Privacy Act of 1974 requires each Federal Agency to inform persons (i.e., customer service clerks informing customers) who disclose personal information/data, how, when, and why the data will be used. The agency must advise the member of the following:

(1) Authority to require personal data.

(2) Whether disclosure is mandatory of voluntary.

(3) Routine use(s) which may be made of the data.

(4) Effects of not providing the required data.

DISBURSING OFFICE SECURITY

Ref: (a) DODFMR Volume 5, Chapter 3, Para 030301-303
(b) DFAS/PAYPERSMAN 90504/SDSPROMAN Volume II B40504

1. Per references (a) and (b), the following actions will be taken in connection with disbursing security:

a. Officers in Charge shall review the security requirements in references (a) and (b) at least semiannually.

b. Access to disbursing spaces will be limited to authorized personnel only (and invited personnel when necessary); signs will be displayed limiting access.

c. Disbursing Officer/Agents shall make sure records and files are secured after working hours and security measures are enforced during the work day to adequately safeguard records, files, checks, and cash.

d. Disbursing Officer/Agents shall make sure dials of safes are concealed by a shield made of cardboard or other suitable material. Combinations "will not" be given to the Commanding Officer, Officer in Charge, or any other person. Combinations will be changed at least once every six months and a record kept on the inside door.

e. Safes will be numbered. The phone number of the duty office will be taped on the outside of the safe. The OOD shall have the phone number of the individual responsible for each safe.

f. Keys to the work space or disbursing office shall be strictly controlled. A record will be maintained that identifies who had keys, when they were issued, and why they were surrendered.

g. Detachment OODs shall make a minimum of one security check each night to make sure all disbursing safes are locked. Discrepancies will be noted in the duty log and the person responsible for the contents of the safe will be called immediately.

h. Security of the Pay Data Base (PDB) and other information within the SDS automated system is based primarily on the control of "access". Access to the PDB is restricted to personnel specifically designated by the PERSUPPDET MILPAY Supervisor. All documents generated by SDS will be protected against unauthorized

use and unauthorized personnel. Officers in Charge will control security of the SDS system:

(1) Assigning USERID and PASSWORD to designated personnel only.

(2) Regulating extent of access as required.

(3) Regulating user authority to create, release, modify, read, and update.

## SPECIAL PAY PROCEDURES

Ref: (a) DFAS/PAYPERSMAN B90506/SDSPROMAN Volume II B50201
(b) DFAS/PAYPERSMAN B90506/SDSPROMAN Volume II B50208 through B50211
(c) DFAS/PAYPERSMAN B90506/SDSPROMAN Volume II Part 4 Chapter 7

1. Special payments as defined by reference (a), will be paid upon approval of the Commanding Officer/Officer in Charge of authorized designated representative. The Commanding Officer/ Officer in Charge or one designated representative shall approve all payments of the LES Override Policy, categories 1 and 3.

2. DO/Agent must maintain current designation letters. Written approval is not required for payments to newly reporting or detaching personnel. Auditors will ensure the following procedures are followed:

a. Amount Payable - Pay daily norm (recompute if necessary) for each day since date of last payment.

b. Rollkeeper - Prepare a Check Pay Receipt and annotate the payment in payment block of the members current LES. Ensure the forecasted pay is changed for the next payday. Present the LES and Check Pay Receipt to an auditor for verification and approval.

c. Fiscal Section

(1) Check Payment - The fiscal clerk shall prepare the check from the Check Pay Receipt and LES. After DO/Agent has signed the check, the LES will be returned to the rollkeeper and the Check Pay Receipt retained by the fiscal section. Check distribution will be made from a central point in each PERSUPPDET. Any undeliverable checks left in the fiscal section will be distributed the next payday with the payday check.

(2) Cash Payment - Cash payments are not made in the network.

(3) At the close of each day, the DO/Agent and/or fiscal clerk shall prepare the NAVCOMPT 3056 from the Check Pay Receipt. The name, social security number, and amount will be verified by a two way readback. Tapes prepared from the NAVCOMPT 3056 and the Check Pay Receipt to verify totals will be signed and attached to the retained payrolls.

(4) Special payrolls will be closed and forwarded to DFAS Cleveland Center daily.

2. Payments to Navy transients will be made only after proper identification and receipt of documentation required by reference (b). Special care will be taken to review the status of each member requesting transient pay. Specifically, the identification card will be sighted front and back for tampering and alterations. PCS, TAD, or leave orders will be reviewed for errors, signatures, and time requirements (reporting, return to duty station, etc.) and compared with the current file of fraud messages maintained in the customer service section. Payment will be made only after DO/Agent satisfied the transients identification card, orders, and PFR are valid and proper in all respects. When making emergency payments to Navy members without PFRs, and members of R&R, a message will be forwarded to the gaining pay activity requesting the payment be posted. A pay record index card will be prepared per reference (b) and filed alphabetically for each transient payment. The requirements of reference (b) will be followed and a photocopy of the identification card and orders, or leave papers, will be attached to the retained copy of the payroll.

3. Per reference (c), payments to transient members of other branches of the Armed Forces will be made only after proper identification and the status of the member are determined. In addition to keeping copies of the identification cards and orders, cross disbursing procedures specified in DFAS/PAYPERSMAN/ SDSPROMAN will be followed.

## REGULAR PAYDAY CONTROLS

Ref: (a) DFAS/PAYPERSMAN B90507
(b) SDSPROMAN

1. Per references (a) and (b), regular paydays will be scheduled and held twice monthly.

2. Payday checks will be released to designated command representatives no earlier than the scheduled payday unless a written request for the command is on file justifying the early release. These requests must state the checks will not be distributed prior to payday. Information sheets advising members of the amount sent to their financial institution are to be given to the commands upon receipt for distribution. Pay checks not delivered to the individual within three days after payday must be returned to the PERSUPPDET.

# LES ELECTRONIC NOTATIONS (LESEN) USER CHECK LIST

1. DAILY TRANSACTION PROCESSING

   a. First 30 Days:

      (1) Release Gain Event (3068).

      (2) Follow Full Annotation Procedures (See SDSPROMAN).

   b. After 30 days - Before transaction is released:

      (1) Identify if LES is received.

      (2) Identify if pay account is balanced (LES = PCU).

      (3) Verify entitlement.

      (4) Check O/T for account status. (Have events been previously submitted?)

      (5) Audit transactions.

      (6) Recompute norm if applicable.

   c. After transaction is released:

      (1) File PFR and LES.

2. DAILY EVENT TRACKING

   a. First 30 Days:

      (1) Annotate the LES.

   b. After 30 Days:

      (1) Glance Daily Event Tracking.

      *(2) Research/identify the reason for event rejection.

      (3) Correct rejected events.

*Optional as a daily process.

(4) Resubmit cancelled events.

(5) File event tracking report.

3. WEEKLY EVENT TRACKING

a. Weekly Error Report:

(1) Research rejected events.

(2) Research cancelled events.

(3) Review recycles.

(4) Identify reason for errors.

(5) Draft message to NAVFINCEN (as appropriate).

(6) Check NFC Schedule for LAST JUMPS UPDATE.

(7) File Weekly Error Report.

## LES ELECTRONIC NOTATIONS (LESEN) SUPERVISORS CHECK LIST

1. Manual Notations are Required

   a. 30 days after reporting (New Check-ins).

   b. No LES received.

   c. Account is grossly out-of-balance.

2. Manual Notations Not Required

   a. After 30 days if reporting.

   b. Received a current LES.

   c. Account is not out-of-balance.

3. Event Tracking and Error Research

   a. Ensure events created by Disbursing and Admin personnel are valid and correct before submitting to NAVFINCEN.

   b. Ensure payclerks are reviewing Event Tracking Report, Part 5 on a daily basis or Error Report on a weekly basis.

   c. Review the Event Tracking Report, Part 5 or the Error Report to identify the types of errors and actions taken to correct the error.

   d. Non-SDS Events and events transmitted by other SDS activities of the ADMIN office must be manually entered into the member's O/T file for tracking purposes. Refer to the MMPA access to find the current status of these events if necessary.

4. Miscellaneous Annotations

   a. Use PD2 or PD4, Remarks Section to annotate reminders, phone calls, and/or messages.

5. Payments

   a. Do not annotate Regular Payday payments unless the members account falls under #1 above.

   b. All transient payments will be annotated in the Payments block of the LES.

c. Annotate supplement/special payments in the "NOTATION OF AMOUNT DUE" block of the LES until payment is reflected on the O/T file.

PROCESSING AND AUDIT OF EVENT REPORTING
AND OTHER PAY/PERSONNEL ACTIONS DOCUMENTS

Ref: (a) SDSPROMAN

1. Personnel preparing and signing documents will be responsible for initial screening of all document. A regular undated listing of personnel from each activity authorized to sign documents affecting pay and allowance "By direction" will be maintained by the Section Supervisor or Officer in Charge. All incoming documents and pay vouchers will be screened by the MILPAY Supervisor prior to distribution to each payroll clerk. All erroneous documents, improperly prepared vouchers and unauthorized pay vouchers will be properly annotated prior to transmittal. MILPAY Supervisor will screen all outgoing messages. All incoming messages affecting adjustments on military pay accounts will be screened for verification against the applicable pay accounts by payroll clerks and auditors. The payroll supervisor will initially screen any incoming messages prior to distribution to each payroll clerk. Action and/or reply on incoming messages will be accomplished within four working days. Control and central filing of all messages will be the responsibility of the MILPAY Supervisor. This includes MPAs which will be held for one year or until they are updated.

2. The MILPAY Supervisor will designate a document control clerk who will control receipt of event documents in accordance with SDSPROMAN Volume II B00108. The Pay Auditor will ultimately release SDS event documents after initialing each entry on the document in accordance with SDSPROMAN Volume II, B00109. The PERSUPPDET Officer in Charge will advise the MILPAY Director in writing which personnel have been granted signature authorization. The notification will include a sample signature of each designated person.

MILITARY PAY DIVISION RETAIN FILES

Ref: (a) SDSPROMAN
(b) DFAS/PAYPERSMAN

1. Each Military Pay Division will maintain a Retained Transmittal File (RTF) for SDS/OCR pay action documents. Retained SDS documents will be maintained per reference (a), paragraph B40312. OCR documents will be maintained as prescribed in reference (b), Part 9, Chapter 4, Section E. SDS and OCR documents will not be intermingled. Original SDS documents (with signatures) will be filed in the RTF. Original documents will include the signature of the authorized or certifying officer, and if applicable, the member.

2. The RTF is maintained to:

a. Support accountable pay actions by the DO/DDO.

b. Support payments to members.

c. Support claims by members.

d. Provide audit trails for external audits.

3. Retained SDS and OCR documents will be disposed of, or transmitted to the Federal Records Center, as applicable by reference (a), paragraph B40313 and reference (b), paragraph 90461.

FINANCIAL RETURNS

Ref: (a) DODFMR Volume 5

1. To meet the requirements of reference (a), reporting Agents shall adhere to the following procedure in the submission of the daily balance sheet and supporting documents to the PERSUPPACT San Diego DO:

a. The Director, Military Pay Division is responsible for the random audits of all returns and reports prepared by the Fiscal Sections, Travel Sections, and Military Pay Divisions, of the PERSUPPDETs. The following reports and returns will be prepared and submitted accordingly:

(1) Agent Accountability Custodian (DO Form 2665) forwarded to the ADO on the next working day.

(2) Automated Check Reporting (ACIR), diskettes forwarded to ADO on the next working day.

(3) FERS data forwarded to ADO on next working day.

(4) ACDUTRA less than 30 days, by diskettes, forwarded no later than three working days after payment to Naval Reserve Force FIRC, Code 243, 440 Dauphine Street, New Orleans, LA 70146-5000.

(5) Suspense Account Report, forwarded to Defense Finance Accounting Service - Cleveland Center - DAO San Diego, 937 North Harbor Drive, San Diego, CA 92132-5111 no later than seven days following the end of the quarter.

(6) Monthly financial returns for PERSUPPACT San Diego Disbursing Officer will be forwarded to Defense Finance Accounting Service - Cleveland Center - DAO San Diego, 937 North Harbor Drive, San Diego, CA 92132-5111 by the second working day of each month.

LEAVE TICKLER FILE

Ref: (a) SDSPROMAN Volume II B10316.B

1. Reference (a), requires that a leave tickler file will be maintained by each PERSUPPDET. To monitor leave, the file will be organized by return date. The file should be reviewed daily, verified for extension documentation if expired date and follow-up action taken if necessary.

INTERNAL CONTROLS AND AUDITS

Ref: (a) DODFMR Volume 5

1. As required by reference (a), the following information is provided:

a. Quarterly Cash Verification. The Commanding Officer, PERSUPPACT San Diego will appoint a board of two or more persons to verify the cash account of the Disbursing Officer and agents. The surprise verification will be held quarterly at unannounced and irregular intervals of the main disbursing office and each of its PERSUPPDETs that are in a reasonable proximity of the main office containing agents, who hold funds or other assets. Cash verification must not be routinely conducted near the end of each quarter or at other predictable times to maintain the surprise feature. If the funds of the imprest fund cashier and collection agents are not available for verification by actual count, the fund cashier/collection agents will be contacted by the board to ascertain that they, in fact, hold cash represented by the Cash Receipt Certification (NAVCOMPT Form 2114). The board will report their findings in writing to the Commanding Officer immediately upon completion of verification of official funds. The board will follow-up the verification within thirty days to ensure that the disbursing officer takes timely action to clear all discrepancies noted.

b. COMNAVBASE SAN DIEGO (Code N-24). An external audit is conducted on an unannounced basis by COMNAVBASE (Code N-24). The objective of the audit is to review PERSUPPACT and its PERSUPPDET's general security over government funds entrusted to the Disbursing Officer and agents; appraise internal controls and the effectiveness of systems and procedures; ascertain whether regulations governing pay and allowance are travel entitlement to military and civilian personnel are correctly interpreted and applied. Also, the examination determines whether the financial returns are accurate, complete, and reflect the current status of the disbursing officer and agents accountability.

## OFFICER IN CHARGE QUARTERLY CHECK LIST

YES NO

A. CUSTOMER SERVICE

_____ _____ 1. Are forms available at all times?

_____ _____ 2. Is the box conspicuously positioned within the work area, labeled, and locked?

_____ _____ 3. Are MILPAY supervisors randomly requesting customers to fill out questionnaires?

_____ _____ 4. Are all walk-in customers surveyed one day a quarter?

B. DISBURSING SECURITY

_____ _____ 1. Does the TASO maintain an accurate log with users and codes properly annotated?

_____ _____ 2. Were records, files, or documents needlessly left unattended?

_____ _____ 3. Are all files, safes, and storage bins clearly tagged for access and maintained accordingly?

_____ _____ 4. Are all controlled areas clearly designated as such with either notices or signs?

_____ _____ 5. Are all MILPAY work items secured after normal working hours?

_____ _____ 6. Does MILPAY supervisor ensure that the DDO has control over all currency, valuables, checks, and signature plates?

_____ _____ 7. Does the MILPAY supervisor ensure all personnel enforce disbursing office security and are aware of all regulations?

_____ _____ 8. Do all clerks understand the Right to Privacy Act of 1974?

_____ _____ 9. Do MILPAY supervisors control use and access of information IAW Right or Privacy Act of 1974?

_____ _____ 10. Are all personnel aware of which SDS events fall under the act?

C. CUSTODY AND MAINTENANCE OF PRA ACCOUNTS

_____ _____ 1. Are all members assigned duty in MILPAYDIV designated as PRA personnel?

_____ _____ 2. Is the PRA custodian designated in writing by the Officer in Charge?

_____ _____ 3. Do MILPAY supervisors maintain PFRs and LESs of PRA personnel?

_____ _____ 4. Are PRA personnel records held in a safe?

_____ _____ 5. Are all pay events submitted on PRA accounts verified for validity of the DDO/senior pay clerk?

D. SPECIAL PAY

_____ _____ 1. Are special pay requests approved by CO/OIC?

_____ _____ 2. Is the check request/DD141 properly filled out, with old and new duty stations?

_____ _____ 3. Is a copy of ID (front and back) attached to retained payroll? (Transient personnel)

_____ _____ 4. If a member without his/her PFR requests special pay, is his/her command contacted to verify the amount, and is the command notified of the payment?

_____ _____ 5. Are letters of designation regarding special pay held in the MILPAYDIV?

E. REGULAR PAYDAYS

_____ _____ 1. Are payday checks controlled properly prior to distribution?

_____ _____ 2. Are letters of authorization for COs/OICs designating specific personnel for command pick-up held on file?

_____ _____ 3. Do all personnel who are authorized to pick-up checks have a thorough knowledge of regulations concerning custody of checks?

_____ _____ 4. Are checks returned by command representatives as required?

_____ _____ 5. Are personnel who pick-up checks individually in the uniform of the day and required to show proper identification?

_____ _____ 6. Are checks mailed in time to reach members on payday?

F. DAILY RELEASE OF SDS EVENTS

_____ _____ 1. Are personnel inputting documents correctly and in a timely manner?

_____ _____ 2. Are personnel authorized to release documents designated in writing?

_____ _____ 3. Are documents released within the proper time frame?

_____ _____ 4. Does the documents control clerk route incoming documents to pay clerks?

_____ _____ 5. Are reports reviewed and is action taken on any and all suspense items?

_____ _____ 6. Are SDS events released daily?

_____ _____ 7. Is all documentation forwarded with a copy of the event for auditing prior to release?

G. DAILY PROCESSING AND MAINTENANCE OF RTL

_____ _____ 1. Are RTLs obtained at the start of every day and all events reviewed?

_____ _____ 2. Is there a copy of each event for filing purposes?

H. FINANCIAL RETURNS AND REPORTS

_____ _____ 1. Does the MILPAY supervisor randomly audit all returns and reports prepared by the DDOs for submission to the ADO?

_____ _____ 2. Are all returns/reports submitted correctly and on time?

_____ _____ 3. Are reports reviewed and information used beneficially to improve overall efficiency of detachment?

_____ _____ 4. Are reports utilized to identify problem areas?

I. LEAVE TICKLER FILE

_____ _____ 1. Is the leave tickler file reviewed daily?

_____ _____ 2. Is it recorded by return dates?

_____ _____ 3. Is all extension documentation reviewed and follow-up action taken?

MILITARY TRAINING

1. Requirements for MILPAYDIV are established and maintained by each PERSUPPDET and should be conducted weekly.