

TABLE OF CONTENTS

CHAPTER 26 AUTOMATED TELLER MACHINE (ATM) SYSTEM

- ★2601 Background
- ★2602 The ATM at Sea System
- ★2603 ATM at Sea Custodial Officer Responsibilities
- ★2604 ATM at Sea Security
- ★2605 ATM at Sea Funds Availability
- ★2606 ATM at Sea Accounts
- ★2607 ATM at Sea System Transaction
- ★2608 Balancing the ATM at Sea System
- ★2609 ATM at Sea System Required Management and Control Reports
- ★2610 Manual Maintenance of ATM at Sea System Accounts
- ★2611 Cash Verification Requirements for the ATM at Sea System
- ★2612 ATM System for Recruits

Table 26-1. ATM at Sea Password Security Levels

- ★ Figure 26-1. Sample DD Form 2670 (Automated Teller Machine (ATM) Ledger)
- ★ Figure 26-2. Sample DD Form 2671 (Disbursing Office ATM Cash Transaction Ledger)

Figure 26-3. Sample DD Form (ATM Cash Balance Sheet)

- ★ Figure 26-4. Sample DD Form 2673 (Record of ATM System Manual Withdrawals)

CHAPTER 26

AUTOMATED TELLER MACHINE (ATM) SYSTEM★2601 BACKGROUND

Currently there are two ATM systems in operation within the DoD. The Department of the Navy operates the ATM at Sea system aboard Naval ships. Sections 2602 through 2611 of this chapter prescribe the mandatory policy and procedures for accomplishing pay delivery and safekeeping of personal funds in the ATM at Sea system. Detailed procedures for operation and maintenance of the ATM at Sea system are contained in the ATM Users Documentation and Student Training Manual provided with the ATM at Sea system. The DFAS Denver Center, through its San Antonio Operating Location, operates an ATM system to accomplish pay delivery for Department of the Air Force recruits. Section 2612 of this chapter prescribes the mandatory policy and procedures for operation of the DFAS Denver ATM system.

★2602 THE ATM AT SEA SYSTEM

★ 260201. General. The ATM at Sea system is an automated mechanism to provide safekeeping of personal funds under the principles prescribed in chapter 27 of this volume. The ATM at Sea system also serves a pay delivery system which accepts an electronic transfer of net pay and allowances due to each account holder. Account holders can withdraw their funds at ATMs located on the ship in the same manner as account holders withdraw funds from their personal bank accounts through a commercial ATM.

★ 260202. Prescribed Forms. This chapter prescribes the use of specific forms to maintain the accountability of the ATM at Sea system. The Automated Teller Machine (ATM) Ledger, DD Form 2670, shall be used in lieu of the Cash on Hand Ledger Control Sheet prescribed for the safekeeping of personal funds in chapter 27 of this volume. Note: The DD Form 2670 is being revised to better accommodate the ATM at Sea system. The August, 1993 edition of the form should be used until the new revised edition is available. In Block 1, Account Name; insert the name, rank and Social Security Number (SSN) of the ATM at Sea custodial officer and in Block 2, Account Number, insert the name and hull number of the ship. In addition, Block 2, Column c, CV Number, and Column d, PV number of the current DD Form 2670 should not be used in conjunction with the ATM at Sea system. The ATM at Sea system Master File Report, addressed later in this chapter, shall be used in lieu of the Individual Ledger Sheets prescribed for the safekeeping of personal funds in Chapter 27 of this volume. The individual member's payroll leave and earnings statement (LES), in conjunction with journal receipts and monthly statements of account provided by the ATM at Sea system shall be used as the depositor's receipt for safekeeping funds in lieu of the Record and Receipt of Deposits and Withdrawals of Safekeeping Funds, DD Form 2674, prescribed by Chapter 27 of this volume.

★ 2603 ATM AT SEA CUSTODIAL OFFICER RESPONSIBILITIES

★ 260301. Letters of Appointment. As prescribed in chapter 27 of this volume, the commander shall appoint the ATM at Sea custodial officer in writing. In addition, all personnel who are required in the performance of their official duties to gain access to the ATM at Sea system, the ATMs, or handle cash in connection with the ATMs, shall be appointed in writing as assistant custodians by the ATM custodial officer. Each letter of appointment shall list the specific duties which the appointed individual is authorized to perform. Authority to perform ATM tasks shall be limited to only the appointed duties. The appointment shall be endorsed with the appointee's acknowledgment of acceptance of the duties. Individuals eligible for appointment as the ATM custodial officer and assistant custodians include, but are not limited to, disbursing officers, deputies, agents, and cashiers. Personnel appointed as assistant custodians of ATMs are responsible for balancing and replenishing the cash in the assigned ATM(s).

★ 260302. Custody of Blank ATM Cards. The ATM custodial officer is responsible for maintaining proper custody of all blank ATM cards. The ATM cards shall be safeguarded as prescribed in Chapter 7 of this volume for blank Treasury checks. The ATM custodial officer may delegate the responsibility for custody of blank ATM cards to an assistant custodian. This delegation must be made in writing. The ATM custodial officer or designated assistant custodian shall maintain a bulk ATM card log which contains the ATM card number, name, date and signature of the person to whom working stock of blank ATM cards are issued. Unused working stock shall be returned to the ATM custodial officer or designated assistant custodian at the end of each day. All blank ATM cards shall be inventoried monthly and an entry made in the bulk ATM card log to document the inventory.

★ 260303. Issue of ATM Cards. The ATM custodial officer may delegate authority to issue individual ATM cards when new accounts are opened to an assistant custodian. This delegation of authority shall be made in writing. When blank cards are issued to this authorized assistant custodian, an entry shall be made in the bulk ATM card log as prescribed in the previous paragraph. The assistant custodian authorized to issue individual ATM cards shall maintain a separate card issue log containing the card number, name and SSN of card owner, issue date, signature of the recipient, date destroyed, and the name and signature of the issuer.

★ 260304. ATM at Sea Operating Instructions. The ATM custodial officer shall include ATM at Sea operating and security procedures in local written instructions. Included in the ATM at Sea operating procedures are payroll preparation, transfer, and balancing procedures; special payment procedures; ATM replenishment procedures; ATM balancing procedures; ATM card issue procedures; and, ATM card turn-in procedures. The ATM custodial officer shall also include the ATM at Sea security procedures in the ship's security instructions.

★ 260305. Transfer of ATM at Sea Safekeeping Accounts Upon Relief. In preparation for being relieved of ATM at Sea safekeeping custodial duties, the outgoing custodial officer shall balance the ATM system by performing a complete end-of-session process. The relieving custodial officer shall verify all end-of-session reports to ensure the ATM accounts are

in balance (including a physical count of all funds held as safekeeping) and receipt for the transfer by signature below the last entry on the DD Form 2670. The original receipted DD Form 2670 shall be returned to the outgoing custodial officer and a copy retained by the relieving custodial officer. The relieving custodial officer shall start a new DD Form 2670. In the description enter Brought Forward.

★2604 ATM AT SEA SECURITY

★ 260401. ATM Physical Security. The ATMs are considered to be safes. The security instructions regarding the use of safes in chapter 3 of this volume shall be followed except that ATM TL-15 safes are authorized to hold \$130,000 vice the \$50,000 normally authorized for TL-15 safes. The ATMs shall be installed in well lighted, heavily traveled spaces. The ATMs may be alarmed and video surveillance cameras installed to deter unauthorized entry at the commander's discretion. The ATMs do not have a self-contained alarm system, but have an alarm that may be connected to the ship's security alarm system, if available. Each ATM shall be assigned to the custody of the ATM custodial officer or an assistant custodian. The assigned custodian shall be responsible for balancing and replenishing the cash in the ATM. Only the assigned custodian shall know the combination to the ATM safe. Since ATMs require moving large amounts of cash about the ship, all security instructions in Chapter 3 of this volume regarding protection of currency in transit shall be followed. In addition, each assistant custodial officer should have a separate safe exclusively for the ATM safekeeping program. If separate safes are not feasible, the ATM custodial officer must maintain custody of all personal funds represented by the ATM at Sea system and provide operating cash to the assistant custodian(s) as necessary to supply the assigned ATM(s).

★ 260402. Passwords and Security Levels. The ATM custodial officer is responsible for assigning password security levels and all responsibilities associated with maintaining proper password security. The ATM custodial officer shall assign each individual involved with the ATM at Sea system in any manner, the appropriate password security level. The functions permitted by each of the password security levels for the ATM at Sea system are provided in table 26-1. The ATM custodial officer shall be assigned the master password security level which allows access to everything related to the operation of the ATM at Sea system with the exception of discovering the other users' passwords or account holders' personal identification number (PIN). After the ATM custodial officer assigns the appropriate password security level, each assistant custodian involved with the ATM at Sea system shall secretly choose a password via the ATM terminal. This password shall allow the assigned individual access to the ATM at Sea system to perform the functions authorized by the assigned security level. The ATM at Sea system will recognize the operator and record all transactions performed. Passwords shall be changed every six months, when custodial duties are changed, or when an operator believes a password has been compromised. Under no circumstances shall any system operator passwords be written anywhere, placed in a sealed envelope, or be known to any other person.

★2605 ATM AT SEA FUNDS ACCOUNTABILITY

★ 260501. General. Funds within the ATM at Sea system are the personal funds of the individual account holders and private organizations who have established ATM accounts. Aboard Naval ships, personnel eligible to establish accounts include permanently assigned members; military and civilian personnel of the DoD on temporary duty assignment to the ship (including U.S. Marine Corps personnel aboard the ship), and private organizations (e.g., private messes) who have established ATM accounts. When funds are deposited into the ATM accounts, the ATM custodial officer assumes safekeeping responsibility for these funds. The ATM custodial officer maintains custody of the funds for all account holders in accordance with this chapter. Safekeeping funds do not qualify as public funds, and therefore, are not recorded on the disbursing officer's accountability.

★ 260502. Loss of Funds Held in Safekeeping. Any shortage of funds that is discovered in the ATM at Sea system (including all ATM shortages which occur as a result of an ATM dispense error) shall be investigated using procedures similar to the investigative procedures prescribed in Chapter 6 of this volume for a physical loss of public funds. The ATM custodial officer shall retain copies of all documents that substantiate the loss of funds. The individual account holder is responsible for any loss incurred and may attempt to recover the loss by filing a claim for loss or damage of personal property as prescribed in the Manual of the Judge Advocate General. Claims for losses which were caused by negligence of the account holder (such as when an ATM card is stolen and the card owner wrote the PIN on the card) normally will not be approved. The ATM custodial officer and assistant custodians are not pecuniarily liable for losses of personal funds in the ATM at Sea system but are subject to appropriate disciplinary actions prescribed by the Uniform Code of Military Justice.

★ 260503. Overage of Funds Held in Safekeeping. Any overage of funds that is discovered in the ATM at Sea system (including all ATM overages which occur as a result of an ATM dispense error) shall be investigated using procedures similar to the investigative procedures prescribed in Chapter 6 of this volume for an overage of public funds. The ATM custodial officer shall retain copies of all documents that substantiate the overage of funds. If the owner(s) of the funds cannot be located, the ATM custodial officer shall prepare a Collection Voucher, DD Form 1131, with credit to Forfeiture of Unclaimed Money and Property, **1060, when the amount of the overage is less than \$5 or with credit to Payment of Unclaimed Moneys (T), 20X6133, when the amount of the overage is \$5 or more. The ATM custodial officer shall provide the completed DD Form 1131 and the cash to the disbursing officer for processing.

★ 2606 ATM AT SEA ACCOUNTS

★ 260601. Establishing ATM Accounts

★ A. Initial ATM Card Issue When ATM at Sea System Is Installed. Before the first ATM payday, the ATM custodial officer or authorized assistant custodian shall establish an ATM account and issue an ATM card and PIN to all members who will be using the ATMs. The ATM at Sea system will automatically assign a card number to each member who is in the payroll file transferred from the payroll system to the ATM system. The issuing custodian shall

ensure that each member personally receives and signs for his or her own ATM card. The issuing custodian shall also ensure that each member is positively identified and signs the ATM Card Report when receiving the ATM card.

★ B. New Accounts. There will be a need to establish accounts for newly reported personnel (including military members and civilian employees of the Department on temporary duty to the ship), personnel participating in DD/EFT desiring to participate in the ATM program under the split-pay option, or personnel who lose their ATM card or forget their PIN. The ATM custodial officer shall develop and include procedures for opening new accounts in the official ATM operating instructions. All cards issued shall be recorded in the individual ATM card issue log as described in paragraph 260303, above. As described earlier, the ATM custodial officer may delegate in writing the authority to establish new ATM accounts. The authorized card issuing custodian shall add the card issue information to the ATM at Sea system via the Establish Account function of the system.

★ 260602. Closed and Suspended Accounts

★ A. Closed Accounts. When account holders transfer from the ship (permanent change of station, discharge, separation, etc.) or depart for an extended period of temporary duty (temporary duty of sufficient duration that the member will be dropped from the ship's payroll and included on the payroll of the temporary duty station), the ATM account shall be closed. When possible, cards of transferring account holders shall be recovered and destroyed prior to the transfer of the account holder. An entry shall be made in the ATM card issue log to reflect the account holder's transfer and destruction of the card. Also, an entry shall be made in the ATM Card Report to indicate the date of transfer and that the card has been destroyed. The ATM custodian also shall ensure that each member is positively identified and signs the ATM Card Report when turning in the ATM Card. If an account holder is transferred before closing the ATM account, the ATM custodial officer shall administratively close the account and deliver the account holder's account balance to the DO in exchange for a U.S. Treasury check. The check shall be drawn payable to the account holder. The object for which drawn shall be "Exchange-for-Cash, ATM Account of (name, rank or rate). The check shall be forwarded with a letter of transmittal to the commander of the activity to which the account holder was transferred for delivery to the account holder and request acknowledgement of receipt of the check and return of the ATM card. The transaction shall be recorded on DD Forms 2670 and 2671. In the event such a Treasury check is returned as undeliverable and the payee cannot be located, the DO shall process the check as a collection using DD Form 1131. If the amount of the check is less than \$5, the DD Form 1131 shall be processed with credit to Forfeitures of Unclaimed Money and Property, **1060. If the check is \$5 or more, the DD Form 1131 shall be processed with credit to Payment of Unclaimed Moneys (t), 20X6133. The DD Form 1131 shall include all information available as to the identity and last known address of the payee. Any claim subsequently received for the funds shall be forwarded, with a copy of the DD Form 1131, to DFAS Cleveland Center for processing.

★ B. Suspended Accounts. The ATM accounts of deceased or unauthorized absentees shall be suspended immediately (placed on hold). Deposits and withdrawals are not authorized while the account is in a suspended status. The appropriate reason for suspending the account shall also be annotated. For deceased members, the ATM account shall remain in suspended status until the member's personal effects are prepared for shipment to designated survivors, at which time the ATM custodial officer will administratively close the account and deliver the funds to the DO. The DO shall issue a U.S. Treasury check payable to the payee designated by the officer (or inventory board) appointed by the commander to take custody of the deceased member's personal effects. The object for which drawn shall be "Exchange-for-Cash, ATM Account of (name, rank or rate)". The check shall be delivered to the designated officer or inventory board for appropriate disposition. For unauthorized absentees, the account shall remain in suspended status until the member has been officially reported as returned from unauthorized absence on the daily muster report. If an unauthorized absentee is declared a deserter, the ATM custodial officer shall close the account and all funds in the account shall be delivered to the DO. The DO shall prepare a U.S. Treasury check payable to the payee designated by the officer (or inventory board) appointed by the commander to take custody of the deserter's personal effects. The object for which drawn shall be "Exchange-for-Cash, ATM Account of (name, rank or rate)." The check shall be delivered to the designated officer or inventory board for appropriate disposition. The custodial officer shall obtain a receipt from the designated officer or inventory board and record the transaction on DD Forms 2670 and 2671.

★2607 ATM AT SEA SYSTEM TRANSACTIONS

★ 260701. Deposits to the ATM at Sea System Accounts

★ A. Payroll Transfer Verification. Payroll processing must begin at least five working days prior to the scheduled payday. This is to ensure that any problems encountered can be identified and corrected before payday. From the payroll system, print an ATM participation report which lists all members whose pay will be downloaded to the ATM at Sea system. The ATM participation report shall be verified to ensure that the pay for DD/EFT participants, discharged and transferred account holders, and unauthorized absentees will not be downloaded to the ATM at Sea system. After the verification has been accomplished, the payroll processing can be completed. To substantiate the semimonthly regular payroll, the DO shall prepare a payroll voucher and a Treasury check made payable to the ATM custodial officer for the total amount of the payroll. The payroll voucher and Treasury check shall be recorded on the DD Form 2657 in the normal manner as a check issue on line 2.1A and a gross disbursement on line 4.1A. Depending on the payroll system used by the ship, the Treasury check is either prepared automatically by the payroll system terminals in the disbursing office or by the automated data processing division.

★ B. Payroll Deposits. Payrolls should be transferred to the ATM at Sea system at least three working days before the schedule payday. This ensures problems encountered in the transfer process can be identified and corrected before payday. When the payroll transfer has been completed, the ATM at Sea System's Payroll Audit Report shall be printed and verified to

ensure the correct total for the payroll has been transferred. If there is any correction to be made, a payroll adjustment transaction shall be accomplished as prescribed in paragraph 260703, below. The Treasury check and a copy of the payroll shall be delivered to the ATM custodial officer. The payroll transfer shall be recorded on the Automated Teller Machine (ATM) Ledger, DD Form 2670, as a deposit. See figure 26-1. A copy of the payroll shall be filed with the safekeeping records for audit purposes.

★ C. Terminal 99 Deposit Transactions for ATMs at Sea. The ATM at Sea system does not permit account holders to make deposits to their accounts at the ATMs. Generally, the best method for individual deposit transactions is to permit account holders to conduct deposit activities during normal check cashing hours. The ATM custodial officer or assistant custodian appointed to perform these deposit transactions should be assigned password security level 2 access in order to complete the entire transaction without assistance. The ATM custodial officer or assistant custodian authorized to perform Terminal 99 transactions shall maintain ATM Cash Transaction Ledger, DD Form 2671, as shown in figure 26-2. To perform a Terminal 99 deposit, the appointed individual accepts money from the account holder, enters the deposit on Terminal 99, records the entry on DD Form 2671, and gives the depositor a journal receipt. All Terminal 99 deposits shall appear on the end-of-session reports. After every end-of-session report, the total Terminal 99 deposits shall be recorded on the DD Form 2670.

★ 260702. Withdrawals from the ATM at Sea System Accounts

★ A. General. Normally, withdrawals from the individual ATM at Sea system accounts shall be accomplished through the ATMs by the account holders using their ATM card and PIN. When Point-of-Sale (POS) terminals are added in the ship's stores and post offices, the ATM system will generate a POS report. Compare the report totals to the journal receipts. If the totals agree, the ships store or postal collection agent will present these journal receipts to the safekeeping custodial officer who in turn will provide cash from safekeeping funds equal to the journal receipts. The custodial officer shall report the transaction on the DD Form 2670 as a POS ships store or post office withdrawal. The POS activity shall prepare the appropriate collection voucher and provide the collection voucher and cash to the disbursing officer for processing. Retain ATM journal receipts for a period of three months.

★ B. Terminal 99 Withdrawal Transactions for the ATM at Sea System. Terminal 99 withdrawals shall be used only when the account holder cannot use the ATM to make the withdrawal. Situations which require withdrawals through Terminal 99 include mechanical difficulties with the ATM; an account holder closing an ATM account (such as when transfer, separation, or discharge is imminent); and a withdrawal when an account balance is less than \$5. The ATM custodial officer or assistant custodian appointed to perform Terminal 99 withdrawal transactions should be assigned password security level 2 access in order to complete the entire transaction without assistance. The designated custodian shall maintain DD Form 2671 (figure 26-2) as prescribed in subparagraph 260701.C, above. To perform a Terminal 99 withdrawal, the designated custodian enters the withdrawal on Terminal 99, obtains the account holder's signature on DD Form 2671, and dispenses the cash and a journal receipt of the

transaction to the account holder. At the option of the ATM custodial officer, Terminal 99 withdrawals may be authorized when an account holder's balance is less than \$5, but the account holder is not closing the account, transferring, separating, or being discharged. The ATM custodial officer shall establish the policy of whether account holder's will be permitted to withdraw remaining funds, of less than \$5, after they have withdrawn the maximum permissible from the ATMs. If the ATM custodial officer authorizes this function, specific hours of operation shall be established when the designated assistant custodian will be available to provide the service. Note: This local policy shall not apply to account holder's who are closing their accounts due to transfer, separation, or discharge. All Terminal 99 withdrawals shall appear on the end-of-session reports. After every end-of-session report, the total Terminal 99 withdrawals shall be recorded on the DD Form 2670.

★ 260703. ATM at Sea Account Adjustments. The ATM at Sea system allows account balances and pending payroll amounts to be adjusted. While deposits and withdrawals require the presence of the account holder (the evidence of which is the entry of the PIN in the ATM or personal visit of the account holder to the designated Terminal 99 custodian for a Terminal 99 transaction), adjustments do not require the account holder to be present. Therefore, the adjustment function shall be limited to the highest system access of password security. Adjustments shall be used judiciously and shall never be used when a deposit (Terminal 99) or withdrawal (ATM or Terminal 99) transaction will serve the same purpose. When the ATM custodial officer must remove money from an account without the account holder's presence, a negative adjustment shall be used. Situations which require a negative adjustment transaction are explained in the following subparagraphs.

★ A. Payroll Transfer Error. In cases where it is discovered during the payroll transfer verification that an ATM at Sea account was credited with more money than the payee was due, the ATM custodial officer shall process a negative adjustment to correct the error. In this type of situation, where the account holder is not to receive the money, a Collection Voucher, DD Form 1131, shall be prepared to document the negative adjustment and credit the funds back to the military pay appropriation. The DD Form 1131 and the cash shall be provided to the DO who shall ensure a corresponding adjustment to the master military pay account (MMPA) is processed to correct the member's pay account. The DD Form 1131 shall include an explanation of the purpose of the adjustment (e.g., negative adjustment to correct payroll transfer error). The ATM custodial officer shall record the transaction on the DD Form 2670 as a withdrawal. The DO shall include the DD Form 1131 on the DD Form 2657 as a refund on line 4.1B and an increase to U.S. currency on hand on line 6.2A.

★ B. Refunds to Account Holders. Under certain circumstances, such as when an account holder is on temporary duty and is reassigned to a new duty station without return to the ship, it will be necessary for the ATM custodial officer to process a negative adjustment to close the ATM at Sea account and forward the account balance to the account holder. The ATM custodial officer shall process the negative adjustment and provide the cash balance of the account to the DO in exchange for a Treasury check. The DO shall issue a Treasury check payable to the account holder for the amount of the adjustment. See paragraph 260602, above.

The ATM custodial officer shall record the transaction on the DD Form 2670 as a withdrawal. The DO shall record the exchange-for-cash check transaction on the DD Form 2657 as a check issue on line 2.1A and an increase to U.S. currency on hand on line 6.2A.

★2608 BALANCING THE ATM AT SEA SYSTEM

★ 260801. General Requirements. Complete balancing and reconciliation of the ATM at Sea system shall be accomplished not less frequently than: once each week; the last day of each month; and at any time when the ATM custodial officer suspects that an irregularity or system malfunction has occurred. Balancing is accomplished by generating specific ATM at Sea system reports (referred to as end-of-session reports); counting the cash on hand; replenishing the ATM cash canisters; collecting the ATM Journal Tapes and Receipt Printer Tapes; and comparing the actual cash on hand account balance to the system generated reports and DD Form 2670. The ATM Journal Tapes and Receipt Printer Tapes shall be retained for a period of 3 months after which they may be destroyed if no longer needed to resolve an ATM out-of-balance condition or to document an ATM pay discrepancy. During the report generation process, the ATM at Sea system is shut down. The ATM custodial officer must pay close attention to this process and accomplish the ATM balancing expeditiously in order to avoid the perception that the system is out of order, which results in an inconvenience to the account holders as well as a loss of faith in the system's ability to secure and deliver their cash on an around-the-clock basis. With proper planning, balancing the ATM system and generating the reports will become a routine function and should not interfere with the account holders' cash withdrawal habits.

★ 260802. End-of-Session Reports for the ATM at Sea System. End-of-Session is the process used to balance the ATM at Sea system and backup all data files and records. The backup tapes created during the end-of-session shall be kept in a secure place and be available to reconstruct the ATM accounts in the event fire or other catastrophe causes the loss of the current system data base. The end-of-session process can generate five reports to facilitate system balancing. Four of the reports (Grand Total Terminal Balance Report, Dispense Error Transaction Report, Deposit Audit Report, and Excessive Activity Report) are mandatory and shall be generated during every end-of-session process. The fifth report (Terminal Balance Report) shall be generated as needed to resolve out-of-balance conditions. When an ATM custodial officer is relieved of custodial duties, the outgoing ATM custodial officer shall run a complete end-of-session and balance the ATM accounts. The relieving ATM custodial officer shall verify and sign the DD Form 2670 prepared by the relieved custodial officer. The relieving custodial officer shall prepare a new DD Form 2670. In the description block, enter the amount brought forward from the relieved custodial officer.

★ A. Grand Total Terminal Balance Report. The Grand Total Terminal Balance Report provides all terminal summary totals required for ATM at Sea system balancing. The report shows by terminal the total deposits, custodial officer deposits and withdrawals (Terminal 99), ATM withdrawals, and ATM adjustments. It also shows the grand total of all transactions since the previous end-of-session. The report provides an ATM system summary by indicating the beginning balance, the ending balance, and the monetary difference between the beginning

and ending balance. This monetary difference must be equal to the grand total of all transactions since the previous end-of-session or the system is out-of-balance. The Grand Total Terminal Balance Report also provides the monetary balance of the account file (the total of the individual accounts). The account file balance and the ending balance must be the same. Note that these two balances must also equal the ATM ledger balance shown on the DD Form 2670. Error messages and out-of-balance alerts are also printed on the report when the system detects an out of balance condition. Unresolved differences in the ending balance and the account file balance shall be identified as losses or overages of funds as prescribed in section 2605, above. The Grand Total Terminal Balance Report shall be retained in the ATM Records file for a period of 1 year, then destroyed if no longer needed. For assistance in resolving an out-of-balance condition contact the ATM at Sea Fleet Support Group.

★ B. Dispense Error Transaction Report. The Dispense Error Transaction Report is used to track possible dispense errors. When the report indicates possible dispense errors, the ATM custodial officer shall print the Terminal Balance Report for the indicated terminal(s) and compare the ATM Journal Tapes to the Terminal Balance Report to resolve the error. The report shall be retained by the ATM custodial officer as necessary to document dispense errors and support requirements for ATM maintenance and/or repairs.

★ C. Deposit Audit Report. The Deposit Audit Report lists all deposits made using Terminal 99 since the previous end-of-session. The report shall be retained for cash verification purposes.

★ D. Excessive Activity Report. The Excessive Activity Report lists the transactions made by a particular account holder if that account holder has accomplished five or more transactions since the previous end-of-session. The report could indicate equipment malfunction based on a pattern of irregularity or could indicate that account holders are experiencing difficulty in performing some functions. The report shall be retained by the ATM custodial officer as required to document unusual, irregular, or potentially fraudulent transactions made by an account holder.

★ E. Terminal Balance Report. The Terminal Balance Report lists all transactions performed on each ATM. The report can be generated for all terminals or for a selected terminal or terminals. The Terminal Balance Report shall be generated as necessary to locate and resolve out-of-balance conditions with the ATM Cash Balance Sheet, DD Form 2672, and to locate and correct possible dispense error transactions as indicated on the Dispense Error Transaction Report. After balancing the Terminal Balance Report with the DD Forms 2672 and resolving dispense errors, the report shall be attached to the Grand Total Terminal Balance Report for retention. The DD Form 2672 is being revised to better accommodate the ATM at Sea system. The August, 1993 edition of the form should be used until the new revised edition is available.

★ 260803. Balancing Assistant ATM Custodians. Each assistant custodian assigned responsibility for keeping one or more ATMs supplied with cash shall maintain a separate ATM

Cash Balance Sheet, DD Form 2672, for each assigned ATM. The ATM custodial officer is responsible for providing each assistant custodial officer with ATM operating cash for the assigned ATM(s). Cash funds for the assigned ATM(s) shall not be advanced from public funds. Funds represented by the ATM at Sea system are the personal funds of the account holders and are held in safekeeping for their convenience. The ATM custodial officer should advance funds from safekeeping to the assistant custodians in the exact amount that can be loaded into the ATM canisters. The ATM custodial officer shall use the Statement of Agent Officer's Account, DD Form 1081, to document the advance and provide appropriate custody and audit trails. The DD Form 1081 shall be annotated in block 10 or 11 as Advance to ATM Safekeeping Custodian. The DD Form 1081 shall not be reported as a part of the disbursing officer's accountability for public funds. All individuals appointed as assistant ATM custodians (including those appointed to perform ATM Terminal 99 functions for the ATM at Sea System) shall be balanced as a part of the ATM balancing process. While the end-of-session for the ATM at Sea system report generation process is running, each individual appointed as a custodian of an ATM shall: retrieve the cash canisters from the ATM; count the cash in the canisters and prepare DD Form 2672 (see figure 26-3); replenish the cash in the canisters, if necessary; and, return the cash canisters to the ATM. The ATM custodial officer shall compare the DD Forms 2672 with the Grand Total Terminal Balance Report to ensure that the cash dispensed (as indicated by the report) is in agreement with the actual cash dispensed (as verified by actual count of the remaining cash in the canisters and subtracting this amount from the beginning cash balance loaded in the canisters during the previous end-of-session). If the cash balances are not in agreement, the Terminal Balance Report shall be generated for the individual terminal or terminals involved to locate and correct the error. A copy of the DD Forms 2672 shall be attached to the Grand Total Terminal Balance Report. To document the daily ATM at Sea Terminal 99 transactions which affect cash balances, the DD Form 2671 (figure 26-2) shall be used. A copy of the DD Form 2671 shall be attached to the Terminal 99 transactions report.

★ **2609 ATM AT SEA SYSTEM REQUIRED MANAGEMENT AND CONTROL REPORTS**

★ 260901. Master File Report. The Master File Report lists each account holder, current balance, and other information on ATM transactions. The report shows this information as of the time it is extracted and can be used to reconstruct accounts if necessary. The report can be extracted in several formats (e.g., by account number, account name, or card number) and also can be tailored to print specific accounts (e.g., active, on hold (suspended), closed, pending payroll, or dormant). While the Master File Report can be extracted periodically, the entire report (listing all accounts) shall be run every day. Once a new report is obtained, the previous report may be discarded. At least once each month, the ATM custodial officer shall extract a list of all closed and dormant accounts for audit. Closed accounts shall not be deleted from the system for 30 days. After 30 days, if no funds are in these closed accounts, they shall be deleted from the system. If funds are still in these accounts after 30 days, adjustment action shall be taken to close the account and forward the balance of the account to the account owner using an exchange-for-cash Treasury check as prescribed in paragraph 260602, above.

★ 260902. Daily Activity Report. The Daily Activity Report shows all daily menu selections that each appointed custodian has performed on Terminal 99 since the last end-of-session. The report specifies the date, time, operator's initials, and menu item number for each function performed on the terminal. The ATM custodial officer shall generate this report daily and shall review the report to ensure that only specifically authorized functions are being performed by the custodians. The report shall be retained one week or until the ATM custodial officer is satisfied that the appointed custodians are performing only their authorized functions.

★ 260903. Customer File Maintenance Report. The Customer File Maintenance Report lists all deposits, withdrawals, and account adjustments recorded on an account holder's account from the terminal. The report includes the: account holder's name and account number; initials of the custodian who performed the transaction; type of transaction; amount of funds involved in the transaction, if any; and, transaction date, time, and sequence number. The ATM custodial officer shall generate and review this report daily in conjunction with the Daily Activity Report. The Customer File Maintenance Report shall be retained for one year.

★ 260904. Account Statements for the ATM at Sea System. The ATM system can produce account statements for each account holder. These statements show all ATM transactions since the previous statement. These account statements shall be printed and provided to ATM account holders upon request. Computer memory in the ATM system is limited. Moving old statement data records to backup tape frees additional space for system processing use. The ATM custodial officer shall backup the statement data files to tape every six months. The backup tapes shall be stored for a period of two years; then the oldest tape may be destroyed.

★2610 MANUAL MAINTENANCE OF ATM AT SEA SYSTEM ACCOUNTS

If for some reason it becomes necessary to maintain the ATM accounts manually, such as a possible ATM central processing unit (CPU) failure, the Master File Report and the latest audit tapes shall be used to ascertain the current account balances. The first step is to compare the journal tapes with the previous Master File Report to determine what transactions have occurred since the last Master File Report was run. Next, manually adjust the account balances of the individual accounts involved. Finally, record on the DD Form 2670 and Record of ATM System Manual Withdrawals, DD Form 2673, all transactions that have occurred since the previous end-of-session for the ATM at Sea system. Should prolonged system failure be anticipated requiring accounts to be maintained manually, no further deposits shall be allowed while the system is down. When an account holder desires to make a withdrawal, the account holder must withdraw the entire balance of the account. The account holder's signature shall be obtained acknowledging receipt of the funds using DD Form 2673 (figure 26-4). When the ATM system is returned to operational status, adjust the balances to reflect the withdrawals made while in the manual mode. Immediately print a Master File Report and verify all manual adjustments. The difference must be equal to the total of all manual withdrawals performed while the system was down. The ATM Safekeeping Custodial Officer should contact the ATM at Sea Fleet Support

Office by message or phone at commercial (757) 523-8034 (DSN 565-8034) for assistance in resolving system failures.

★2611 CASH VERIFICATION REQUIREMENTS FOR THE ATM AT SEA SYSTEM

The ATM at Sea system is subject to the quarterly cash verification requirements. At unannounced intervals, not less frequently than once each quarter, the cash verification team appointed by the commander shall verify all safekeeping deposits in the presence of the ATM custodial officer. Specific requirements for conducting the verification are prescribed in Chapter 27 and Appendix A of this volume.

★2612 ATM SYSTEM FOR RECRUITS

★ 261201. General. The ATM system operated for payment of recruits is an extension of the paying disbursing office to accomplish cash payment to the recruits. It is not an automated mechanism for providing continual access to funds or safekeeping of funds. For each designated payment date, the amount to be paid the recruits is computed by the appropriate military pay system. The disbursing officer or a designed deputy disbursing officer or agent then loads the ATM cannisters with the appropriate amount of cash to accomplish the required payroll. An ATM account is established for each recruit to be paid. The value of the ATM account for each recruit is established as the amount to which the recruit is entitled. Each recruit is issued an ATM card for access to his or her ATM account. At the designated time, the recruit can then withdraw the desired amount of funds, not to exceed the amount to which entitled. The amount actually withdrawn by the individual recruit becomes the amount posted to the pay account as the amount paid. The account balance is then reduced to zero. As an extension of the disbursing office, all security requirements prescribed in Chapter 3 of this volume for protection and safeguarding of public funds are applicable. Complete balancing and reconciliation of the ATM system shall be accomplished daily.

★ 261202. Withdrawals. Withdrawals from the individual ATM accounts shall be accomplished through the ATMs by the account holders using their ATM card. All withdrawals from the ATM accounts shall be disbursed from the appropriate military pay appropriation which supports payment to the members involved. At the end of each business day, the end-of-day ATM balancing reports shall be generated and used as supporting documentation for the payroll. A covering Payroll Voucher, DD Form 117, shall be prepared for the amount of the payroll (amount actually withdrawn from the ATM system) and processed in the same manner as any other cash payroll. The DD Form 117 shall be included in the DO's accountability on DD Form 2657 as a gross disbursement on line 4.1A and a decrease to U.S. currency on hand on line 6.2A.

★ 261203. End of Day Balancing. The end of day balancing is the process used to balance the ATM system and backup all data files and records. On a daily basis, a printout shall be obtained from each ATM. This printout shows the number of remaining bills that should be in each canister. The disbursing officer, designated deputy or agent shall total the remaining bills listed on the printout to arrive at the total amount of funds that should be on hand in the ATM.

The funds remaining in each container shall then be counted in the presence of the disbursing officer, deputy or agent. The total funds remaining should equal the predetermined amount. At this time the actual amount remaining is subtracted from the total amount loaded in the ATM at the beginning of the business day. The result gives the total amount paid. The Training Military Pay Section (TMPS) will process an end of day procedure which will generate payment listings to support payments made through the ATM(s) for that day. The listings indicate name, Social Security Number, and amount paid as well as total amount paid to all individuals. The total of the listings prepared must equal the amount arrived at earlier by the disbursing officer, deputy and/or cashier. Differences in the ending balance and the payment listings shall be accounted for as physical losses or overages of funds as described below.

★ A. Physical Loss. If the ending balance is less than the payment listing, the resulting discrepancy shall be considered as a physical loss of funds. The procedures in Chapter 6 of this volume for reporting, investigating and requesting relief of liability for physical losses of public funds apply.

★ B. Overage. If the ending balance is more than the payment listing, the discrepancy shall be considered as an overage of funds. The procedures in Chapter 6 of this volume for reporting and resolving overages of public funds apply.

ATM AT SEA SECURITY LEVELS AND FUNCTIONS	
LEVEL	FUNCTIONS PERMITTED
1	All functions are permitted. Only the ATM Custodial Officer can be assigned to this level.
2	All functions are permitted except the following: Payroll/Balance Adjustments (Menu item #8) File Maintenance (Menu item #14) Backup and Recovery (Menu item #15)
3	Only the following functions are permitted: Account Inquiry (Menu item #4) Customer Search/Assistance (Menu item #5) UMIDS/SJUMPS Payroll (Menu item #9) Manual Payroll (Menu item #10) Reports (Menu item #11) Statements (Menu item #12)
4	Only the following functions are permitted: Open/Establish Accounts (Menu item #1) Change Account (Menu item #2) Close Account (Menu item #3) Account Inquiry (Menu item #4) Customer Search/Assistance (Menu item #5) Reports (Menu item #11)
5	Only the following functions are permitted: Account Inquiry (Menu item #4) Customer Search/Assistance (Menu item #5) Reports (Menu item #11)
6	This level is used only for social security/account number verification.

Table 26-1. ATM at Sea Password Security Levels

ATM CASH BALANCE SHEET		1. ACTIVITY USS UNDERWAY (CGN-210)	
		2. DATE 13 JAN XX	3. ATM NO. 1
	BILLS	CASH	
4. CASH TO START			
a. \$20 BILLS	900		18,000.00
b. \$5 BILLS	400		2,000.00
c. TOTAL (4a + 4b)	1,300		20,000.00
5. CASH ADDED TO ATM			
a. \$20 BILLS			
b. \$5 BILLS			
c. TOTAL (5a + 5b)	0		0.00
6. GRAND TOTAL (4c + 5c)	1,300		20,000.00
7. CASH REMAINING IN ATM			
a. \$20 BILLS	139		2,780.00
b. \$5 BILLS	40		200.00
c. TOTAL (7a + 7b)	179		2,980.00
8. REJECTS (Cash in reject tray)			
a. \$20 BILLS	1		20.00
b. \$5 BILLS	2		10.00
c. TOTAL (8a + 8b)	3		30.00
9. TOTAL CASH REMAINING (7c + 8c)			3,010.00
10. TOTAL CASH DISPENSED (6 - 9)			16,990.00
11. REPORTED CASH DISPENSED			16,990.00
12. DIFFERENCE (+/- 10,11)			0.00
13 REMARKS			

DD Form 2672, AUG 93

Figure 26-3. Sample DD Form 2672, ATM Cash Balance Sheet

