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DEPARTMENT OF THE NAVY
COMMANDER MILITARY SEALIFT COMMAND
WASHINGTON NAVY YARD BLDG 210
901 M STREET SE
WASHINGTON DC 20398-5540

COMSCINST 4000.2A
N4
26 December 1994

COMSC INSTRUCTION 4000.2A

Subj: SUPPLY PROCEDURES MANUAL

- Ref:
- (a) NAVSUP Publication 485
 - (b) NAVSUP Publication 486
 - (c) SECNAVINST 5500.4G
 - (d) OPNAVINST 4614.1F
 - (e) SECNAVINST 5760.14B (NOTAL)
 - (f) SECNAVINST 7043.5A (NOTAL)
 - (g) NAVCOMPT Manual, Volume 3
 - (h) NAVCOMPT Manual, Volume 2
 - (i) NAVSUP Publication 4374
 - (j) DOD Directive 1330.16 of 23 Feb 83 (NOTAL)
 - (k) ARMY Regulation 700-83
 - (l) NAVSUPINST 4440.115G (NOTAL)

1. Purpose. To promulgate standardized procedures for supply and logistics functions within Military Sealift Command (MSC). The MSC Supply Procedures Manual is reissued in its entirety and includes all previously promulgated changes/revisions as well as new instructions and guidance.

2. Cancellation. COMSCINSTs 4000.2, 4440.9, 7520.2A and 10490.1.

3. Background. Changes to COMSC Headquarters and Area Command organizational structure, departmental reorganization afloat and ashore, as well as command relationships between MSC and other commands have generated numerous changes in procedures. Additionally, advances in automated systems and technologies applied to supply and logistics functions have been updated to conform with Navy programs and policy. The ability to effectively perform and manage MSC supply operations, which have direct interface with other naval operating forces and activities, requires standardized procedures. References (a) through (l) will be utilized by MSC personnel in the performance of supply and logistics functions afloat and as ore except as modified by this instruction. Authoritative directives that contain afloat supply information which, because of its relatively limited application to certain ship types or specific materials,

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have not been included in the text of this instruction. Limited application directives are listed in Appendix 20 of reference (a).

4. Discussion. Commander, Military Sealift Command recognizes the need for administrative commanders to issue supplemental instructions covering matter peculiar to their local areas. However, prior to issuance of such instructions, they will be reviewed and evaluated by COMSC for applicability to all MSC commands. Recommendations for changes and additions to this instruction will be forwarded to COMSC (N4) for appropriate action.

5. Action. Area Commanders, Subarea Commanders and Commanding Officers will conduct a review of existing instructions. Those instructions found to be duplicates, or in conflict with the guidance provided in this manual, will be changed or cancelled.

6. Forms. See Appendix A.

7. Reports. See Appendix B.

Distribution:

COMSCINST 5000.19

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41B (MSC Area Commands) (FE and EUR only) (10)
41C (MSC Subarea Commands) (5)
41D3 (MSC Offices) (2)
41F (MSCCENTACT) (10)
41G (COMFSRON ONE) (2)
41J (OICMILDEPTs) (2)
41K (MSC Units) (2)
41L (COMPSRONs) (2)
41M (MSC TAGOS Units) (2)
T-100 (MSC civil service manned ships) (5)
T-101 (Masters and Operators, contract operated tankers) (1)
T-102 (Masters & Operators, contract-operated FSS) (1)
T-103 (Masters & Operators, contract-operated TAGOS ships) (1)
T-104 (Masters & Operators, MPS)

MSC Reps (1)

Copy to:

SNDL A3 (CNO) (1)
FKA1F (Naval Supply Systems Command) (5)
FKA1G (Naval Sea Systems Command) (5)
FKA13 (SPCC Mechanicsburg) (2)
FKM17 (FMSO) (2)

Stocked: COMSC

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A)

PART A: ORGANIZATION ADMINISTRATION

Section I: Organization Ashore

1000. GENERAL

a. The Military Sealift Command (MSC) is an echelon II Navy operating force under the Chief of Naval Operations (CNO). The mission of Commander, Military Sealift Command (COMSC) is to provide ship operating services to DOD components; provide strategic sealift in support of National Command objectives and to provide ocean transportation for DOD activities. MSC operates and maintains government owned ships, and is responsible for shipping DOD cargo on commercially operated and chartered ships. To accomplish the assigned mission and responsibilities, MSC is designated as the "Single Manager for Ocean Transportation" by the Secretary of Defense (SECDEF) and CNO.

b. MSC also exercises operational control over ships activated from the National Defense Reserve Fleet. Ready Reserve ships are activated in the case of a national emergency within a 5, 10 or 20-day time frame.

c. In addition to reserve ships, MSC exercises control over T-AH 19 Class Hospital Ships, Fast Sealift Ships (FSSs) and Maritime Prepositioning Ships (MPSs) which are prepared to respond immediately in the event of war or national emergency. Hospital ships provide mobile, flexible, rapid response afloat capabilities for acute medical and surgical care in support of deployed elements of the Armed Force. FSS transport mechanized armored equipment to strategic locations throughout the world in minimal time (e.g., to Europe within 5 days and the Persian Gulf within 2 weeks). MPS are prepositioned at various strategic locations overseas and contain ammunition, supplies and armored equipment to support U.S. troops.

d. Other Navy and DOD activities which interface with MSC supply operations can be found in reference (a).

1001. HEADQUARTERS. MSC is headquartered in Washington DC, where COMSC establishes policy for subordinate commands, administers a portion of the Defense Business Operating Fund (DBOF) and operates a tanker fleet. The MSC Headquarters organizational chart is shown in Figure 1-1.

1002. RESPONSIBILITIES OF SUBORDINATE COMMANDS

a. Military Sealift Command Central Technical Activity (MSCCENTACT). MSCCENTACT will perform certain engineering, contracting, information systems,

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logistics and financial functions that are in direct support of worldwide MSC industrial funded operations.

(1) Execute policies and directives of COMSC and higher authorities.

(2) Exercise control over MSCCENTACT activities.

(3) Provide configuration and logistics information and support to MSC fleet units; provide for provisioning, outfitting and fitting out of MSC new construction/conversion ships. The MSCCENTACT Logistics Director performs the following centralized logistics functions for MSC ship operating commands.

(a) Manages Shipboard Equipment Configuration and Logistics Data:

1. Maintains central configuration and logistics support database.

2. Conducts Integrated Logistics Reviews, Equipment Validations of ships.

(b) Provides Integrated Logistics Support for new construction, overhaul and conversion programs.

(c) Provides material and inventory management services.

1. Maintains shore-based spares inventory.

2. Controls residual asset management programs.

(d) Develops and maintains shipboard logistics ADP systems.

(e) Administers government property for contractor-operated ships.

(f) Provides logistics support to COMSC as tasked.

b. Area Commands. MSC has four Area Commands, headquartered in London, England; Yokohama, Japan; Oakland, California and Bayonne, New Jersey; designated respectively as Military Sealift Command, Europe (COMSCEUR); Military Sealift Command, Far East (COMSCFE); Military Sealift Command, Pacific (COMSCPAC) and Military Sealift Command, Atlantic (COMSCLANT). These commands have operational control of cargo, scientific and Naval Fleet Auxiliary ships in their geographic area of responsibility. Additionally, COMSCPAC and COMSCLANT provide administrative support for ships which include A-76 ships, Fleet Readiness Reserve Groups, T-AHs, FSS and MPS. The MSC Area Command organization chart is shown in Figure 1-2.

c. Subarea Commands. MSC has three Subarea Commands located in Naples, Italy; Guam, U.S. Territory and Norfolk, Virginia; designated respectively as COMSCMED (Mediterranean); COMSCWESTPAC (Western Pacific) and COMSCMIDLANT (Mid Atlantic). These commands have responsibilities under the administrative control of COMSCEUR, COMSCPAC and COMSCLANT respectively.

d. Other MSC Activities. MSC has offices and representatives located at various ports around the world, designated as MSC Offices (MSCOs), MSC Units (MSCUs) and MSC Representatives (MSCREPs). These activities provide logistic and administrative support for MSC ships calling at their ports. All MSC activities are listed in COMSCINST 5000.21.

1003. AREA COMMAND STAFF. Each Area Commander has staff offices or representatives to provide support within their area of geographic responsibility. For supply and logistics matters, primary support is provided by the Logistics Director (N4). Figure 1-3 is a typical internal Area Command organization chart.

1004. LOGISTICS DIRECTORS

a. Headquarters. The purpose of the Logistics Director is to provide supply, material, logistics support and services to MSC ashore and afloat units. COMSC Logistics Director (N4) establishes policy, procedures and provides guidance to Area Command Logistics Directors.

b. Area Command. Area Command Logistics Directors are responsible for ensuring ashore and afloat compliance with established policies and providing supply and logistics support for their area of geographic responsibility. Area Command directorates typically have three divisions, each providing support to ashore and afloat units under the responsibility of the Area Commander as follow:

(1) Ship Liaison/Food Service Division. The Ship Liaison Division provides in-port assistance to coordinate loading and unloading of ship stores and supply material, track delivery of material from shipment points to ships located worldwide and ensure ship's logistics requirements or provisions are requisitioned and received prior to the ship's arrival in-port. The Division Heads' responsibilities include scheduling assist visits, auditing accounting systems, monitoring inventory controls and storage methods, assisting in the development of shipboard allowance lists for galley equipment, habitability items and food service items, assists in command inspections of afloat and ashore activities, oversees Food Service Management (FSM) automated accounting system and ensures food service personnel receive training.

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(2) Material Control Division. The Material Control Division processes material requirements for ship overhaul/maintenance availabilities, assists with CASREP requisition processing for material, obtains special material and services requirements for ships and staff offices and coordinates transportation/shipment of same. The division is also responsible for command and operational readiness shipboard supply inspections and assist visits; represents the Logistics Director during ship activation, deactivation or conversion; processes configuration and logistic support data management information received from ships' Configuration Logistics Information Program (CLIP); reviews and recommends approval/disapproval of Allowance/Configuration changes received via CLIP system; ensures that approved configuration changes are reflected in the ships' Coordinated Shipboard Allowance Lists (COSAL); assists in maintaining CLIP database and maintains a COSAL library for all ships within the Area Commander's geographic responsibility.

(3) Exchange and Special Services Division. The Exchange and Special Services Division procures exchange goods for ships maintaining an inventory of such goods at the Area Command warehouse; establishes exchange locations to provide health and comfort items onboard USNS ships; provides comprehensive training for prospective exchange location operators; accounts for exchange location resale merchandise, vending machines and related supplies onboard ships through review of sales records, returns and reports. The Exchange and Special Services Division Director is responsible for maintaining the ships' special services Welfare and Recreation Fund; providing funds for ship's use (e.g., ship parties); assisting crewmembers in emergencies by providing funds through the Civil Service Mariner's Emergency Loan Fund and providing ships' crews with recreational and hobby craft items (e.g., TV, books, playing cards, physical fitness equipment). A typical Area Command Logistics Directorate Organization Chart is shown in Figure 1-4.

Section II: Organization Afloat

1005. RESPONSIBILITY ONBOARD MSC USNS SHIPS

a. Master. The Master is responsible for the overall administration and compliance with the policies prescribed in this manual. When a Supply Officer is assigned, the supply function will be delegated to the Supply Officer. The Master may delegate supply functions to a Department Head if a Supply Officer is not assigned to the ship. The Master will ensure Department Heads discharge supply duties strictly in accordance with established policy and procedures. The responsibilities of the Supply Officer or Department Head performing supply duties are contained in reference (a). The following specific responsibility letters will be issued by the Master:

(1) A Receipt, Custody and Issue of Accountable Stores Onboard letter shall be prepared for each Department Head (or the Supply Officer, when assigned). Figure 1-5 provides an example.

(2) Duties of the Supply Officer letter (see Figure 1-6).

(3) Supply Duties of the First Officer letter (see Figure 1-7).

(4) Supply Duties of the Chief Engineer letter (see Figure 1-8).

(5) Duties of the Chief Steward Cook/Baker letter (see Figure 1-9).

(6) Duties of the Yeoman/Storekeeper letter (see Figure 1-10).

b. Supply Officer

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(1) The Supply Officer is the head of the Supply Department. He reports to the Master and is responsible for proper performance and administration of all Supply Department functions :including cargo accounting and food service operations.

(2) The Supply Officer assigns all duties and responsibilities of the Junior Supply Officer and the Chief Steward for supply support functions. The Supply Officer will maintain training records for all assigned personnel.

(3) General Stores Material (GSM) storerooms and repair parts storerooms are the responsibility of the Supply Officer. The Supply Officer will keep all storerooms locked when not occupied by supply personnel, and will maintain custody and control of keys to prevent undocumented issue or unauthorized use of repair parts and other stores, including fleet issue cargo stores.

c. Junior Supply Officer. When Junior Supply Officers are assigned, they will report directly to the Supply Officer. The Supply Officer will be responsible for assignment of duties and have administrative control over this position. In the event that a Supply Officer is not assigned, the Junior Supply Officer will report directly to the Master.

d. Yeoman/Storekeeper (YN/SK). Yeoman/Storekeepers may be assigned to ships without Supply Officers to assist the Master in performing supply functions. The Master will issue orders outlining specific duties for the YN/SK in accordance with Figure 1-10. These orders will be signed by the Master and YN/SK and posted in a conspicuous location in the Supply Office or primary storeroom location. Department Heads delegated responsibility for Supply Department functions are responsible for assigning duties and responsibilities of Yeoman/Storekeepers for supply support functions.

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e. Chief Steward. The Chief Steward, or Steward Cook/Baker, is responsible to the Supply Officer, Junior Supply Officer or directly to the Master when no Supply Officer is assigned, for operation and administration of all messes, security and management of dry and refrigerated provisions storage spaces and maintenance of habitability standards. Specific duties for food service operations are contained in Chapter II.

f. Other Department Heads. Individual departments may be assigned custody of bulkhead mounted spares, pre-expended materials, ready service spares and special category items such as flammable and hazardous material. Procedures for managing these materials are contained in reference (a).

g. Medical Department. Medical Department storerooms and lockers are the responsibility of the Medical Services Officer or Senior Medical Department Representative (SMDR). The Medical and Supply departments will coordinate responsibilities such as sanitation and pest control training and sanitation/habitability inspections. The Supply Officer will provide assistance to the Medical Department for stock replenishment and inventory control procedures.

Section III: Administration Ashore

1006. ASHORE. As discussed previously, Logistics/Supply Officers are established at each Area Command and other subordinate MSC activities to provide support to MSC ships. These offices will provide direct support to small ships with no onboard supply/capability. Additionally, ashore staffs will:

a. Establish contact with the Master and Department Heads upon arrival of the ship to ascertain supply needs.

b. Perform supply outfitting activity functions for MSC ships being activated from the Reserve Fleet and advise appropriate activities of MSC requirements.

c. Ensure maximum service to MSC ships regarding efficient processing and delivery of material and services.

d. Conduct any necessary follow up to ensure material requisitioned by the fleet is assembled and delivered on schedule.

e. Maintain active liaison with activities furnishing supply support to MSC ships.

f. Provide assistance to supply personnel.

- g. Maintain liaison with supporting activities for disposal of scrap, salvaged and surveyed material.
- h. Coordinate disposition or security of equipment and supplies during Reduced Operational Status (ROS), transfer to the fleet reserve or decommissioning.

1007. INSPECTIONS

a. Inspection. Supply inspections of MSC ships will be conducted in conjunction with Command Inspections. Supply Departments graded unsatisfactory will be re-inspected within 90 days. Assist Visits for supply functions are available and should be requested from the administrative Area Commander's Logistics Officer. These visits identify areas where increased management attention is required and provide an opportunity for training Supply Department personnel.

b. Audits. Audits of Supply Food Service, Exchange Location and Special Services financial records and procedures are subject to additional inspection as required r when directed by higher authority.

Section IV: Administration Afloat

1008. SUPPLY RECORDS

a. Material Procurement Records. As a minimum, the following records regarding material procurement will be maintained onboard ship by the Supply Officer, Junior Supply Officer, storekeeper or appropriate Department Head:

(1) Non-Automated Ships

- (a) Requisition/OPTAR Log
- (b) Material Outstanding File (MOF)
- (c) Material Completed File (MCF)
- (d) Expenditure Invoice Log/File
- (e) MTR/DLR Expenditure Invoice Log/File
- (f) Stock Record Card (SRC) (NAVSUP 1114)
- (g) Controlled Equipage Custody Record (NAVSUP 306)

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(2) Automated Ships. Required records for ships using MSC's automated supply system are contained in the SMIS SM On-line User's Guide, Section I. General policies and procedures for Inventory, Material and Financial Management are contained in the User's Guide. Also provided are frequency of retained printout reports, files, procedures for file maintenance and data backup procedures. In the event the SM system module becomes inoperative, users will continue operations manually utilizing previously printed retained listings. The following files will be established and maintained until the automated system is fully restored:

(a) Issue File. Will contain all issues made from stock which could not be posted to SM System, batched by date of issue.

(b) Requisition File. This file will contain a copy of all off-line requisitions submitted to supply activities in Julian date and serial number order.

(c) Receipt File. This file will contain all receipts which have not been entered into computer database in serial number order, ensuring date received is indicated on receipt document.

(d) Status File. All status received will be maintained in this file by requisition number and status date sequence.

(e) Miscellaneous File. Maintain all other documents in this file by date received if they are to be entered into the SM supply module.

(f) Upon restoration of the SMIS SM module, it is necessary to manually load data in chronological order. Assistance can be obtained from COMSC N4 contractor personnel if requested via appropriate Area Commander Logistics Officer.

b. Correspondence Files. Correspondence files shall be maintained for all essential supply correspondence filed by standard subject identification code in accordance with SECNAVINST 5210.11D.

1009. DISPOSITION OF SUPPLY RECORDS. Disposition of supply records will be in accordance with SECNAVINST 5212.5C.

1010. FORMS

- a. Only standard forms, automated or manual or MSC unique forms are to be used for supply operations aboard ship.
- b. Requirements for new forms or revisions to existing forms must be forwarded to COMSC via the Area Commander for approval, implementation and distribution.
- c. Standard and non-standard stock forms may be ordered using procedures outlined in reference (a). MSC forms shall be ordered through Area Commanders.

1011. PUBLICATIONS

- a. The following publications are required onboard:
 - (1) COMSCINST 4000.2A (MSC Supply Procedures Manual)
 - (2) Afloat Supply Procedures (NAVSUP -485) or Naval Logistics Library (NLL)
 - (3) Coordinated Shipboard Allowance List (COSAL) or ShipClip
 - (4) Food Operations Reference Manual (NAVSUP P-421)
 - (5) Operation and Maintenance of Dishwashing Machines (NAVSHIPS Publications 250-522)
 - (6) Depot Level Repairable (DLR) Requisitioning and Turn-in Procedures (NAVSUP P-545) or Naval Logistics Library (NLL)
 - (7) Introduction to Federal Supply Catalogs and Related Publications (NAVSUP P-4000)
 - (8) Navy Stock List of Publications and Forms (NAVSUP P-2002) or Naval Logistics Library (NLL) on CD-ROM Disk
 - (9) Management List - Navy (ML-N) (NAVSUP P-4100) or FEDLOG CD-ROM Disk
 - (10) Master Cross Reference List (MCRL) Parts I and II or NAVLOG CD-ROM Disk
 - (11) Master Repairable Item List (MRIL) (NAVSUP P-4107) or FEDLOG on CD-ROM Disk

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(12) Commercial and Government Entity Code (CAGE) Handbook which includes H4-1 (Name to Code) through H4-8 (Code to Name) or FEDLOG or CD-ROM Disk

(13) Master Index of Allowance Parts Lists (MIAPL)

(14) COSAL Use and Maintenance Manual (SPCCINST 4441.170A)

(15) DOD Hazardous Material Information System (HMIS) on CD-ROM Disk (DOD 6050.1 or I-R)

(16) Atlantic Fleet Requisitioning Guide (COMSCLANT ships only) (CINCLANTFLTINST 4210.1)

(17) Pacific Fleet Requisitioning Guide (COMSCPAC ships only) (CINCPACFLTINST 4235.1)

(18) Consolidated Afloat Requisitioning Guide Overseas (CARGO) (NAVSUP P-4998)

(19) Navy Supply Acquisition Regulation Supplement (NAVSUP P-560)

(20) Financial Management of Resources Operating Procedures (NAVSO P-3013-2)

(21) Configuration Data Management Program Manual (COMSCINST 4790.3B)

b. Ordering. Publications are ordered using MILSTRIP procedures. MSC publications shall be ordered through Area Commanders. Area Commanders will supplement the list of required publications and instructions to include Fleet and Type Commander operation orders, instructions and requisitioning guides, etc., applicable to the geographical area of operation for their ships.,

1012. AUTHORIZED SIGNATURE ON DOCUMENTATION. Official papers and vouchers pertaining to supply operations will be signed by the Supply Officer, who may delegate this signature authority in writing. Delegation of signature authority in no way relieves the Supply Officer of responsibility and accountability. The letter delegating signature authority will be approved by the Master and retained onboard.

1013. RELIEF OF KEY PERSONNEL

a. Department Head. The relieving process for the Supply Officer will normally conclude while the ship is in-port. Prior to relief:

(1) Storeroom and Operating Spaces. The Department Head, who is to be relieved, and his relief shall perform a joint inspection of all storerooms and supply operating spaces. Emphasis should be placed on storeroom arrangement, material identification and condition of stores and equipment.

(2) Controlled Equipage. A joint physical inventory and custody transfer of controlled equipage shall be performed in accordance with reference (a). In the event that a joint inventory is not possible, the relieving Department Head shall complete the inventory and receipt of custody within 20 days after assuming responsibilities.

(3) Personnel. The relieving officer will acquaint himself/herself with the qualifications of the personnel in the department.

(4) Files and Records. Office files and records pertaining to supply functions will be jointly inspected to ensure they are current and complete.

(5) Organization and Procedures. A joint review will be made of the supply organization and department procedures in effect.

(6) Relieving Officer's Report of Readiness to Assume Responsibility of the Department. Upon completion of all necessary inspections and transfers pertaining to the supply function, the relieving officer will report, in writing, to the Master (copy forwarded to Area Command Logistics Officer) stating readiness to assume responsibility for the department. The report shall include a statement of the condition of the department, its personnel, facilities and state of readiness. Deficiencies will be noted. If controlled equipage inventory was not completed, the report will state the reason and provide a date for completion.

b. Procedure for Relief. Appendix A provides a check-off list to be utilized by the relieving Supply Officer. With the exception of emergencies, 5 days will be allowed for the turnover of the Supply Department.

(1) Upon completion of the relieving process, both Supply Officers will brief the Master on the results of the turnover.

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(2) The original copy of the turnover check-off list will be provided to the Master. One copy of the check-off list will be retained onboard and one copy forwarded to the Area Command Logistics Directorate.

1014. SECURITY. Security procedures for supply files, records, publications and spaces shall be in accordance with reference (a).

PART B: MATERIAL IDENTIFICATION/CLASSIFICATION, ALLOWANCES AND REQUISITIONING

1100. GENERAL. Reference (a) contains comprehensive information regarding material identification, classification, allowance and requisitioning procedures. Proper item identification is essential to receipt of correct material to support installed equipment. Management Data Lists, Allowance Lists and Load lists are primary sources for determining correct quantities to carry onboard. Specific information relating to MSC USNS ships are contained in the following paragraphs.

1101. NOT OPERATIONALLY READY - SUPPLY (NORS) REQUISITION. NORS requisitions are submitted for a casualty report (CASREP) requirement as defined in Navy Warfare Publication (NWP) 10-1-10. In addition to the general guidance provided by reference (a), MSC ships will enter data on requisitions as follows:

Card Column

Entry

7 (Media and Status)

"S" for 100% supply and shipping status.

40 (Serial Nr.)

"W" for first digit of the requisition serial number.

54 (Distribution Code)

Area Command monitoring activity (i.e., "H" for COMSCLANT, "U" for COMSCPAC),

57-59 (Project Code)

Pertinent Project Codes:

733 - ANORS Atlantic Fleet

743 - ANORS Pacific Fleet

740 - C2 CASREP 2ND Fleet

752 - C3/C4 CASREP 2ND Fleet

792 - C2 CASREP 6TH Fleet

765 - C3/C4 CASREP 6TH Fleet

729 - C2 CASREP 3RD Fleet

747 - C3/C4 CASREP 3RD Fleet

702 - C2 CASREP 7TH Fleet

711 - C3/C4 CASREP 7TH Fleet

1102. AUTOMATED SUPPLY SYSTEMS

a. MSC has developed the Shipboard Management Information System (SMIS) to provide ships with automated capabilities for non-tactical functions. The Supply Module (SM) is a stand-alone module designed to provide automation of general supply, financial and inventory management capabilities for MSC ships.

b. The primary goal of the SM Module is to streamline all afloat supply functions for material inventory, OPTAR accounting, financial records and reports. The module will also provide automated requisitioning, status updates, departmental reporting, expenditure logs and DLR tracking. The SM Module reduces the need for manual records and increases accuracy and timeliness of recorded data and reports.

c. Detailed procedures, system requirements, operation and maintenance of the SM Module is contained in the on-line User's Guide. This guide gives step-by-step instructions for the many menus and screens and serves as a quick reference for the user.

PART C: AMMUNITION

1200. GENERAL. COMSCINST 8010.3B provides MS ships with <requisitioning and reporting procedures for ammunition and pyrotechnics. Ammunition allowances are established in COMSCINST 12410.3G. All ammunition assets held by MSC ships will be reported and recorded in the Conventional Ammunition Integrated Management System (CAIMS).

1201. DEFINITION. Ammunition includes conventional expendable ordnance material including gun type, bomb, rocket, Anti-submarine Warfare (ASW) weapons, guided missiles, mines, torpedoes, demolition and pyrotechnic material. It also includes cartridges for .38 and .45 caliber pistols, M-14 rifles, 12 gauge shotguns and MK 87/1 line-throwing cartridges.

1202. RESPONSIBILITY. The Master is responsible for the physical security, custody and stowage of all ammunition and small arms carried onboard. Ammunition requisition requirements will be submitted as follows:

a. Area Commands, Offices, Civil Service Manned Ships and T-AGOS Ships

(1) CINCLANTFLT Area. Ships in CONUS or the CINCLANTFLT operating area will submit their requirements for ammunition to Ships Parts Control Center (SPCC), Mechanicsburg PA, using routing identifier NCB. Information copies of all requisitions submitted to SPCC shall be forwarded to the ship's Area Commander.

(2) Mediterranean. Ships in the Mediterranean operating area will submit their requirements to Commander, Service Force Sixth Fleet in accordance with COMSERVFOR SIXTHFLTINST 4000 1 and shall provide a copy of each requisition to the Area Commander.

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(3) Pacific/Indian Ocean. Ships in the Pacific operating area, outside of the Continental United States (CONUS) or in the Indian Ocean, will submit their requisitions to the closest required delivery point, i.e., Navy Magazine, Lualualei HI (Routing Identifier QVZ); Commander, Naval Fleet Activities, Yokosuka JA (Routing Identifier NZZ). Ships will provide information copies of the requisitions to their Area Commander and to Commander, Naval Logistics, Pacific (COMNAVLOGPAC) and SPCC Mechanicsburg PA.

b. Contract Operated/Time Charter. Ammunition requirements for contract-operated or time-chartered ships will be forwarded to the supporting Area Command, unit or squadron. Ships operated by COMSC, with an ammunition allowance, are responsible for ordering ammunition as required. Assistance will be provided by COMSC (N4). All requirements must include delivery instructions. Priorities and required delivery dates are:

<u>Priority</u>	<u>Required Delivery Date (RDD)</u>
1 through 3	7 Days
4 through 8	25 Days
9 through 15	33 Days

c. With the exception of prepositioned ammunition in the Pacific area, ammunition is not available outside of CONUS. Therefore, all ships requiring ammunition will submit their requirements prior to departure from CONUS. Requisitions submitted with priority 1 through 3 (less than 7 days remaining before the required delivery date) must be approved by COMSC. **These requisitions will be submitted by immediate message, dual action to COMSC and to SPCC, and will include justification for emergency requirement.**

1203. REQUISITION. MILSTRIP procedures will be used for ordering all non-nuclear ordnance. Timely processing of MILSTRIP requisitions is facilitated by ADP equipment which relies upon coded data provided by the requisitioner to effectively identify the activity which will fill the requisition and provide timely status. Careful selection and assignment of data elements in the MILSTRIP format will assist in satisfying ship requirements.

1204. EXPENDITURE. An expenditure is made when an item is removed from inventory. For example: a cartridge that is fired, surveyed, exploded, lost by inventory or transferred to another activity is an expenditure.

1205. TURN-IN (AMMUNITION). Ships having ammunition onboard which has been declared unserviceable or suspended will submit a message request to SPCC for turn-in. Message requests shall list all items by Navy Ammunition Logistics Code (NALC) and include the ammunition turn-in point, quantity and date of the proposed turn-in. All turn-

in ammunition shall be clearly marked with the proper condition code (see reference (a), Appendix 9) on either the pallet or container and accompanied by a DD 1348-1, prepared in accordance with SPCCINST 8010.12D.

1206. REPORTING

a. General. Reports of ammunition transactions are the basis for the maintenance of the CAIMS data file. All Ammunition Transaction Reports (ATRs) shall be forwarded in a timely manner via message to SPCC. Transmission during MINIMIZE is authorized. Ammunition Transaction Reports will be submitted via routine message with an information copy to the Fleet Operational Commander on an as occurring basis in the format prescribed in SPCCINST 8010.12D. This report is assigned Report Control Symbol SPCC 8010-12 and is approved for 3 years from the date of this manual.

b. Responsibilities

(1) All MSC activities with an ammunition allowance will report all ammunition received, issued, expended and on-hand. On-hand quantities shall be classified as either serviceable or unserviceable.

(2) COMSC (N4) will monitor all reports submitted by contract-operated and time-chartered ships not assigned to an Area Commander, Squadron or Unit.

(3) Area Commanders, Squadrons and Units will monitor reports submitted by subordinates to ensure timeliness and accuracy, provide guidance as required and coordinate with COMSC and SPCC regarding any changes required in requisitioning or reporting procedures.,

(4) Ships assigned to an Area Commander, Squadron or Unit will maintain a consecutively numbered log for each transaction reported and advise Operational Commander of any problems incurred in submitting reports.

(5) Contract-operated and time-chartered ships not assigned to an Area Commander, Squadron or Unit will advise COMSC of any problems incurred in submitting transaction reports and provide information copies of all transaction reports to COMSC (N4).

PART D: MATERIAL EXPENDITURE AND SHIPMENT

1300. GENERAL. An expenditure is the issue, transfer or survey of material. An issue is the actual expenditure of material from stock to the user. A transfer is the movement of material from one individual's or ship's custody to another. A survey documents the

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expenditure of material when condemned due to damage, obsolescence, deterioration or loss. Detailed guidance on material expenditure can be found in reference (a).

1301. SHIPMENT. Procedures for outgoing shipment of general cargo, hazardous material and repairables to the Designated Overhaul Point (DOP) are provided in reference (a).

1302. PERSONAL EFFECTS. Procedures and forms used for handling and shipping personal effects of military and civilian personnel will be in accordance with reference (a). Personal effects of deceased personnel, as well as any personal effects that have been lost, abandoned or become separated from their owner, will be transshipped to the appropriate Area Commander for disposition.

1303. GOVERNMENT PROPERTY (MISSING, LOST, STOLEN OR RECOVERED). Missing, Lost, Stolen or Recovered (MLSR) procedures were established to document circumstances regarding MLSR government property. Policy and procedures for reporting MLSR government property to proper authority within the Department of the Navy is contained in references (a) and (c).

PART E: CONTINGENCY CLOTHING

1400. PREPOSITIONING AND ISSUE

a. COMSCLANT has prepositioned 10,000 sets of utility uniforms. These assets enable MSC units to quickly acquire large quantities of clothing for survivors, evacuees or prisoners-of-war.

b. Activities having a requirement for contingency clothing will forward requests, with justification, to COMSC by priority message. Information addressees will be COMSCLANT and the requesting activity's administrative Area Commander.

c. When directed, COMSCLANT will release Contingency Clothing and arrange for priority shipment. Activities receiving Contingency Clothing will provide a signed copy of the receipt document to COMSC, indicating date, quantity and signature of person who actually received this material.

1401. QUANTITY. Quantity and size requirements will be appropriate to the number of personnel to be supported and duration of support requirement. Contingency assets available are:

a. Trousers, Utility

<u>Size</u>	<u>Quantity</u>
34R	828
4XL	1,296
35R	1,620
35L	612
36R	1,728
36XL	1,656
37R	1,080
38R	<u>1,296</u>
TOTAL	10,116

b. Shirt, Utility

<u>Size</u>	<u>Quantity</u>
M	5,046
L	<u>5,046</u>
TOTAL	10,092

PART F: INVENTORY MANAGEMENT

1500. GENERAL. Inventory management and control procedures are designed to:

- a. Focus attention on the relatively few items that will satisfy the majority of onboard demands for material.
- b. Provide for accurate accumulation of consumption data ,required to maintain adequate stock levels.
- c. Provide for effective management of Controlled Equipage, D R/MTR items, Presentation Silver and other valuable gifts.
- d. Ensure range and depth of consumable and repair parts for parent equipment supported by the COSAL.

1501. REQUIREMENTS. MSC's policy regarding inventory management is to keep inventory control as simple as possible while maintaining the highest degree of accuracy. The inventory management program contained in reference (a) is extensive and will be used to the maximum extent practicable to achieve MSC supply objectives, therefor, no additional guidance is provided. If Area Command Logistics Officers deem that controls

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contained in reference (a) do not meet their specific needs, they are to provide additional guidance, in writing, for ships under their control.

1502. SUPPLY EFFECTIVENESS. Navy ships utilize SEAS Effectiveness standards established in reference (a) to monitor and report effectiveness of their shipboard supply departments. MSC has established a similar effectiveness reporting system which is part of the automated Supply Management (SM) Program. A effectiveness report is automatically created at the end of each month when the Budget OPTAR Report is generated. (A

a. Effectiveness is a measure of the quality of the ship's COSAL (ShipClip automated COSAL) and the management of COSAL allowed storeroom repair parts. It measures the number of demands against items allowed in the storerooms and records statistics on all items processed in the automated SM system.

b. All MSC ships have a COSAL that identifies the last known or reported equipments installed on each ship. The COSAL is automated and provided as the ShipCLIP Program, which includes all COSAL, technical manual and drawing data along with an automated feedback tool. The COSAL represents the logistic and engineering support baselines for all ship equipment that is deemed maintenance or functionally significant. The COSAL includes technical information and coding which is input into a spares formula and calculates the ships storeroom allowance for repair parts, most shorebased spares, special tools, test equipment and equipage.

c. The effectiveness report is created in SM to assist the shipboard Supply Officer in the management of repair parts under his custody. In addition, the effectiveness report when consolidated into a global COMSC database provides a management tool to higher authority. Effectiveness should be monitored closely by ships' Supply Officers, and they should take action on Not Carried repair parts and generate feedback reports when appropriate.

d. In a effort to insure that our ships have the best possible repair part support available, the following endurance goals for repair parts are established:

(1) Net Effectiveness - Percentage of repair part demands for allowed storeroom items which were satisfied from shipboard stock at time of request. Net effectiveness is one indicator of timely stock replenishment and management of storeroom stock. **Net effectiveness for repair parts should be 85% or higher.**

(2) Gross Effectiveness - Percentage total of all repair parts demands which were satisfied from shipboard stock at time of request, this includes Not Carried items.

Not Carried repair parts may reflect a deficiency on the Allowance Parts List (APL) for the end item. If a repair part required for planned or corrective maintenance is not listed on a APL, a feedback report should be submitted to have it included. **Gross effectiveness for repair parts should be 65% or higher.**

(3) Not Carried Rate - Percentage of total demands for repair parts that are Not Carried. This area is a measurement on the effectiveness and validity of the COSAL to support installed equipment. A high Not Carried rate may indicate a mismatch between actual maintenance requirements and the MSC Lead Allowance Parts Lists (MLAPLs) which are encoded to reflect the maintenance philosophy for all equipments. Also, high Not Carried rates may be an indication of configuration errors or omissions. **Not Carried repair parts rate should be 30% or lower.**

PART G: OPEN PURCHASE

1600. GENERAL. Purchase authority afloat is not authorized except for the following cases:

- a. A designated ordering officer placing orders under indefinite delivery contracts, which does not require contracting officer authority or warrant. This type of contract permits the ordering officer to order specific prepriced items.
- b. Supply Corps commanders aboard T-AFS ships with authority derived from NAVSUP P-485 for management of the SAC-207 load.
- c. A warranted contracting officer in accordance with COMSCINST 4330 34A. The warrant delegates the individual's authority and responsibility to enter into contracts and the extent that individual may obligate taxpayers' dollars on behalf of the Government.
- d. Ships' Masters warranted for emergency procurement authority. An emergency purchase is defined as one where all three conditions stated below occur:
 - (1) Occurring CONUS;
 - (2) Is mission critical; and
 - (3) There is no MSC office, no agent and no existing MSC contract to obtain emergency material and/or services.

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MSC Area Commanders may grant emergency purchase authority to Masters for an amount not to exceed \$10,000 upon completion of the Defense Small Purchase Course and required documentation in accordance with COMSCINST 4330.34A. The course is available onsite at various locations and through correspondence. COMSC (N10) will assist in obtaining required training.

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PART A: ORGANIZATION AND ADMINISTRATION

Section I: Organization Ashore

2000. PURPOSE. The purpose of all messes is to provide crewmembers, sponsor and other authorized personnel with a well-balanced diet within the monetary allowances established and promulgated by COMSC.

2001. SCOPE. The administration and operation of all messes will be performed in accordance with reference (b), unless superseded by this manual. Financial accountability for subsistence operations rests with the Chief Steward (CS), when assigned or appropriate member of the Supply Department. The CS is responsible for the procurement, receipt, storage, custody, issue, expenditure, stock control and inventory of all material under his/her cognizance. This assignment of accountability in no way relieves the Supply Officer or Master from their responsibility for proper performance of subsistence operations and accurate accounting for government property. Loss of accountability and/or operation of the subsistence function in an "OVERISSUE" status, as prescribed by reference (b), may result in disciplinary action at all levels. Deviation from or recommendation for changes to procedures in this manual must be submitted to COMSC for approval.

2002. HEADQUARTERS. Administrative control of messing functions and procurement and physical control of subsistence for MSC ships is under the general supervision of the COMSC Logistics Director. COMSC Logistics Director establishes regulations, provides policies and monitors procedures and programs for general mess management, administration and operation.

2003. AREA COMMANDS. An administrative review of all subsistence returns, as outlined in Part D, will be performed by the cognizant Area Commander.

2004. COMSC COMPTROLLER. All accounting and financial matters pertaining to subsistence are under the general supervision of the COMSC Comptroller.

2005. AREA COMMAND AUDIT. All subsistence returns will be audited on a regular basis by the ship's Area Commander.

Section II: Organization Afloat

2006. MESS TYPES

a. General. A main galley will be established on MSC ships. Described below are the messes that will be operated from the galley as required.

- (1) Officer's mess
- (2) Ship's mess
- (3) Chief's mess
- (4) Patient's mess (applies to hospital ships only)

b. Additional Messes. Area Commanders may establish additional messes as required. Messes (e.g., a troop mess) may be organized on a troop ship if one were to be activated.

2007. MESS PATRONS. Personnel will be subsisted in messes as follows:

a. Officer's Mess. Ships' officers, Commissioned Officers and Midshipmen of military services, Maritime Administration Cadets, civilian passengers and technical representatives and guests.

b. Chief's Mess. Military E7/E8/E9 personnel, ships' mates of equivalent grade and guests.

c. Crew's Mess. Ships' crewmembers, military enlisted personnel and guests.

2008. MEALS

a. General. The CS will schedule the meal hours and prepare menus for all messes.

b. Menus

(1) General. The CS is responsible for preparing cyclical menus which will provide a variety of well-balanced meals. The Master will be responsible for providing three meals a day in all messes established onboard the ship and will approve all menus. Changes to the approved menu will be authorized in writing by the Master. In the event that either an unsatisfactory condition or complaint exists regarding a meal, the CS will take immediate corrective action.

(2) Diet Menus. Diet menus for the purpose of weight control shall be provided as part of the regular menu. The use of diet and other medical restriction menus is not to be interpreted as authority to prepare special diets for individuals or as authority to procure other than authorized subsistence items.

c. Full Meal

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(1) Full meals will consist of either hot or cold items or combination of both. Each meal will contain a minimum of two entrees.

(2) Unusual conditions such as those encountered in the tropics or resulting from rough weather, battle damage and inoperative galley equipment may necessitate the serving of meals composed entirely of cold items. If the Master determines that serving three full meals in a day is not possible, a detailed written report outlining the circumstances will be submitted to the Area Commander.

d. Troops Served from the Main Galley. In cases where troops are temporarily assigned to the ship, meals will be prepared with food items authorized to be carried onboard the ship. The average cost of food consumed by the troops during the accounting period will not exceed the authorized ration value for the applicable mess.

e. Meals in Staterooms and Quarters. Meals will not be served to shipboard personnel in their staterooms or quarters without the written authority of the Master.

Section III: Administration - Duties and Responsibilities

2009. GENERAL. Through proper stowage, issue, preparation and serving of subsistence items, food service personnel can eliminate waste and attain the high standards of food service desired onboard MSC ships. It is the responsibility of the Area Command Logistics Officer to ensure that all personnel assigned to MSC ships receive sufficient, palatable and nutritionally adequate food each day.

2010. LOGISTICS OFFICER, AREA COMMAND. The Area Command Logistics Officers will be responsible for providing policy and guidance to all food service personnel onboard ships assigned to the Area Commander.

2011. FORCE OPERATIONS/FOOD SERVICE BRANCH. Under the general supervision of the Area Command Logistics Officer, a Food Service Representative will supervise the division and will be responsible for the following duties:

a. Seek improvements for the shipboard food service program and propose recommended changes via the Logistics Officer to COMSC.

b. Review requisitions for the galley equipment and galley layout plans, storerooms and reefer boxes.

c. Periodically review all subsistence records maintained onboard ships to ensure accuracy and adherence to regulations, review statements of subsistence accounts submitted by the ship's CS to determine if the mess was administered within the

prescribed allowances and report any discrepancy to the Area Command Logistics Officer.

d. Advise and coordinate the selection and placement of Food Service Department personnel with the Personnel Officer and make recommendations for promotions, demotions and dismissals when such actions are necessary for the proper operation of the food service program.

e. Review underway requisitions to ensure only authorized items are ordered and coordinate procurement of subsistence supplies with other agencies.

2012. MSC OFFICES AND REPRESENTATIVES. It is the responsibility of MSC Offices and Representatives, as directed by the Area Commander, to perform the following functions when a ship is scheduled to enter port:

a. Process requisitions received from ships for subsistence supplies.

b. Coordinate deliveries with appropriate agencies and arrange for necessary stevedore labor and loading facilities.

c. When supplies do not meet quality and packaging specifications, reject the supplies and inform the supply agency of the need for replacement items.

d. When directed, conduct inspections and audits or provide administrative assistance.

2013. MASTER. Overall administration of the general mess is the responsibility of the Master, to include taking necessary steps to preserve the health of personnel.

2014. SUPPLY OFFICER. The Supply Officer or Junior Supply Officer is responsible to the Master for the oversight and administration of the Food Service Division. He/She will:

a. Review General Mess Control Record (NAVSUP Form 338) at least weekly to ensure that an over-issue condition does not exist.

b. Verify all outgoing correspondence including returns to ensure completeness.

c. Provide personnel, as appropriate to assist the CS in maintenance or food service records.

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2015. CHIEF STEWARD. The CS is responsible for the day-to-day operation and management of the Food Service Division. The CS is responsible for the proper storage and preservation of subsistence items as well as the efficient operation of the general mess in compliance with applicable portions of NAVSUP PUB 486 Volume 1, NAVSUP PUB 421 and COMSC Headquarters, Area Command and MSC offices directives. The CS supervises the preparation and serving of food, and specifically, will:

- a. Prepare menus for all meals and schedule the meal hours.
- b. Prepare and submit requisitions to replenish subsistence items ensuring they are sufficient in quantity and of ample variety to provide high quality menus.
- c. Maintain keys to all subsistence storerooms and will receive, store and issue subsistence items.
- d. Maintain a file of subsistence issue slips, showing the amount issued with the signature of the person issuing the items, and the signature of the person receiving the subsistence.
- e. Ensure that the total monetary value of the subsistence drawn from storerooms during the quarter does not exceed the allowed monetary allowance.
- f. Maintain subsistence account records.
- g. Submit a monthly Ration and Sales Report (NAVSUP Form 1357) to the Area Commander. (RCS NAVSUP 7330-47)
- h. Submit a quarterly General Mess Operating Statement (NAVSUP Form 1358) and substantiating documents to the Area Commander for audit as prescribed in Part D.
- i. Inspect all storerooms and refrigerated spaces daily to enforce orderliness and cleanliness throughout. Ensure that correct temperatures are maintained in refrigerators to properly preserve perishable subsistence items.
- j. Make a thorough weekly inspection of all food service personnel and spaces to ensure compliance with all food service rules and procedures as outlined in Food Service Operations (NAVSUP Pub 421) and NAVMED P-5010.
- k. Ensure that safety precautions and operating instructions are posted for all equipment.
- l. Ensure the following publications are onboard:

- (1) Food Service Management, General Messes (NAVSUP Pub 486), Volume I
- (2) Food Service Operations (NAVSUP Pub 421)
- (3) Armed Forces Recipe Service (NAVSUP Pub 7), current changes
- (4) Manual of Naval Preventive Medicine (NAMED P-5010), Chapter 1

2016. PURSER. The Purser or officer performing purser functions will:

a. Advise the CS of the number of persons to be subsisted in all messes using the Daily Ration Memorandum (MSC 4440/18) shown in Figure 2-1. The Daily Memorandum will be prepared prior to the first meal served after leaving each port; each day the ship is in port and on the day the ship passes through the Panama Canal.

b. Ensure that a Receipt for Cash Subvoucher (SF 1165) is furnished to all persons purchasing guest meals (see Figure 2-2).

c. Verify rations claimed and cash deposited to the Purser on Ration and Sales Report (NAVSUP Form 1357) and sign on the appropriate block.

d. Sign the General Mess Operating Statement (NAVSUP Form D1358) on the Executive/Personnel Officer block after verifying the (accuracy of the rations allowed figure.

2017. MEDICAL PERSONNEL

a. Food Service Sanitation. In order to prevent outbreaks of foodborne illness and food poisoning onboard MSC ships, Area Commanders shall emphasize food service sanitation guidance. Area Commanders can obtain assistance by contacting the Preventive Medicine Service (located at the various Navy Regional Medical Centers) or the Environmental and Preventive Medicine Units located in Hawaii, Norfolk, San Diego and Naples. Should pest control become a problem, the Disease Vector and Ecology Control Center (located at Jacksonville or Alameda) should be contacted.

b. Inspection

(1) Area Commanders shall require that sanitation inspections be conducted by Medical Representatives on MSC ships every 2 weeks, and that inspection reports, with the Master's comments, be maintained in the ship's file. Major deficiencies shall be

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reported via message to the Area Commander advising of corrective action taken. The following are recommended subjects to be included in sanitation inspections.

(a) Food service personnel shall be examined by a physician in accordance with Area Commander's directives and determined to be free of communicable diseases prior to initial assignment to food service duties.

NOTE: When personnel are temporarily assigned to food service duties onboard ship, provisional medical clearance may be given by the ship's Medical Services Officer or Medical Representative as specified in appropriate Area Commander's directives.

(b) Food handlers shall be certified and receive minimum sanitation training from a certified instructor. Refer to SECNAVINST 4061.1B, Food Sanitation Training Program.

(c) There shall be a preventive maintenance and rodent and pest control program in effect at all times.

(d) Ensure compactors are operative and that liners in trash cans are replaced after each use.

(e) Ensure that corrective action has been taken on the previous week's sanitation inspection report and that the report has been reviewed by the Master, Chief Steward, Supply Officer and Chief Engineer.

NOTE: The use of a standardized food service sanitation inspection form is optional.

(2) Area Commanders shall request the services of the appropriate medical facility, where available, to conduct training.

c. Pesticides. The use of pesticides onboard ship and their procurement is restricted to certified Medical Department personnel. Unauthorized use or procurement of pesticides may result in fines being imposed. Refer to OPNAVINST 5090.1A (Environmental and Natural Resources Protection Manual) for "information regarding pesticides.

CHAPTER 2: SUBSISTENCE

PART B: RATION SYSTEM ALLOWANCES

Section I: Ration

2100. RATION DEFINED. The term "ration" is the quantity of prepared food authorized to be served daily to each person onboard the ship.

2101. PERSON ENTITLED TO RATIONS. Persons entitled to be subsisted, the manner in which rations are furnished and the circumstances in each case are listed in Figure 2-1. For brevity, the code designation "CC" for cash/collected, "R" for regular and "PC" for Panama Canal employees are used for each category of persons being subsisted. These codes may also be used on the Daily Ration Memorandum (MSC 4440/18), which is prepared by the Purser.

2102. MONETARY RATES FOR SUBSISTENCE

- a. Rates. Monetary rates for each meal are established and promulgated by COMSC.
- b. Meal charges

(1) Military officers and visitors performing official business will be charged for only the meals consumed at the basic "meal rate both at sea and inport.

(2) Guests onboard when not conducting official government business may be granted messing facilities by either the Master or a Department Head. A 10% surcharge will be applied to the meal charge rounded to nearest \$.05 cents.

(3) The Purser will advise the CS of the estimated number (of guests to be expected for each meal.

(a) Upon receiving payment for the meal, the Purser or his agent cashier will issue a guest meal authorization and Receipt for Cash Subvoucher (SF 1165) prepared in triplicate. Originals of both documents will be issued to the guest for presentation in the mess.

(b) One copy of the SF 1165 will be provided to the CS. The third copy will be retained by the Purser.

(c) Receipts for cash and guest meal authorizations will be collected by food service personnel when the meal is served. Cash receipts and guest meal authorizations will be (forwarded with the subsistence returns.

(4) The Master will take the necessary measures to prevent unauthorized issues of government subsistence.

Section II. Daily Ration Allowances and Monetary Values

2103. BASIC DAILY FOOD ALLOWANCE. The basic daily food allowance (BDFA) is a set quantity of food required to provide a nutritionally adequate daily diet for one person in terms of monetary value or components. The monetary value of a BDFA is established and promulgated by COMSC.

2104. SPECIAL FOOD ALLOWANCE. A special food allowance is a set quantity of food, defined by monetary value, required to support unusual or special circumstances. The special food allowance rate is established and promulgated annually by COMSC and is used in lieu of the BDFA for ships operating in the Arctic and Antarctic. This includes ships operating north of 60 degrees north latitude and south of 60 degrees south latitude. The special allowance applies to all personnel onboard the ship including contractor personnel and stevedores, etc. Area and Subarea Commanders will designate those ships under their operational control that are eligible to receive the special allowance. The Master will provide the CS with a letter indicating the dates of occurrence in order to claim the appropriate allowance.

Section III. Determination of Number of Rations Allowed

2105. DAILY RATION MEMORANDUM (MSC 4440/18) AND RATION AND SALES REPORT (NAVSUP FORM 1357). The Purser will prepare the Daily Ration Memorandum (MSC 4440 18) as shown in Figure 2-1.

a. Daily Ration Memorandum. The original MSC 4440/18 will be furnished to the CS and is the basis for issuance of subsistence. A duplicate copy will be maintained by the Purser.

b. Ration and Sales Report (NAVSUP Form 1357). The Ration and Sales Report will be prepared in accordance with the guidelines provided in reference (b) and submitted to Area Command. The original and two copies of the Daily Ration Memorandum will be submitted with the Ration and Sales Report.

2106. RATION CREDIT. Credit for one ration will be claimed daily for each ship's civilian officer and crewmember (CIVMARS) onboard regardless of the number of meals consumed. The following general exception apply:

- a. Days in Port. In-port means at berth or at anchor in ports located in the United States or overseas. When passengers are embarked, ration credit will be taken only for the meals served to passengers to include the day of departure and arrival in port.
- b. Days at Sea. A full ration credit will be claimed for passengers embarked during at-sea periods whether or not meals are consumed.
- c. Ration credit will be taken only for the meals consumed by military officers and visitors performing official business and guests onboard not conducting official business in-port and at sea.
- d. Night Meals. Additional ration will be claimed for the night meals served to authorized personnel. Ration credit will be computed by multiplying the number of personnel fed by 40%, rounded to the nearest ration. Night rations apply to meals furnished to personnel (officers, relief officers and crewmembers) standing watches or directly involved in night operations between the hours of 2000 and 0800 as authorized by the Master in writing.

2107. DAILY MONETARY ALLOWANCE. Cost control record for the galley will be accomplished through the use of the General Mess Control Record (NAVSUP Form 33). General Mess Control Record will be maintained for recording the ration allowance and the value of subsistence issued to the galley. Daily monetary allowance for the galley will be computed by multiplying the number of ration credits by the applicable allowance rate. The original NAVSUP Form 338 will be forwarded with the subsistence returns.

2108. SUBSISTENCE IN CHARTERED SHIPS. Military personnel on chartered ships will receive subsistence on the same basis as ship operators receive for the crew of these ships. COMSC will reimburse ship operators for subsistence provided to enlisted personnel. The necessary a counting and financial adjustments will be made at the department level. Military officers subsisted on chartered ships will pay the operator the rate currently established by the COMSC Time Charter Contract.

CHAPTER 2: SUBSISTENCE

PART C: EXPENDITURES OF SUBSISTENCE

Section I: Issues and Transfers

2200. AUTHORITY. An approved issue document Food-Item Request/Issue Document (NAVSUP Form 1282) is required prior to breakouts of food items from the storeroom to the galley. The CS or his designated representative will approve and numerically serialize the breakout documents. Blank lines on the form shall be crossed through to prevent unauthorized entries.

2201. PROCEDURE. The chief cook or cook on duty will prepare an original and one copy of the issue document and forward to the CS. The CS will provide the approved issue document to the breakout person who will:

- a. Annotate the actual quantities issued.
- b. Obtain the signature of the individual receiving the subsistence on both copies.
- c. Sign both copies of the issue document.
- d. Return both copies to the CS.
- e. CS will extend both copies using the last receipt price and file with monthly records.

2202. PREVENTION OF OVER ISSUE TO THE GALLEY

a. In actual practice, it is not necessary to limit the daily subsistence issues for the galley to the exact monetary allowance for each day. However, the CS is responsible for operating the galley within the total authorized monetary allowance on a quarterly basis.

b. When subsistence issues exceed the allowance outlined in reference (b), a report explaining the overage, signed by the Master, will be submitted with the subsistence returns.

c. Unjustified galley over-issues for a quarter are considered imprudent mess administration subject to disciplinary action. Such incidents shall be investigated by the Area Command Logistics Officer. COMSC will be advised of the cause and corrective action taken.

2203. DEFINITION OF TRANSFERS. Transfers are expendable food items fit for human consumption that pass from one MSC general mess to another MSC general mess.

2204. PROCEDURE FOR TRANSFER. A completed Requisition and Invoice/Shipping Document (DD Form 1149), approved and signed by the Supply Officer, will be used for transfers. When transfers occur, entries will be made in the Subsistence Ledger (NAVSUP Form D335). The receiving CS will sign the original and one copy of the transfer document. The original will be retained by the ship originating the transfer and one copy will be forwarded with subsistence returns. The receiving activity will report the transaction as a receipt without charge and the transferring activity will report the transaction as a transfer without reimbursement on the General Mess Operating Statement (NAVSUP Form 1358) at the end of the accounting period.

Section II: Surveys

2205. PURPOSE. Surveys are used to determine the cause of losses and damage to Navy property, establish responsibility and document action to adjust inventory. Survey procedures outlined in reference (b) will be followed for both the Report of Survey (DD Form 200) and Expenditure Log, Loss Without Survey (NAVSUP Form 1334).

2206. DISTRIBUTION OF THE REPORT OF SURVEY (DD FORM 200). Signed copies of the Report of Survey will be distributed as follows.

- a. The original will be submitted with the subsistence return to substantiate the General Mess Operating Statement (NAVSUP Form 1358).
- b. One copy filed with the subsistence returns retained onboard.
- c. The survey board (if appointed) will retain one copy.

2207. ACTION BY THE AREA AND SUBAREA COMMAND LOGISTICS OFFICER. The Area and Subarea Command Logistics Officer will review all subsistence surveys. The Supply Officer may recommend to the Area and Subarea Commander that a Board of Officers be appointed to conduct an investigation to determine responsibility for the subsistence accounting discrepancy.

2208. EMERGENCY DISPOSAL. If necessary to safeguard the health and safety of personnel onboard, the Master may direct immediate disposal of subsistence. Documentation shall be provided as normally required and the MSO should provide a statement of unfit for consumption.

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Section III: Sales

2209. DEFINITION. Sales refer to the expenditure of subsistence items, other than prepared rations, to government agencies, the American Red Cross, merchant ships, foreign naval ships and foreign governments.

2210. PROCEDURES

a. General. Sales will not be made without prior approval of the Area Commander except in the case of an emergency when a critical need for an item outweighs the required approval. After making an emergency sale without obtaining prior approval, a detailed letter report justifying the emergency sale shall be prepared and forwarded to the Area Commander.

b. Government Agencies and Activities. When subsistence items are sold to ships of the Maritime Administration, government agencies or activities, a Requisition and Invoice/Shipping Document (DD 1149) will be prepared. The DD 1149, approved by the Master, will be forwarded to the Area Command Comptroller with a copy of the receiving ship's requisition citing appropriate funding data.

c. American Red Cross. Subsistence may be sold to the American Red Cross at activities outside the United States. Subsistence sold is to be used in local Red Cross canteens for military personnel of the United States. The statement "Subsistence may be used only for food service and will neither be transferred nor resold in any manner" shall be written on the DD 1149.

d. Merchant Ships. Subsistence items may be sold to merchant ships in distress or without other emergency provisioning sources. The Purser will make a cash collection from the Master of the receiving ship. Transactions will be supported by a DD 1149.

e. Foreign Governments and Foreign Naval Vessels. Sales to foreign governments and foreign naval vessels will be conducted in accordance with the procedures in NAVSUP P-485 and NAVSO -3013.

f. Sale Price. The sale price of subsistence items sold to merchant ships of the Maritime Administration, other government agencies and activities will be the last receipt price shown in the Subsistence Ledger (NAVSUP Form 335). The sale price of subsistence items sold to all other activities will be promulgated by the MSC Area Commanders.

CHAPTER 2: SUBSISTENCE

PART D: ACCOUNTS AND RETURNS

Section I: General Instructions

2300. ACCOUNTING PERIOD. Subsistence returns (RCS MSC 4060-1) will be submitted at the end of each accounting period and upon relief of the CS. Regular accounting periods are:

- a. First quarter, October through December; Second quarter, January through March; Third quarter, April through June and Fourth quarter, July through September.
- b. From the first day of the quarterly accounting period through the date a CS is relieved of his duties.
- c. The date after the relief of a CS from duties through the last day of the quarterly accounting period.

2301. ACCOUNTING RECORDS

a. Subsistence returns for each accounting period will be documented on the following forms:

- (1) Subsistence Ledger (NAVSUP Form 335)
- (2) General Mess Control Record (NAVSUP Form 338)
- (3) Ration and Sales Report (NAVSUP Form 1357)
- (4) Record of Receipt and Expenditure (NAVSUP Form 367)
- (5) Food Item Report/Master Food Code List (NAVSUP Form 1059) Smooth Inventory.

b. The CS will maintain files of all accounting records and supporting documentation including General Mess Menus, Food Preparation Worksheets, Breakouts, Invoices, Transfers and Surveys.

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2302. SUBSISTENCE INVENTORY

a. General Information. Performing an accurate and timely inventory is a mandatory requirement and one of the most critical responsibilities of the CS. Physical inventories provide the foundation for records close-out and submission of general mess returns. Physical inventory of subsistence items will be conducted on the last day of the quarter, referred to as regular inventory procedure, or any time during the last month of the accounting period (December, March, June, September), referred to as optional inventory procedure. The day selected to conduct the physical inventory should be when subsistence item stock is at the lowest level. Two separate physical inventories will be required. One physical inventory will be conducted by the CS, the second physical inventory will be conducted by a Disinterested Officer appointed in writing by the Master. Inventory procedures will be performed in accordance with reference (b).

b. Preparation of the Physical Inventory in Rough. The rough draft forms documenting the physical inventory for subsistence will be prepared by the CS and Disinterested Officer. The data gathered during physical inventory will be recorded on the NAVSUP Form 1059. Upon completion of the physical inventory, quantities recorded by the CS and the Disinterested Officer will be reconciled. Each page of the reconciled rough inventory will be signed by the individuals involved in the inventory. The original of the reconciled rough inventory will be submitted with the quarterly returns. The Disinterested Officer will retain a copy of the reconciled physical inventory until copies of the Certified Inventory have been prepared, after which it will be returned to the CS and filed in the CS accountability file until the next inventory is performed, then, it may be discarded.

c. Preparation of the Certified (Smooth) Inventory. Certified Inventory forms will be prepared in sufficient quantity to submit the original and one copy with subsistence returns, and to ensure that one copy will be kept for shipboard retained returns. Headings and columns on the Certified Inventory form must be carefully completed with last receipt price extensions, subtotals and totals being double checked for accuracy. Upon completion of the Certified Inventory, the Disinterested Officer will verify the figures reflected on his/her copy of the reconciled physical inventory (rough) against those reflected in the Certified Inventory. The Disinterested Officer is required to sign the statement next to the CS's signature and indicate the date on which his/her physical inventory was conducted. The CS will note on the last page of the Certified Inventory (NAVSUP Form 1059) the date on which he/she conducted the physical inventory and sign the form to certify inventory accuracy.

2303. TRANSFER OF ACCOUNTABILITY

a. Under Normal Conditions

(1) Inventory. When the CS is relieved of his/her duties, a physical inventory will be conducted by both the CS and the relieving CS and will be effective on the date the CS is transferred. The officer relieving the CS of his duties will be responsible for conducting the physical inventory in lieu of the Disinterested Officer previously mentioned. The Master will ensure that the CS being relieved remains onboard until the accountability is transferred to the relieving CS and stock records are balanced and closed out. Relieving period is 3 days for ships with 50 or less crewmembers and 5 days for ships with over 50 crewmembers.

(2) Subsistence Returns. Preparation of subsistence returns is required at the end of the quarter or on the date a CS is relieved of his/her duties. The CS relieved of his/her duties is responsible for submitting accurate and complete subsistence returns covering the period through his/her relief date. The relieving CS is responsible for submitting subsistence returns commencing on the day following relief.

b. Emergency and Abnormal Conditions. If the "normal condition" described above cannot be conducted, the Master will contact the Area Commander for specific instructions regarding subsistence inventory procedures. Modified procedures may include merging portions of subsistence returns for an accounting period.

Section II: Subsistence Returns

2304. PURPOSE. The General Mess Operating Statement (NAVSUP Form 1358) is the balance sheet for subsistence and reflects the value of items on-hand at the beginning of the accounting period, all receipts and expenditures for items during the accounting period and the value of items on-hand at the end of the accounting period. The "RATION STATEMENT" section of NAVSUP Form 1358 reflects shipboard mess operations in relation to authorized monetary allowances and provides justification for subsistence expenditure in relation to store value consumption during the accounting period. In addition, the "RATION STATEMENT" provides the COMSC Comptroller with necessary accounting data to ensure subsistence fund expenditures are reported to the proper accounts.

2305. PREPARATION OF THE GENERAL MESS OPERATING STATEMENT

a. General. The CS will prepare an original and one copy of the General Mess Operating Statement as outlined in reference (b). The original copy will be forwarded with the subsistence returns and the copy will be kept onboard for retained returns. In addition to the General Mess Operating Statement, substantiating documents for the NAVSUP Form 1358 are as follows:

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NAVSUP Form 1358

Caption

Substantiating Document

Balance Sheet Receipts

Receipts with/without charge

**Record of Receipts and Expenditures
(NAVSUP Form 367) (copy)**

Copies of all subsistence receipt documents in requisition number sequence with adding machine tape attached to verify subsistence (receipt figures including: Order for Supplies or Services/Request for Quotations (DD 1155) or other local forms used to place orders from commercial vendors, as applicable.

Expenditures

Stores consumed

Summary of issues to the general mess (original). Inventory quantity adjustment sheet (NAVSUP Form 1059) (copies).

Report of Survey (DD For 200) (Original).

Expenditure Log, Loss without survey, (NAVSUP Form 1334) (Original).

Copy of any Unsatisfactory Material Report (Subsistence) (DD 1608) (or Suspected Hazardous Food Item Message submitted during the quarter.

Transfer with reimbursement

Copy of the DD Form 1149 for each transfer transaction involving reimbursement.

Balance on hand

**Inventory (Smooth) - Food Item Report/Master Food Code List (NAVSUP Form 1059) (Original and one copy)
Reconciled (Rough) Inventory - Food Item Report/ Master Food Code List (NAVSUP Form 1059) (Original)**

b. Receipts and Expenditures. The balance sheet section of the General Mess Operating Statement (NAVSUP Form 1358) figures are derived from the Record and Receipts and Expenditures (NAVSUP Form 367) rounded to the nearest dollar. NAVSUP Form 367 has to be closed out, as outlined in reference (b), prior to completing the balance section of the NAVSUP Form 1358.

c. Ration Statement. Rations allowed figure will be obtained from the cumulative total of the Daily Ration Memorandum (MSC 4440/18) or the entire quarter. Rations fed figure will be summarized from the three monthly Ration and Sales Report (NAVSUP Form 1357).

d. Computation of Allowances/Financial Statement. Completion of the computation of allowances/financial statement section of the NAVSUP Form 1358 will be accomplished in accordance with the procedures outlined in reference (b).

e. Feeding Terminated. The words "**FEEDING TERMINATED ON**" and the date shall be written at the top of the form when ship messing functions are terminated. When ship messing functions are resumed and feeding of crewmembers commences, the words "**COMMENCED FEEDING ON**" and the date shall be written at the top of the form.

2306. COMPILING RETURNS FOR SUBMISSION TO AREA COMMANDERS.

Subsistence returns will be assembled in the following manner for submission to the Area Commander.

- a. Original of the General Mess Operating Statement (NAVSUP Form 1358)
- b. Original of the Summary of Issues to the General Mess (NAVSUP Form 1059)
- c. Copy of the inventory adjustment sheet (NAVSUP Form 1059)
- d. The original and one copy of the Report of Survey
- e. Two copies of each subsistence expenditure document (one of the two copies must be receipted)
- f. Based on the physical inventory, an original and one copy of either smooth inventory for a regular quarterly accounting period, or for a "Relieving Chief Steward" special accounting period (NAVSUP Form 1059)
- g. Original of the reconciled Rough Inventory (NAVSUP Form 1059)
- h. Original of the Expenditure Log, Loss without Survey (NAVSUP Form 1334)
- i. Two Certified copies of the General Mess Control Record (NAVSUP Form 338)
- j. All subsistence receipt documents in requisition number sequence with adding machine tape attached
- k. Receipt for Cash-Subvoucher if applicable to document sales for guest meals (accompanied by attached guest meal authorization)
- l. Copy of the Record of Receipts and Expenditures (NAVSUP Form 367)

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m. Original document of sale of meals to military officers (NAVSUP Form 1046) or sale of meals on credit

n. Notes/Memos and any other supporting documents

2307. FORWARDING SUBSISTENCE RETURNS

a. Subsistence returns will be forwarded no later than the 10th calendar day following the end of each regular accounting period. OUTCONUS ships unable to forward subsistence returns by this date will submit a General Mess Operating Statement message report as shown in Figure 2-2. The figures for the block captions will be actual figures taken directly from the computed General Mess Operating Statement for the current quarter. OUTCONUS ships will forward subsistence returns in the first available mail. In addition, on the 25th calendar day of each month, each ship will submit a message report for subsistence estimates to the Area Command Comptroller. Sample message formats is shown in Figure 2-3.

b. If it is not possible to transmit a message for the subsistence estimates, forward the subsistence returns as soon as possible with a justification for the delayed transmittal of subsistence data. Upon receipt of subsistence estimate from the ship, the Area Command Comptroller will review the forms for accuracy prior to forwarding the forms to the Area Command Logistics Officer for further processing. The subsistence estimate data and information will be recorded on MSC forms as specified below.

(1) One copy of the Report of Survey, DD 200

(2) One certified copy of the General Mess Control Record, NAVSUP Form 338

(3) One copy of the Smooth Inventory, NAVSUP Form 1059, ;either for the quarterly accounting period or for special accounting of subsistence inventory due to a CS being relieved of duties

(4) One copy of the Supply Officer's report on over-issue of subsistence items

2308. AUDITING SUBSISTENCE RECORDS. Responsibility for examining subsistence records and returns received from ships is delegated to the MSC Area Commander exercising administrative control over ships assigned. The examination of monthly report, NAVSUP Form 1357 and quarterly returns will be performed by the Area Command Comptroller and Logistics Officer and will include:

a. General Mess Operating Statement (NAVSUP Form 1358)

- (1) Verify correctness of addition, subtraction and extensions in the statement
 - (2) Verify balance brought forward from prior period (NAVSUP Form 1358)
 - (3) Trace total receipts to receipt documents which are required to be submitted with quarterly returns. Verify correctness for adding machine tapes (also submitted with receipt documents). Ensure that receipt documents are proper by scanning for currency of issue dates, proper vessel, price data and types of provisions received. Compare selected payment documents to receipt documents (10-15%).
 - (4) Examine reports of surveys (DD 200), sales of unprepared rations (DD Form 1149), and transfers to other ships and verify that these items are properly posted to the mess operating statement. If transfers to other MSC ships are made, verify dollar amount to subsistence returns of those ships.
 - (5) Verify that the dollar value of the physical inventory on NAVSUP Form 1059 is the same as the balance on hand listed on NAVSUP Form 1358.
 - (6) Verify rations claimed on NAVSUP Form 1358 equals the total of the three NAVSUP Form 1357.
 - (7) Verify the rate used in computing allowance.
 - (8) Trace amounts of stores consumed and total rations to the General Mess Control Record (NAVSUP Form 338).
 - (9) Perform any additional review steps considered necessary to assure accuracy of the returns.
- b. Quarterly or Relieving Inventory
- (1) Test check 15-20% of extensions.
 - (2) Check 100% of footings and verify total of recapitulation schedule.
 - (3) Scan unit price for reasonableness.
- c. Ration and Sales Report (NAVSUP Form 1357)
- (1) Verify extensions and footings.

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(2) Compute approximate number of crew rations based on manning scale and days during the month and compare to crew rations specified on MSC 4440/18.

(3) Verify number of rations sold to non-crew personnel to receipts for cash (SF 1165).

d. General Mess Control Record (NAVSUP Form 338)

(1) Verify correctness of additions for daily rations, allowances and costs to final cumulative figure.

(2) Verify correctness of extensions for over/under issues.

e. Prepare a report of apparent discrepancies noted.

f. Review procedures. Area Command Logistics Officer shall be responsible for the following.

(1) Review and discuss with appropriate Comptroller personnel, the results of the Comptrollers' examination of subsistence returns.

(2) Take necessary action to clear any apparent discrepancies noted. Determine whether there is a need for a surprise, unscheduled onboard inspection in instances where major deficiencies exist.

(3) Review all returns submitted for completeness, conformance with required submission dates and proper certifications.

(4) Review the detailed quarterly or relieving inventory to determine reasonableness of individual item stock levels, unit prices and overall inventory size.

(5) Inspect Survey Reports (DD 200) for correct preparation and accounting. Consider whether action must be taken to ensure accountability and/or prevent further occurrences.

CHAPTER 2: SUBSISTENCE

PART E: SUBSISTENCE OF SMALL SHIPS

2400. GENERAL. Small ships are those vessels that are assigned Steward Cooks instead of a CS. These small ships are also operated without Pursers. Only one mess will be authorized onboard these ships.

2401. ACCOUNTABILITY. The Steward Cook assigned to small ships is accountable for managing the shipboard subsistence and will be responsible for performing the duties of a CS.

2402. PROCEDURES. The procedures regarding subsistence on MSC ships previously discussed and hereafter apply to MSC's small ships except for the following deviation:

a. Procedures for Guests

(1) Collections. If a Purser is not assigned to the ship, the Master will designate, in writing, a crewmember to act as the Collection Officer. Appointment of a Collection Officer will be made from other departments other than the Food Service Department.

(2) Collection Officer. The Collection Officer is responsible to the Master for the following.

(a) Collection of cash for all meals sold prior to the meals being served. The meals are priced at a rate prescribed by COMSC.

(b) Preparation of the Receipt for Cash-Subvoucher (SF 1165) in duplicate for each separate cash collection. The original will be presented to shipboard personnel and guests in the mess when payment is due. The second copy shall be forwarded with the transmittal letter to the Area Commander as shown in Figure 2-4. At the beginning of each fiscal year, the forms (SF 1165) will be serialized sequentially.

(c) In addition, a Monthly Certification and Transmittal Letter, shown in Figure 2-4, is required to document cash received for meals sold onboard ship during a month. This document, generated on a monthly basis, will consist of an original and six copies. At the end of each month, an original and five copies of the Monthly Certification and Transmittal Letter plus the cash collected for the month will be forwarded by registered mail to the Area Command Comptroller. A receipt for the cash deposited is then issued by the Comptroller.

CHAPTER 2: SUBSISTENCE

PART F: SANITATION AND SAFETY

Section I: Sanitation

2500. FOOD PREPARATION AND SANITATION. The Supply Officer will ensure the CS maintains the Food Service Division spaces in a sanitary condition. All Food Service Division personnel will ensure that proper sanitary measures are taken while food is stored, prepared and served onboard MSC ships in compliance with procedures and guidance delineated in NAVSUP P-421.

2501. SANITATION TRAINING FOR FOOD SERVICE PERSONNEL

a. General. In accordance with SECNAVINST 4061.1C, MSC Area and Subarea Commanders and Masters are required to conduct food sanitation training and follow-on programs for shipboard personnel. Food service personnel required to participate in MSC sanitation training include:

(1) Food service personnel assigned to supervise, cook, prepare and serve food and beverages.

(2) The CS, Steward Cook, Third Steward and other shipboard food service personnel in supervisory roles.

(3) Those individuals assigned to food service support including dishwashers and mess attendants.

b. Initial Training. Before commencing food service duty, all food service personnel, including steward utility men, will receive 6 hours of initial training provided by Area Commanders. This training will be conducted by a medical representative. The training should cover topics such as personal hygiene, the importance of cleaning and sanitizing food contact surfaces and the food handler's role in preventing contamination of food and food contact surfaces. Upon completion of initial training, supervisory food service personnel trained in food sanitation will instruct other subordinate personnel through on-the-job training (OJT). OJT provides personnel hands-on instruction in food handling, food service, dishwashing and on food service space and equipment cleaning procedures onboard MSC ships.

c. Refresher Training. All food service personnel assigned to MSC food service facilities will receive a minimum of 3 hours annual refresher training. Refresher training will include but not be limited to instruction in microbiology of food; foodborne illnesses;

special precautions in the preparation, serving and storage of food; inspection and storage of food; dishwashing procedures; personal hygiene; pest control and equipment safety.

d. Technical Subject Matter Sources. Information required to develop the sanitation training material may be obtained by consulting technical subject matter experts from Navy Environmental Units, Preventive Medicine Units, MSC Area Commands, Subarea Commands and Navy Food Management Teams.

e. Documentation of Training. Documentation for food service personnel showing completion of food sanitation training courses will be maintained by the Supply Officer. These records will be forwarded to the appropriate Area Commander for proper entry in the mariner's training record. To validate operational training, medical personnel will conduct routine sanitation inspections of food service facilities.

Section II: Safety

2502. RESPONSIBILITY FOR SAFETY

a. General. The Supply Officer is responsible and accountable for ensuring regulations and instructions covering the safe operation and cleaning of Food Service Division equipment is posted adjacent to the equipment. Additionally, training and personnel records will identify shipboard personnel allowed to operate such equipment. A list of general safety precautions regarding the operation of Steward Division equipment is located in the MSC Safety Manual (COMSCINST 5100.17B).

b. Chief Steward. CS responsibilities concerning safety for shipboard personnel handling subsistence include:

(1) Inspecting Food Service Department equipment and safety devices (weekly) and submitting a written report documenting deficiencies to the Supply Officer.

(2) Ensure that shipboard personnel responsible for Food Service Department spaces check equipment and safety devices daily and report deficiencies immediately.

(3) Provide subordinate personnel with written duty assignments and obtain their signature acknowledging they are fully cognizant of their respective duties and responsibilities.

(4) Ensure instructions for equipment operation, safety and cleaning are posted adjacent to the equipment and within visibility.

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(5) Establish definitive lines of authority to ensure competent personnel are in charge of food service operations.

(6) Establish a formal indoctrination program to ensure that all newly assigned personnel are thoroughly familiar with their duties and responsibilities.

2503. SAFETY REGULATIONS. Safety regulations will be developed as preventive measures to prevent injury to MSC personnel and contamination of provisions. Food service personnel will comply with the following safety regulations.

a. When opening boxes, cartons and crates, remove nails and beware of broken glass. Food containers become contaminated by wire, wood splinters and dirt if not opened properly.

b. Store heavier materials on lower shelves and avoid storage of provisions on tops of lockers or other storage units.

c. Food containers should be covered when not in use.

d. Become familiar with the location of fire fighting equipment and be sure that it is always accessible. Flammable cleaning materials should be placed in specified lockers or in approved safety cans and should be stored on lower shelves.

e. Good housekeeping will reduce the chances of fire or other accidental hazards. Place provisions so that they do not protrude into aisles from bins or shelves.

f. Be sure that light bulbs are protected and materials are no closer than 18 inches to any bulb.

g. Observe proper stowage guidelines to prevent damage.

h. When underway, storeroom merchandise should be secured behind battens and/or lashed down.

i. Storerooms should be properly ventilated and smoking prohibited.

j. When lifting containers, personnel should keep their backs straight, knees bent and let their leg muscles do the work.

CHAPTER 2: SUBSISTENCE

PART G: FOOD SERVICE MANAGEMENT (FSM) SYSTEM

2600. FOOD SERVICE MANAGEMENT. The Food Service Management (FSM) program was developed by MSC and certified for use by USNS general messes. The system automates all recordkeeping functions and produces most forms required by reference (b). Accuracy of records will be increased significantly, while at the same time mathematical errors will be virtually eliminated. Recommendation for changes and enhancement to the software should be forwarded via the Area Commander to COMSC (N4).

2601. SYSTEM APPROVAL. The only system that will be approved for use will be those which are certified and managed by COMSC. Activities desiring to automate their food service records will submit requests to their respective Area Commanders.

2602. FSM ACCESS. An access control program has been integrated into the FSM software to provide control and security. The CS will establish restricted access to the FSM program. Due to the unique operating and manning conditions at many general messes, the CS should adjust the degree of access, using good judgment while maintaining accountability. Under no circumstances will the CS allow anyone access to the security module of the FSM program.

2603. MANDATORY REQUIREMENTS AND GUIDELINES. Since the FSM program automates many of the routine manual food service recordkeeping functions, FSM does not negate the need for the CS and cooks to know food service records. The FSM program uses the same terminology, forms and current procedures, therefore, it can be easily used by an individual familiar with food service records. Mandatory requirements and guidelines for operating the FSM program are as follows.

- a. Only 386 PC, IBM compatible computers with 90MB Bernoulli drives as a minimum configuration, are to be used to operate FSM software.
- b. The "C" drive on the computer is for the exclusive use of the FSM, MS-DOS and other programs that support the FSM system. No other software is authorized to be used on the "C" drive unless approved by COMSC (N4/N6).
- c. Tampering, changing, modifying of source code and executable contained in the FSM software is prohibited.

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d. A daily backup of the FSM data files will be performed each day the system is accessed and prior to closing out the accounting period. FSM program is designed with backup/restore capabilities. Function and procedures maintaining the backup tapes are located under the utility module. If transactions were performed and the CS failed to do a daily backup at the end of the day, the FSM system will force backup on 90MB Bernoulli the next time the program is accessed.

e. Quarterly backups of the FSM system will be locked up and maintained in the CS's accountability file for 1 year. The following statement will be attached, signed and dated to each quarterly backup:

I certify that the data contained in this backup is accurate and a true statement of the records for USNS _____ general mess for the period of _____ to _____.

f. Once the FSM system is fully implemented, manual records are not required to be maintained. It is, however, recommended that a few copies of blank forms be kept on hand for emergency use.

g. The following deviations of recordkeeping functions from reference (b) are authorized:

(1) Pre-daily breakouts NAVSUP Form 1282s (Food-Item Request/Issue Document) for the general mess are not required to be kept after the quarterly returns are submitted to Area Commander.

(2) Post-daily breakouts NAVSUP Form 1282s (Food-Item Request/Issue Document) require only the CS's signature. Prior to signing, the CS will verify that all required and authorized signatures appear on the pre-daily 1282 and ensure quantities issued and returned are transposed into the post-daily breakout documents.

(3) NAVSUP Form 338 will either be displayed or printed out each workday by the CS to review the financial status of the general mess, after which the printed NAVSUP Form 338 can be destroyed.

(4) All rough printed forms that the FSM generates can be destroyed after the smooth forms are produced.

(5) Once requisitions are submitted to FISCs, NSDs, FSs etc., the smooth requisition that is produced by the FSM will remain in the outstanding requisition file until the subsistence items are received, after which it can be destroyed.

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(6) The Expenditure Log (Loss without Survey) (NAVSUP Form 1334), as a minimum, will be reviewed weekly and only one signature is required at the end of the quarter/accounting period by the CS.

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SUBSISTENCE OF PERSONS ABOARD USNS SHIPS					
Code	Category of Persons Authorized to be Subsisted	Required to pay Cash for Subsistence only	Authority Required	Pertinent Circumstances	Additional Information and Vouchers Required
R	Ship's civilian officers	No	MSC 4440/18		Reported on NAVSUP Form 1357
R	Ship's civilian crewmembers	No	MSC 4440/18	In accordance with CMPI 225.	Reported on NAVSUP Form 1357
R	Damage Control Instructors	No	MSC 4440/18		Reported on NAVSUP Form 1357
R	Civilian officers assigned to the Receiving Section, detailed to work aboard an active status ship within the commuting area of the home port command	No	MSC 4440/18	One hot meal is authorized during period in which the detail embraces. Written authority of civilian personnel officer is required.	Reported on NAVSUP Form 1357
R	Relief officers temporarily assigned to the ship	No	MSC 4440/18	One hot meal authorized for period which their watch embraces. No other meals authorized.	Reported on NAVSUP Form 1357
R	Ship's Pilot (other than Inland Water Pilots)	No	MSC 4440/18	Ship's Pilots required onboard for navigation during normal meal hours	Receipts, signed by the pilot, covering total number of meals - reported on NAVSUP Form 1357
R	Personnel of Panama Canal	No	MSC 4440/18	Seamen or Pilots required onboard during passage through the Panama Canal during normal meal hours.	Receipts, signed by the principal employee and/or individual employed by the Panama Canal, covering total number of meals - reported on NAVSUP Form 1357
Q	MSC Staff civilian employees	Yes	MSC 4440/18	Under written orders	Reported on NAVSUP Form 1357
Q	MSC Staff civilian employees	No	MSC 4440/18	By written authorization of the CO when embarked for short indoctrination cruises	Reported on NAVSUP Form 1357
Q	Super Cargoes	No	MSC 4440/18	Persons required for security duty in the care and maintenance of cargo enroute	Reported on NAVSUP Form 1357
CC	Observers	Yes	MSC 4440/18	During sea trials and scheduled voyages in accordance with COMSCINST 4650.2C	Reported on NAVSUP Form 1357

FIGURE 2-1 - PERSONS ENTITLED TO RATIONS

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SUBSISTENCE OF PERSONS ABOARD USNS SHIPS					
Code	Category of Persons Authorized to be Subsisted	Required to pay Cash for Subsistence only	Authority Required	Pertinent Circumstances	Additional Information and Vouchers Required
CC	Sponsor personnel	Yes	MSC 4440/18	Terms of agreement will determine when individuals are to be charged and when the sponsor will be billed	Reported on NAVSUP Form 1357
CC	Military Officers personnel assigned to the ship for either temporary or permanent duty	Yes	MSC 4440/18		Reported on NAVSUP Form 1357
R	Military Officers passengers of the Navy, Marine Corps, Coast Guard, Air Force and Army	No	MSC 4440/18	When travel is performed on a space available basis	Establish a tariff that includes the cost of subsistence to be collected by the Purser - reported on NAVSUP Form 1357
R	Military Officers passengers of the Navy, Marine Corps, Coast Guard, Air Force and Army	No	MSC 4440/18	When travel is performed on a space available basis	Reported on NAVSUP Form 1357
R	Midshipmen and cadets of the Navy, Coast Guard, Air Force, Army and Maritime Administration	No	MSC 4440/18	When travel is performed on a space requirement basis	Reported on NAVSUP Form 1357
R	Enlisted Navy personnel assigned to ship duty	No	MSC 4440/18		Reported on NAVSUP Form 1357
R	U.S. military enlisted passengers of the Navy, Marine Corps, Coast Guard, Air Force and Army	No	MSC 4440/18	When travel is performed on a space requirement basis	Reported on NAVSUP Form 1357
R	U.S. military enlisted who are shorebased for the Navy, Marine Corps, Coast Guard, Air Force and Army	No	MSC 4440/18	Written request by shore commanders	Reported on NAVSUP Form 1357 with supporting document indicating name, rank, serial number and military unit of each recipient.

FIGURE 2-1 - PERSONS ENTITLED TO RATIONS

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SUBSISTENCE OF PERSONS ABOARD USNS SHIPS					
Code	Category of Persons Authorized to be Subsisted	Required to pay Cash for Subsistence only	Authority Required	Pertinent Circumstances	Additional Information and Vouchers Required
CC	Other authorized personnel	Yes	MSC 4440/18	Written authority of the Commanding Officer of transport unit and/or the Ship's Master is required	Reported on NAVSUP Form 1357
R	Civilian employees of the U.S. Government traveling as passengers	No	MSC 4440/18	When travel is performed on a space requirement basis	Reported on NAVSUP Form 1357
R	Civilian employees of the U.S. Government traveling as passengers	No	MSC 4440/18	When travel is performed on a space requirement basis	Reported on NAVSUP Form 1357. The established tariff, which includes the cost of subsistence, will be collected by the Purser.
R	Authorized passengers sponsored by the Navy, Marine Corps, Air Force and Army	No	MSC 4440/18	When travel is performed on a space requirement basis	Reported on NAVSUP Form 1357. The established tariff, which includes the cost of subsistence, will be collected by the Purser.
CC	Dependents of military personnel and dependents of U.S. Government employees	Yes	MSC 4440/18	When travel is performed on a space requirement basis	Reported on NAVSUP Form 1357
R	U.S. Government employees dependents under 6 years of age	No	MSC 4440/18	When travel is on a space available basis	Reported on NAVSUP Form 1357. The established tariff, which includes the cost of subsistence, will be collected by the Purser.
CC	Military personnel and U.S. Government employee dependents under 6 years of age	Yes	MSC 4440/18	Charge will be 1/2 of the regular ration rate when traveling on a space requirement basis	Reported on NAVSUP Form 1357
CC	Guests	Yes	MSC 4440/18	Subsistence will be furnished in accordance with COMSCINST 4000.2A	Reported on NAVSUP Form 1357

FIGURE 2-1 - PERSONS ENTITLED TO RATIONS

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SUBSISTENCE OF PERSONS ABOARD USNS SHIPS					
Code	Category of Persons Authorized to be Subsisted	Required to pay Cash for Subsistence only	Authority Required	Pertinent Circumstances	Additional Information and Vouchers Required
CC	Red Cross workers assigned to ship duty and/or Red Cross personnel transported as passengers on a space requirement basis	Yes	MSC 4440/18		Reported on NAVSUP Form 1357
Q	Destitute American Seamen	No	MSC 4440/18	Written authority of the Master is required	Reported on NAVSUP Form 1357
R	Foreign civilian and Foreign Armed Forces personnel aboard MSC ships conducting official business, i.e., only when such personnel are unable to pay for their meals.	No	MSC 4440/19		Reported on NAVSUP Form 1357
CC	Hospital Patients in any category of personnel who are to be charged	Yes	MSC 4440/18	When patient falls within a category of personnel to be charged	Reported on NAVSUP Form 1357
R	Hospital patients in any category of personnel who are not to be charged	No	MSC 4440/18	When patient falls within a category of personnel not to be charged and/or when circumstances do not permit collection from the individual	Reported on NAVSUP Form 1357

FIGURE 2-1 - PERSONS ENTITLED TO RATIONS

MESSAGE FORMAT

From: USNS (YOUR SHIP)
To: COMSCLANT BAYONNE NJ/COMSCPAC OAKLAND CA
BT
UNCLAS //N04406//

SUBJ: GENERAL MESS OPERATING STATEMENT REPORT FOR THE PERIOD OF
DATE MONTH THROUGH DATE MONTH YEAR

A. COMSCINST 4000.2A CHAP 2

1. IAW REF A, THE FOLLOWING CAPTION TITLE INFORMATION FOR NAVSUP 1358 IS
SUBMITTED:

NUMBER OF DAYS FACILITY OPERATED _____

BALANCE BROUGHT FORWARD	_____	NAVY RATIONS FED	_____
RECEIPTS WITH CHARGE	_____	OTHER RATIONS FED	_____
TOTAL	_____	NIGHT RATIONS	_____
STORES CONSUMED	_____	TOTAL OTHER PERSONNEL	_____
SPECIAL MEALS	_____		
SURVEY AND LOSS			
WITHOUT SURVEY	_____	TOTAL ALLOWANCES	_____
PRICE ADJUSTMENT	_____	STORES CONSUMED	_____
BALANCE ON HAND	_____	+/(OVER/UNDER ISSUE	_____

2. THE ANTICIPATED MAILING DATE FOR SUBJECT SUBSISTENCE RETURNS IS

_____.

BT

FIGURE 2-2: GENERAL MESS OPERATING STATEMENT MESSAGE FORMAT

COMSCINST 4000.2A

26 December 1994

MESSAGE FORMAT

FROM: USNS YOUR SHIP

TO: COMSCLANT BAYONNE NJ/COMSCPAC OAKLAND CA

BT

UNCLAS //N04406//

SUBJ: SUBSISTENCE ESTIMATES FOR MONTH OF _____ 19____

A. COMSCINST 4000.2A CHAP 2B

1. IAW REF A, THE FOLLOWING SUBSISTENCE ESTIMATES ARE SUBMITTED:

- (1) ALFA _____ (number of Cabin Mess rations furnished civilian crewmembers).**
- (2) BRAVO _____ (number of Cabin Mess rations furnished military officers).**
- (3) CHARLIE _____ (number of Cabin Mess rations furnished enlisted personnel).**
- (4) DELTA _____ (number of Cabin Mess rations furnished passengers and guests).**
- (5) ECHO _____ (number of Cabin Mess rations furnished civilian personnel, who are classified as "non-crewmembers," on project and special mission ships).**
- (6) FOXTROT _____ (number of troop rations furnished passengers).**
- (7) GOLF _____ (value of rations issued from the Cabin Mess).**
- (8) HOTEL _____ (value of rations issued from the Troop Mess).**
- (9) INDIA _____ (value of subsistence on-hand at the end of the calendar month).**

BT

FIGURE 2-3: MONTHLY SUBSISTENCE ESTIMATE MESSAGE FORMAT

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31 January 1994

REGISTERED MAIL

From: Purser, (or Collection Officer) USNS YOUR SHIP
To: Comptroller, MSCLANT/MSCPAC

Subj: TRANSMITTAL OF CASH RECEIPTS FOR SALE OF MEALS

Ref: (a) COMSCINST 4000.2A

Encl: (1) Cash Receipts from Sale of Meals

1. As directed by reference (a), enclosure (1) covers cash received from sale of 15 meals (5 rations) at the prescribed rate of \$1.35 for breakfast and \$2.70 for lunch and dinner (\$6.75 per ration) and 6 non-official guest meals at the prescribed rate of \$1.50 for breakfast and \$2.95 for lunch and dinner (\$7.40 per ration).

2. I certify that cash was collected from all persons required to pay for subsistence furnished during the period of 1 January to 31 January 1991 that such cash totaled \$48.55.

U. R. WRIGHT

FIGURE 2-4: MONTHLY CERTIFICATION AND TRANSMITTAL LETTER

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CHAPTER 3: SPECIAL SERVICES

PART A: WELFARE AND RECREATION PROGRAM

3000. GENERAL. MSC Welfare and Recreation Funds are under the technical direction of the Military Sealift Command, Washington DC. This manual is in compliance with Articles 0820 and 0835, U.S. Navy Regulations (1990). MSC commands are authorized to have Welfare and Recreation Funds and Special Services to be provided to personnel on MSC civil service (USNS) ships. Welfare and Recreation funds are identified by fund name, e.g., "MSC Welfare and Recreation Fund (command name)."

3001. PURPOSE. Welfare and Recreation Funds, derived from profits generated at MSC Exchanges, are intended to provide (to the extent that funds are available) the best Special Services program possible for the benefit of all personnel assigned to civil service manned USNS ships, and CIVMAR personnel ashore awaiting assignment or otherwise attending to necessary administrative matters. These funds are not to be used to finance non-authorized projects or activities which should be supported by appropriated funds.

3002. CARGO, FLEET SUPPORT AND SPECIAL MISSION SHIPS. Personnel onboard cargo, fleet support and special mission ships are entitled to receive benefits which include material for libraries, exercise equipment, sports equipment and other materials from the Welfare and Recreation Fund. Masters shall be accountable for non-expendable and expendable property received.

3003. SOURCES OF INCOME. Income of Welfare and Recreation Funds shall consist of:

- a. Profits from Exchange Locations onboard MSC ships. Profits will be transferred to command funds each month from the Navy Exchange Service Command (NEXCOM) following the close of the MSC Exchange fiscal accounting period.
- b. Principal and interest from invested funds.
- c. Proceeds from the sale of surplus or deteriorated fund-owned property.

3004. PROCUREMENT POLICY. Contracting responsibility for nonappropriated fund procurement (Welfare and Recreation Fund) has been delegated to COMSCPAC and COMSCLANT. Each Area Commander will establish a nonappropriated fund procurement committee in accordance with SECNAVINST 7043.5A, subsection D6K, and notify COMSC of the name, job title and position held of each committee member including member changes. The committee will meet as often as necessary to ensure the integrity of the MSC Welfare and Recreation Fund, but at least semiannually as required

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by SECNAVINST 7043.5A. To promote the integrity and continuity of the MSC Welfare and Recreation Fund, both Area Command committees are expected to confer and exchange ideas on matters that may have an impact on the overall MSC Welfare and Recreation Program. COMSC (N4) shall be provided a copy of the minutes of all meetings held.

CHAPTER 3:SPECIAL SERVICES

PART B: ASHORE FUND MANAGEMENT AND ADMINISTRATION

3100. COMMAND RESPONSIBILITY. MSC commands authorized to have Welfare and Recreation Funds are responsible for the proper administration of such funds. They shall ensure that funds and fund-owned properties are accounted for and safeguarded, and that pertinent COMSC directives are strictly observed. Each Area Command Comptroller shall provide technical advice and assistance regarding the establishment and maintenance of accounts and records of the Welfare and Recreation Fund.

3101. RECREATION COUNCIL. MSC Area Commanders will appoint members to a Recreation Council. In addition to the Special Services Officer, Fund Custodian and Staff Chaplain (when assigned) as ex-officio members, the council shall consist of at least three other members. It is preferred that a least one member of the council be a civilian employee within the command whose responsibility will be to represent the interests of civilian mariner personnel. Any member delegated responsibility for the review and examination of fund accounts may not serve simultaneously as a member of the Recreation Council.

a. Quarterly Meeting. The council will meet quarterly to review fund expenditures, recommend Special Services materials for procurement and approve expenditures for materials to improve the Special Services Program. The council will also be responsible for making any other recommendations in regard to the administration and management of the fund and Special Services Program.

b. Cash, Securities or Property Lost or Mislaced. In the event that cash, securities or property in the Special Services warehouse or ship have been lost or misplaced, a thorough investigation will be conducted by the Recreation Council. After the investigation, the council will prepare a report of responsibility and recommendations to the MSC Area Commander.

c. Special Services Officer's Responsibilities to the Council. The Special Services Officer will be the executive secretary of the Recreation Council responsible for maintaining the council's proceedings and files and preparing required reports. He shall also notify members of all important matters during the meetings.

d. Meetings for Recommendations and Improvements for the Special Services Program. The Recreation Council will meet at the call of the senior member after the regular quarterly closing of accounts to review fund administration and make recommendations for any improvement to the Special Services Program. In addition, the council will meet whenever the Fund Custodian or Special Services Officer is relieved, or when directed by the MSC Area Commander.

e. Recreation Council Meeting Reports. The proceedings of each meeting of the Recreation Council shall be recorded and a report, signed by all members, will be submitted for approval to the MSC Area Commander. Meeting reports should be informative in regard to planned expenditures, administration of the funds, status of funds and securities, value of property and other pertinent matters. Copies of quarterly council proceedings indicating the action of the MSC Area Commander, together with the quarterly financial statement, will be forwarded to COMSC not later than the 15th day of the month following the end of the quarter.

3102. ASHORE SPECIAL SERVICES OFFICER. The Director, Exchange and Special Services Division is designated as the Special Services Officer accountable for all fund-owned property stored in the warehouse and non-expendable property issued to ships on custody receipts. The Special Services Officer's duties include:

a. Implementation of COMSC Policies. In administering the Special Services Program, the Special Services Officer will implement the policies of COMSC and the cognizant MSC Area Commander.

b. Procurement of Requested Materials. Within funds available, and as provided for in the approved budget, the Special Services Officer shall purchase material requested by ships to ensure a high-level Special Services Program with proportionate benefits to personnel onboard special mission ships. The Special Services Officer shall obtain the most advantageous balance between material cost and quality by utilizing Navy supply sources and prices whenever material requirements can be obtained from these sources. Other established sources include the General Services Administration (GSA); Navy Exchange Service Command (NEXCOM) official Price Agreement Bulletin (PAB); NEXCOM Vendor Offerings "VOCES;" NEXCOM Ship's Store Afloat contract bulletins and manufacturers price information guides. If material requirements cannot be met from these sources, utilization of competitive bidding is authorized to ensure optimum benefit from limited recreation dollars.

c. Receipt and Inspection of Property Purchased. The Special Services Officer shall inspect and receipt for property purchased prior to the submission of vendors' invoices to the Fund Custodian for payment.

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3103. FUND CUSTODIAN. MSC Area Commanders will assign, in writing, a commissioned officer or civilian employee of the command to function as the Fund Custodian. At the discretion of the Area Commander, a deputy custodian may also be appointed. Any officer or civilian employee of the command may be assigned this function. The function of custodian or deputy custodian will be a collateral duty.

a. Finance and Accounting. The Special Services Officer conducts the financial and accounting affairs of the fund. The Custodian signs payment checks, after reviewing the transmittal details, and is accountable for all cash and securities committed to their charge.

b. Resale Monthly Profits. Upon receipt of the monthly profits from NEXCOM, the amount of cash required to be deposited in the checking account shall be determined by the Special Services Officer in accordance with cash needed for current commitments. All cash in excess will be deposited in the unrestricted reserves. Cash will be deposited in savings accounts and/or Certificates of Deposit in order to obtain maximum interest.

c. Deposit of Funds. Funds will be deposited in banks insured by the Federal Deposit Insurance Corporation (FDIC). When the total balance of accounts per bank exceeds one hundred thousand dollars (\$100,000), (the maximum amount of the insured deposits), the MSC Area Commander will submit a report to the Comptroller of the Navy Finance Division, as specified in NAVSO P-3520.

d. Deputy Custodian. If a deputy custodian has been appointed, he will act for the custodian during his absence. If a deputy custodian has not been appointed and it is known that the custodian will be absent for an extended period (30 days or longer), the MSC Area Commander shall assign, in writing, another commissioned officer or civilian employee as Fund Custodian. All cash, securities and financial accounts of the fund shall be duly transferred to the new custodian.

e. Relief of Fund Custodian. When the Fund Custodian is relieved, he will complete all necessary documents to charge his successor and credit himself for all securities, accounts and vouchers turned-over and will indicate any discrepancies using a combined invoice and receipt. The original and copies will be signed by both the relieving and relieved custodians.

f. Payment of Bills. The Fund Custodian will make payment by checks drawn on the fund. Checks shall be pre-numbered and held in the custody of the Special Services Officer. Bills for supplies, materials, equipment and services will be paid promptly in order to take advantage of cash discounts. However, bills shall not be paid until the Special Services Officer has indicated that the supplies, materials, equipment or services

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have been received, are considered satisfactory and that the charges are in accordance with purchase agreements or approved arrangements.

g. Missing Invoices. Vendors may not send invoices or statements for payment within the month that the materials were received or the services rendered. Under these circumstances such liabilities will be summarized on an invoice accrual report attached to the journal voucher. Such items, when paid, will be entered in the check register and charged to accounts payable or to the appropriate account. Under no circumstances will the value of undelivered materials/services on outstanding purchase orders be recorded in the accounts for the month.

3104. BONDS FOR FUND CUSTODIANS. Bonds for custodians of Welfare and Recreation Funds are no longer required under Public Law 92-310 of 6 June 1972 which provides for the Federal Government to assume the risk of its fidelity losses, and thus eliminates the requirement for providing bond coverages. However, bond positions currently in force will be designated as accountable positions.

3105. AUTHORIZED EXPENDITURES Welfare and Recreation Funds are restricted to the benefit of personnel assigned to or transported on MSC civil service manned USNS ships. These funds are subject to all laws, rules and regulations established for the control of such funds and will not be donated to any individual, firm, group or organization (charitable or otherwise), except for the welfare and recreation of personnel indicated above. The use of Welfare and Recreation Funds for payment of welfare and recreation supplies such as hobby shop power tools, large leather hides (blanks) or equipment which might constitute a personal liability such as motor boats, bicycles, motorcycles, scooters, scuba diving, water skiing equipment, spear guns or vehicles is prohibited. Further, the use of Welfare and Recreation Funds is prohibited for support of religious programs. Support of religious programs is chargeable to appropriated funds. The cost of hobby craft kits shall not exceed \$30 per unit except when such kits are reissuable. Reissuable hobby craft kits exceeding \$30, such as leather craft tooling kits, will be maintained on custody records. The following expenditures from Welfare and Recreation Funds are authorized:

a. Reimbursement to Navy or Army Industrial Funds for services furnished or facilities utilized.

b. Payment for stationery, supplies, equipment and other expenses necessary for the administration of the fund.

c. Payment for supplies, equipment and services to provide added facilities onboard ships, improve recreation areas and for other Special Service purposes. Supplies and

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equipment which require permanent installation or changes in ship's construction will be processed in accordance with COMSCINST 4700.2F.

d. Payment for other supplies, equipment and services that are within the scope of the authorized Welfare and Recreation Funds and are not prohibited or restricted by reasons previously listed.

e. Payment of salaries and benefits to civilian personnel employed in connection with fund administration and Special Services activities will be governed by the policies set forth in the Navy Resale Manual (PUB 145), and Federal Wage System nonappropriated Fund Employees (FMP Supplement 532-2). Wage rates will conform as near to those of similar private establishments in the immediate vicinity as possible. Such civilian employees are also covered by the minimum wage provisions and will not be paid less than the minimum wage. Employee leave accrual will be computed in accordance with the references cited above. Headquarters Exchange and Special Services Operations are consolidated ashore. The actual payroll administration is carried in the Exchange account governed by NEXCOM and Non-appropriated Funds Instrumentality (NAFI) regulations. When a special services function is performed, the hours are logged and a monthly bill drawn from the Exchange to the Special Services account including the regular hourly rate plus the authorized load for the benefits package. This procedure eliminates the need for dual payroll functions and properly distributes expenses.

f. Payment of costs, as required to be borne by the fund, to provide Special Services employees enrolled in plans for NEXCOM with complete coverage in regard to comprehensive medical and group life insurance.

3106. FUND TRANSFERS. Cash in Welfare and Recreation Funds shall be transferred from one command to another when directed by COMSC. Fund transfers shall be entered in the accounts of the transferring command as a credit to cash and a charge to net worth. The receiving command will enter fund transfers as a charge to cash and a credit to net worth.

3107. QUARTERLY REVIEW BY THE QUALITY ASSURANCE DIRECTOR. The Area Commander shall arrange for a staff member to conduct a review and examination of fund accounts at the end of each quarter or any time during a quarter as necessary. The review will ensure that cash and securities of the fund are as reported and actually on-hand in approved depositories. The review will also include other financial tests and verification of fund accounts as necessary to ensure the proper management and administration of the fund. The Comptroller will complete the certificate of examination on financial statements submitted to COMSC. Examination of funds will be supported by appropriate documentation which will be retained on file.

3108. ANNUAL AUDITS

a. Welfare and Recreation Funds are trust funds generated by personnel serving in or attached to USNS ships. These funds finance a well-rounded program of leisure time activities. Stringent controls will be enforced to prevent their misuse. As a measure of control, an audit by certified public accountants will be conducted annually.

b. Area Commanders will arrange for the annual audit of Welfare and Recreation Funds and will provide COMSC with a copy of the audit results. To prevent duplicate reviews of funds accounts, the Comptroller's review may be eliminated if the review coincides with the annual audit conducted by independent certified public accountants.

CHAPTER 3:SPECIAL SERVICES

PART C: ASHORE FUND ACCOUNTING AND REPORTING

3200. CASH RECEIPT BOOK. The custodian or authorized bookkeeper (under the direction of the Special Services Officer) will maintain the Welfare and Recreation fund accounting in accordance with NAVSO P-3520 (Financial Management Policies and Procedures for Morale Welfare and R creation Funds).

3201. PROPERTY LEDGER. The authorized bookkeeper (under the direction of the Special Services Officer) will maintain a property ledger, subsidiary to the property control account in the general ledger, in which an account will be maintained for each class or type of property acquired by transfer or purchase. Individual accounts will show (in addition to a complete description of the article) the number, unit price, value on-hand at last physical inventory, subsequent purchases, disposition and monthly balance. The sum of the balances of individual accounts must agree with the balance of the controlling account in the general ledger at the close of each accounting period and before the preparation of quarterly reports. Purchases and disposition must be supported by appropriate documents or vouchers.

3202. EMERGENCY LOAN FUND. When deemed appropriate, the MSC Area Commander may establish Cash on Deposit Account 1140 entitled "Civilian Marine Employees Emergency Loan Fund." For this purpose, funds may be transferred from Reserve Account 1130. A separate bank account similarly entitled shall also be established. The following applies to emergency loan funds.

a. Accounts. When loans are made to deserving employees from funds in Account 1140, the funds will be debited to Account 1240 "Notes Receivable" and credited to Account 1140. Conversely, when loans are repaid, Account 1140 will be debited and Account 1240 credited.

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b. Obligation Limit. Funds (cash and/or promissory notes) in Accounts 1140 and 1240 will never exceed \$5,000. A lesser amount may be prescribed if deemed advisable by the cognizant MSC Area Commander.

c. Emergency Loans. Non-interest bearing emergency loans may be made to needy civilian marine employees on the basis of promissory notes after appropriate investigation and approval in writing by the Human Resources Director. A committee of three persons from the Human Resources Directorate will evaluate the validity of the need and the ability of individuals to repay requested loans. The Special Services Officer will issue loans using checks drawn on funds in Account 1140.

d. Fund Transfers. Transfers of funds from accounts to offset any losses that occur to funds in Account 1140 through default of individuals to repay loans are not permitted without prior approval of Area Commander.

e. Administering Emergency Loan Funds. MSC commands establishing "Emergency Loan Funds" shall issue supplemental detailed instructions as necessary for administering the fund.

3203. INVENTORIES ASHORE. Physical inventories of property, including property in the custody of the Staff Chaplain (when assigned), will be conducted semiannually on 31 March and 30 September. The number of articles shown on hand by the property ledger should agree with the physical count, and the total valuation of the physical inventory should be in agreement with the book value of property in stock. If any discrepancy in excess of two percent of the inventory, or \$200.00 (whichever is greater) exists, an investigation will be conducted and the results submitted to the MSC Area Commander. Used or worn equipment will be depreciated in accordance with generally accepted accounting practices to prevent an inflated value of the property account.

3204. PROPERTY ACCOUNT ASHORE. The property account will be reviewed semiannually on 31 March and 30 September, and when the Special Services Officers relieved. At such times, all property shall be inventoried by an officer of the command not connected with the fund. The inventory shall be priced, extended and totaled, then computed to the book value of property carried in the account. The minutes of the Recreation Council will include a statement that the property account has been reviewed and the property inventoried, together with a statement as to the inventory losses or gains, if any. A relieving inventory will not be needed if relief occurs within 60 days of the semiannual review and inventory requirement.

3205. PROPERTY, EXPENDABLE AND NON-EXPENDABLE. Certain articles of property purchased for immediate issue to ships are expendable property intended for

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stock and shall be charged to the property account and journalized when issued to ships. It is the duty of the accountable officer to see that this property is safeguarded and used for the purpose intended. If, in the opinion of the Fund Custodian or the Special Services Officer, due care has not been exercised in preserving such property and pecuniary responsibility is indicated, the matter will be referred to the Recreation Council to determine responsibility and recommend action. Expendable/non-expendable property guidelines listed in NAVSO P-3520 are summarized as follows:

- a. Articles of property such as musical instruments, fishing reel and rods and exercise equipment, are considered non-expendable and, when issued to ships, must be entered on memorandum receipts. When such property becomes unfit for use, it will be removed from ships and surveyed by the Recreation Council which will make disposition recommendations. Approval of such recommendations by the Area Commander is final.
- b. The property account will be adjusted to reflect the disposition of such property by approved survey and the loss shall be charged to Account 9700.
- c. Account 1301 will reflect expendable and non-expendable stock ashore. Account 1328 will reflect non-expendable property on ships.
- d. A copy of all approved certificates of expenditures and surveys reflecting property adjustments will be retained and attached to a journal voucher jacket, and will be examined in connection with the quarterly review.

3206. TRANSFER OF PROPERTY AFLOAT. Special Services supplies and equipment furnished to a ship by one Area Commander will remain onboard if the ship is transferred to another command. Custody receipts for non-expendable property onboard will be forwarded to the new Area Commander. Reimbursement, at book value, for all property onboard will be determined between the commands.

- a. When supplies are issued from warehouse stock and reimbursement is desired, receiving ships will forward two copies of the receipt documents, signed by the Master, to the Area Commander.
- b. When material is purchased for a ship, the Area Command Special Services Officer will prepare purchase orders from his regular requisition series, including the name of the ship, date, item, price quoted and the name of the Master.
- c. Vendors will be requested to prepare and submit bills to the Area Commander in triplicate. Bills will include a tax exempt statement for Government purchase.

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d. Upon receipt of merchandise by the ship, copies of the vendor's shipping invoice will be signed by the Master and forwarded to the Area Commander.

e. Issues of expendable supplies will be within the limits of and restricted to items and amounts indicated on the Allowance List for Special Services Material.

3207. REMOVAL OF SPECIAL SERVICES SUPPLIES. Special Services supplies and equipment, to the maximum extent economically feasible, will be removed from ships at the time of release from service or when the ship becomes inactive for an extended period.

3208. RECORDS. Aging account records such as cash receipt books, check register, subsidiary property accounts, copies of inventories, paid canceled checks, vouchers and other related documents may be destroyed after 3 years. Audit reports covering these records will be retained for 7 years. A brief listing or description of the records destroyed shall be prepared citing the period covered and date of destruction, signed by the custodian of the fund, approved by the MSC Area Commander and retained. Payroll records shall be kept indefinitely.

3209. REPORTS

a. After all transactions for the accounting period have been recorded and posted, a general ledger trial balance will be drawn off. A summarized quarterly status in the form of a cash flow statement shall be prepared for the MSC Area Commander. At the end of each quarter, a balance sheet and income statement in the format shown in enclosures (5) and (7) of SECNAVINST 7000.22 shall be prepared. A copy of the quarterly report, approved by the MSC Area Commander, together with reports of the quarterly council proceedings will be submitted to COMSC.

b. Area Commanders will submit an annual narrative report to COMSC at the close of the accounting year which will include:

(1) A paragraph summarizing highlights of financial operations for the accounting year.

(2) An analysis of the year's operating experience.

(3) Number of full time and part time military and civilian personnel at the end of the accounting year.

(4) Statement of reconciliation of capital, including change in the net worth during the accounting year.

(5) Statement of sources and uses of funds.

c. Copies of quarterly council proceedings (less financial statements) shall be exchanged between MSC commands.

3210. TRAINING. Area Commanders will provide training for personnel assigned duties within the Special Services Program. Training will include accounting procedures, requirements and regulations governing programs (e.g., Videocassette Program) and Availability of MWR program assets. Training will be documented in personnel records.

CHAPTER 3:SPECIAL SERVICES

PART D: PROCUREMENT

3300. GENERAL

a. Nonappropriated fund procurement will be accomplished on a competitive basis to the maximum extent practicable. Competition shall be obtained from at least three sources unless single or sole source negotiation is justified by each Area Commander. Contracts shall be fixed price contracts. Provisions for economic price adjustments will be included in the contract when the Contracting Officer determines current market conditions require such a provision. The particular method(s) used in determining when an economic price adjustment clause is desirable or which format should be used will be developed by the Area Commanders. Existing non-appropriated fund contracts may be utilized for the purchase of items or services unless better advantage is obtained via separate procurement.

b. Individuals involved in the actual buying process will receive formal instruction in procurement policy and procedures. The level of formal instruction shall be determined by the Area Commander and will depend on the scope and complexity of the procurement to be accomplished. Each Area Commander shall specify the conditions under which the Fund Custodian or the Exchange and Special Services Officer can initiate procurement action. Area Commanders shall require key non-appropriated fund operating personnel and legal counsel to meet periodically to discuss means of improving procurement procedures. The following subjects shall be considered.

(1) Comparison of prices paid by each Area Commander for the same or similar items.

(2) Source of supply.

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(3) Related subjects which provide a means of achieving the best advantage to the Government for each Area Commander.

c. COMSC personnel will meet annually with NEXCOM to discuss procurement. Topics will include ways, means and methods of improving the procurement process. Other related procurement subjects such as requirement determination, funding and vendor performance will be included.

3301. RESPONSIBILITIES. Each Area Commander will implement policies and procedures for nonappropriated fund procurement.

3302. PROCEDURES. Policy and procedures implemented by Area Commanders will include the following:

a. Funding Expenditure Approval. Establish the level of authority to administratively approve expenditure of non-appropriated funds.

b. Standards of Conduct. Personnel involved in the procurement process will be required to read and comply with SECNAVINST 5370.2J covering Standards of Conduct as required by DOD Directive 5500.7.

c. Contract Guidelines. Provided by the Contracting Officer responsible for the solicitation, negotiation, award and administration of the contract.

d. Limitations. Identify the limitation (dollar threshold) of the Contracting Officer to issue purchase orders/contracts without higher level approval.

e. Legal Review. Provide for periodic legal review of all contracts over \$5,000.00 and spot check other contracts.

f. Contracts

(1) Each contract will identify the non-appropriated fund, the contractor, the service or item to be provided, the quantity, unit price, period of contract, performance requirements, discounts and required clauses.

(2) Clauses will be developed for each type of contract. At a minimum, each contract will contain the following clauses:

(a) Contracts entered into by U.S. military non-appropriated fund activities shall contain a clause making the contracting company's records subject to audit and examination.

(b) Equal Employment (DOD Directive 1100.11).

(c) Disputes.

(d) Termination.

(e) Examination of records.

(f) Identification of the purchasing nonappropriated fund as an instrument of the U.S. Government.

(g) Indicate that no appropriated funds of the U.S. shall become due, or will be paid to the contractor for any reason.

(h) Additional clauses required by the nature of the procurement, DOD issuance or public laws applicable to non-appropriated funds.

(3) Contract formats for repetitive type support service will be developed and attached to the implementing policies and procedures for nonappropriated fund procurement.

g. Small Purchases. Instructions governing the use of petty cash for small purchases.

h. Emergency Purchases. Procedures to be used when emergency purchases are necessary.

i. Contract File. At a minimum each contract file will consist of the following documentation.

(1) The requirement for the procurement, sources solicited, proposals received, any required approvals, contractor responsibility and the contract.

(2) If award is to other than the low offeror, the file will contain the Contracting Officer's justification for the award.

(3) Documented nonperformance by the contractor.

j. Termination/Default Action. If termination/default actions are being considered, the contract documentation will show that a review by procurement personnel, technical personnel and legal counsel has been made to ensure the propriety of the action.

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CHAPTER 3:SPECIAL SERVICES

PART E: PROCEDURES FOR SPECIAL SERVICES PROGRAMS AFLOAT

3400. MISSION

a. A Special Services Program is an important addition to any voyage for the enjoyment and benefit of all personnel assigned to or transported on fleet ships. While a comprehensive program is desirable, the number and type of activities that may be conducted are dependent upon circumstances such as the Special Services material furnished to the ship, the number of personnel onboard, the duration of the voyage and weather conditions.

b. A Special Services Program must have the support of the personnel onboard in addition to the energetic actions and dedication of the ship's Special Services Officer to develop a vital program for the welfare and recreation of all personnel.

3401. SHIP'S SPECIAL SERVICES OFFICER. The Master will appoint, in writing, a Special Services Officer responsible for managing the ships Special Services, Morale, Welfare and Recreation (MWR) Programs and Navy Motion Picture Service Videocassette Program. Figure 3-1 provides a sample appointment letter specifically addressing the Special Services Officer's responsibilities including:

a. Becoming familiar with all applicable instructions pertaining to the operation and management of Special Services Programs.

b. Conducting an inventory and maintaining accountability of all fixed assets recorded on NAVSUP Form 306. This inventory will be conducted by two people, either the relieving and relieved Special Services Officer or the relieving Special Services Officer and a disinterested officer appointed, in writing, by the Master.

c. Scheduling formal training at the Area Commander as soon as practical.

d. Developing a Special Services Program based on available material.

e. Administering the Special Services Programs and advising the Master on Special Services matters.

f. Arranging with the Area Command's Special Services Officer(N43) to obtain supplies and materials for the ship's program.

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g. Maintaining a special service fund ledger, which will include the following data entries:

- (1) Date of action
- (2) Incoming special service check amount
- (3) Check number
- (4) Type of expenditure (e.g., ship's party)
- (5) Expenditure amount
- (6) Fund balance

h. Maintaining receipts on all expenditures for 2 years.

3402. SHIP'S SPECIAL SERVICES COUNCIL. The Master will appoint, in writing, members of the ship's crew to form a Special Services Council. The Special Services Council will meet as often as necessary to support the ships Special Services Programs but not less than quarterly. All Special Services expenditures will be authorized (in writing, via minutes) by the Special Services Council.

a. Organization. On MSC ships, the council should be organized as follows:

- (1) Master (Chairman)
- (2) Special Services Officer (Member and Recorder)
- (3) Deck Department (Member)
- (4) Engineering Department (Member)
- (5) Supply Department (Member)
- (6) Sponsor Representative (if applicable) (Member)
- (7) Others (selected by the Master)

b. Proceedings. The Special Services Council is useful in the development of a fully representative Special Services Program. In order that MSC Area Commanders can review the effectiveness of the council, the minutes of each council meeting shall be recorded, signed by all council members and filed. An information copy will be provided

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to the Area Commander within 10 days after the meeting. The topics discussed should include requirements for expendable and non-expendable items, plans for ship parties, status of funds, etc.

3403. RESPONSIBILITIES OF THE MASTER. The Master is responsible for the ship's Special Services Program. Upon reporting, the Master will appoint a Special Services Officer and establish a Welfare and Recreation Committee.

3404. OUTBOUND/INBOUND CHECKLIST

a. Outbound. The ship's Special Services Officer will take the following actions in-port and complete prior to departure:

(1) Receive, check and securely stow all requisitioned Special Services materials.

(a) Obtain and securely stow a complete videocassette library.

(b) Ensure adequate library books are onboard.

b. Inbound. The ship's Special Services Officer shall complete the following actions prior to arrival.

(1) Prepare and sign requisitions for Special Services materials.

(2) Prepare unserviceable Special Services material such as audio-visual equipment, recreation gear and exercise equipment (or material in need of repair) for turn-in. Complete all turn-in documentation.

3405. SPECIAL CELEBRATIONS AND PARTIES

a. Ceremonies. The 180th Meridian and crossing-the-line ceremonies will be conducted under the supervision of the Master. Initiation ceremonies will be conducted in a manner to prevent the possibility of injury or indignity to crew and sponsor personnel.

b. Dinner Parties. Holiday and other special dinner parties will be approved by the Master. The Chief Steward and Special Services Officer will coordinate the arrangement and supervise the event.

c. Bingo Parties. Bingo is considered a popular form of entertainment and recreation provided for personnel during extended voyages. Bingo games are for entertainment purposes only, not as a lottery or gambling.

(1) In April 1956, the Department of Defense authorized the playing of regulated games on military installations. Bingo parties shall be designed to promote participation and emphasize attractive merchandise prizes rather than cash.

(2) When authorized by MSC Area Commanders, bingo parties may be conducted onboard MSC ships. The Master will assume responsibility for the conduct of the bingo games. Bingo games will be patterned after the following procedures.

(a) The Special Services Officer may supervise the conduct of bingo parties, the collection of admissions and the issuance of merchandise prizes.

(b) The Master or his designated representative will arrange for two more persons to assist in the supervision and conduct of bingo games. Designated personnel will verify the total cash collected for each bingo party. The funds collected will be used to defray the cost of merchandise prizes.

(c) Admission shall be nominal (not to exceed \$.50) depending on the number of personnel desiring to play and the amount of funds in their possession. Total admission, predicted on the estimated number of personnel desiring to participate, shall be collected in advance of the party. Each admission will entitle the participant to one card. Normally, the number of prizes will be determined by the number of games played.

(d) Except as previously stated, no restriction is placed on the number or type of bingo games that may be played during a voyage. The type of games should be publicized well in advance and bingo parties should not be scheduled to interfere with other shipboard activities.

(e) Bingo cards and related equipment will be supplied to ships by the Area Command Special Services Officer.

3406. REQUISITIONING. Except under unusual circumstances, requests for Special Services materials will not exceed the basic allowance established by the MSC Area Commander. Requisitions shall be signed by the ship's Special Services Officer or the Master. Any member of the Recreation Council may receipt for delivered material, but this does not relieve the ship's Special Services Officer or the Master of his responsibility for the material. Five copies of each requisition will be prepared. One copy will be retained onboard ship. Upon receipt of Special Services material, the retained copy of the requisition will be checked against the material received, signed and forwarded to the MSC Area Commander. The receiving copy will be retained onboard, the remaining copies forwarded to the Area Commander.

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3407. SPECIAL SERVICES PROPERTY

a. Allowance Lists. Allowance lists of Special Services materials available for issue to ships will be prepared and distributed by MSC Area Commanders.

b. Expendable Property. When expendable supplies are no longer serviceable, requisitions to fill allowances will be submitted. Care should be exercised to ensure that maximum benefits and services are obtained from expendable supplies.

c. Non-expendable Property. Non-expendable property to fill allowance will be issued upon request by the Area Command Special Services Officer on custody receipts and the receipts shall be signed for by the Master. When non-expendable property is lost, damaged, destroyed or rendered unserviceable (other than through normal wear) the circumstances will be reported promptly to the Area Commander. In some cases, affidavits and/or certificate of persons having personal knowledge of the loss, damage or destruction of property may be requested by the Area Commander.

d. Unserviceable Non-expendable Property. Unserviceable non-expendable property onboard ships will be returned to the Area Command Special Services Division on property turn-in slips accompanied by certificates of wear and tear, or reports of other circumstances involved. Non-expendable property turned-in will be surveyed using the Area Command Welfare and Recreation Fund property account. New custody receipts will be made out when equipment is issued as a replacement.

e. Inventories. Non-expendable Special Services property and equipment onboard ships shall be inventoried semiannually on 31 March and 30 September by an inventory board consisting of one disinterested officer and the Special Services Officer. The inventory record will be prepared in triplicate and the original and one copy forwarded to the MSC Area Commander for final processing.

3408. RECORDS. The Special Services Officer will maintain the following Special Services property records.

a. Custody-receipt book.

b. File of property vouchers, issue and turn-in slips and other adjustment certificates and vouchers in the event of loss or destruction.

c. Motion picture program reports.

3409. LIBRARIES. An adequate number and variety of paperbound books and magazines will be provided for all personnel onboard MSC civil service ships.

a. Selection. The Area Command Special Services Officer will arrange for books and magazines which provide a wide variety of titles for various reading tastes and interests. Books and magazines which seem offensive or contrary to moral and ethical standards, or books and magazines on public questions when written in a sensational, inflammatory manner should not be selected.

b. Acquisition. The Special Services Officer may requisition additional books and magazines at any time during the voyage.

c. Expenditures. All books and magazines are expendable upon issue, therefore inventories or accountability is not required.

CHAPTER 3:SPECIAL SERVICES

PART F: NAVY MOTION PICTURE SERVICE (NMPS) VIDEOCASSETTE PROGRAM

3500. PURPOSE

a. U.S. Navy, MSC and NOAA ships receive NMPS movies in BETA II or HI-8 format from MPS Brooklyn NY. The purpose of the videocassette movie program is to provide each ship with its own onboard library of movies to be retained for up to 3 or 4 years depending on the lease period.

b. Guidance for the use of videocassette movies onboard MSC ships is contained in NAVMILPERSCOMINST 1710.1. Custody and control of videocassette movies shall be exercised by the Master who may assign sub-custody to the Special Services Officer or other designated officer in writing. The actual use of videocassette movies will be strictly controlled by the Master or his designated representative to ensure only authorized viewing takes place. The following applies to videocassette movies.

(1) Authorized viewing shall be termed as scheduled movie calls.

(2) Under no circumstances will videocassette movies be released to any ship departments or individuals for private viewing.

(3) Videocassette movies will not be exchanged between ships or provided to units ashore for exhibition.

3501. DISTRIBUTION. Distribution of NMPS videocassettes will be made only to ships on which retrofit has been completed to accommodate BETA II and/or HI-8 playback capability. Upon completion of retrofit, ships will be provided copies of all videocassette programs previously distributed to ensure full access to the available inventory. NMPS

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Manual (NAVMILPERSCOMINST 1710.1) establishes NMPS as the sole source for acquisition, distribution and exhibition of entertainment motion pictures. Distribution will be from NMPS New Rochelle NY, via mail to all participating ships and MSC Area Commands.

3502. RESTRICTIONS. Videocassettes provided by NMPS are authorized only for shipboard exhibition on site-CCTV systems, or in the absence of a site-CCTV system, in an area specifically designated by the Commanding Officer or Master. Exhibition of NMPS videocassettes ashore is prohibited.

a. All videocassettes distributed by NMPS are copyrighted properties protected under U.S. copyright law. The transfer of picture, sound track or both to any recording medium is prohibited. The connecting of privately owned videocassette recorders to lines carrying NMPS videocassette signals is prohibited.

b. Broadcasting/exhibition frequency of NMPS videocassettes should coincide with regular traditional viewing times both in port and at sea. No AFTRS/NBS geographic restrictions apply.

3503. RESPONSIBILITIES. Masters may transfer the custody of videocassettes to personnel responsible for exhibition of on site-CCCTV systems. In the absence of a site-CCTV system, a designated Movie Officer, who may also serve as Special Services Officer will be delegated custodial responsibility. Videocassettes will not be used by personnel for exhibition on privately owned videocassette recorders. On ships without a site-CCTV station, the Master shall provide security necessary to ensure videocassettes are only exhibited by authorized personnel on authorized playback units.

a. Synopsis cards measuring 3" x 5" will be enclosed in each videocassette case. They are to be removed and filed for scheduling purposes.

b. Lease expiration dates are clearly indicated on the videocassette cases and synopsis cards. At the end of the lease period, the lease expired videocassettes will be mailed to: Officer in Charge, Navy Motion Picture Service, 270 Main Street, New Rochelle NY 10801-5796. If space limitations do not allow for stowage of a complete library, reductions of videocassette inventories may be made by notifying NMPS of less popular programs which are not desired for retention. Authorization to reduce inventory must be granted by NMPS prior to actual return of videocassettes not desired.

c. Release of videocassette movies to authorized operators will be controlled by a locally prepared release/return log. The log will contain as a minimum the program number, issue date, return date and signature of authorized operator. Authorized operators include:

(1) A person designated in writing by the Master to operate videocassette players furnished to the Area Commander.

(2) A military member designated by the OIC/COIC MILDEPT to act as the Armed Forces Radio Television Service (AFRTS) custodian. Assigned custodians are responsible for videocassette players, CCTV-Site and/or mini site systems furnished by the Navy Broadcasting Service.

3504. SECURITY. Each command having custody of videocassettes must establish stringent security measures unique to the unit which preclude the possibility of theft, piracy or wrongful appropriation. Any command breaching the integrity of the NMPS videocassette program will be subject to suspension of all NMPS video entertainment privileges including the withdrawal of the current onboard inventory. In addition, individuals responsible for theft/piracy may be subject to federal and civil prosecution for violation of the copyright act, theft of government property and unjust enrichment to the disadvantage of the movie distribution company. Under no circumstances will ships exchange cassettes or provide them to shore commands other than their cognizant Area Commander.

3505. SHIPS IN CONVERSION/OVERHAUL/LAY-UP. Ships under construction, undergoing overhauls/conversions or in the process of laying up, will adhere to the following procedures:

a. Construction. Videocassettes will not be provided until capability to secure them has been certified.

b. Overhaul. Safeguard videocassettes against unauthorized use. Relocate to secure location if shipboard storage is not possible.

c. Lay-Up. Notify NMPS New Rochelle 120 days prior to decommissioning to stop shipping videocassettes. When site-CCTV equipment or non-site video entertainment systems are removed, ship the entire system to NMPS in bulk and advise NMPS prior to shipment.

3506. LOST OR STOLEN VIDEOCASSETTES. A lost or stolen videocassette requires an immediate search to attempt to locate it. If unable to locate the videocassette, advise NMPS and the appropriate Area Commander via message with program/print number, title, circumstances, date of loss and action in progress. Use Judge Advocate General (JAG) Manual (JAGINST 5800.7C) informal investigation procedures to account for loss. If in-port, notify the Naval Investigation Service. Copies of all reports shall be mailed to NMPS as soon as they become available.

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3507. REPLACEMENT OF VIDEOCASSETTES. Replacement videocassettes may be available in the event of a videocassette failure. Advise NMPS of the problem and request a replacement if desired. If a videocassette is returned to NMPS, return it in a clear plastic storage box packed in cushioned packaging.

3508. TRANSFER OF VIDEOCASSETTES. When mailing videocassettes, use first class insured mail. Insure for 50 per case (regardless of case quantity). To provide a record of shipment, retain postal insurance form for a period of 1 year.

3509. FUNDING RESPONSIBILITY. The Defense Business Operating Fund (DBOF) has the funding responsibility for the Movie/Videocassette Program, AFRTS Program and audio visual electronic equipment and repair programs. The remainder of the Special Services Program is funded by Non-Appropriated Funds (NAF).

CHAPTER 3:SPECIAL SERVICES

PART G: EMERGENCY LOAN OF WELFARE AND RECREATION FUNDS TO ACTIVE DUTY MILITARY PERSONNEL

3600. GENERAL. MSC ships with active duty military personnel attached may receive notification of a death or serious illness in the immediate family whereby the member's presence is required. If sufficient personal funds are not available, and the financial services of a credit union or Navy Relief Society Office are not accessible, SECNAVINST 5760.14A sets forth optional procedures for providing Navy Relief Society Funds which can be advanced to the member through the ship's Welfare and Recreation Funds. Since all MSC Welfare and Recreation Funds are maintained at the Area Commands, the following procedures to transfer the Health and Welfare funding authority to the ship's Purser is established.

3601. PROCEDURES. The procedures below will be followed upon notification of a death or serious illness in the immediate family of an armed services member attached to an MSC ship whose personal funds are insufficient to cover commercial transportation costs.

a. **OICMILDEPT.** When the OICMILDEPT onboard MSC ships has received verification of a death or serious illness through the Red Cross, he/she will:

(1) Determine a reasonable loan amount based on round trip air fare to and from the emergency leave address.

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(2) Send a priority message citing the following information to the cognizant MSC Area Commander (info NMCRS San Diego) requesting Welfare and Recreation Fund assistance:

(a) Service member's full name, rate/rank, social security number, expiration active obligated service (EAOS), emergency leave address and permanent home address.

(b) Name and relationship of the person(s) whose death or serious illness has caused the emergency.

(c) Amount of the loan.

(d) Statement as to intended repayment method. (Repayment is preferred through an allotment made out to the Navy Relief Society, San Diego CA.) See Figure 3-2 for a sample of a notification of an allotment start.

b. Area Commander. Upon receipt of the message, the Area Command's Logistics Director will:

(1) Respond by message to the ship with an info copy to the Navy Relief Office authorizing the Purser to issue funds.

(2) Deposit funds in the amount of the loan with the Disbursing Officer. The check will be made payable to the Department of the Treasury.

(3) On command letterhead, request reimbursement from the Navy Relief Society.

c. Purser. The Purser onboard MSC ships will:

(1) Prepare a Public Voucher (SF 1034) for the amount requested, citing information included on an SF 1034, charging Account 2152.

(2) Forward three copies of the Public Voucher to the Area Commander.

(3) Record the Public Voucher on the balance sheet under Gross Disbursement.

d. Service Member. The service member and the ship's OICMILDEPT will ensure that an allotment is registered for repayment of the loan to the Navy Relief Society Office. If the allotment is accomplished after the initial loan request directed toward the Area Commander, a Notification of Establishment of Allotment Reimbursement will be utilized to report the establishment of the allotment. Any questions concerning repayment or inability to repay this loan should be forwarded directly to the Navy & Marine Corp Relief Society (NMCRS), 45518 Hercules Road, Bldg M273, San Diego CA 92145-5296.

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e. Navy Relief Society. The Navy Relief Society will promptly reimburse the appropriate Area Command Welfare and Recreation Fund for the amount of the loan by forwarding a check to the Area Command listed below:

**COMSCPAC
WELFARE AND RECREATION FUND (PM1WL3)
280 ANCHOR WAY SUITE 1W
OAKLAND CA 94625**

USNS SIRIUS (T-AFS 8)
FPO AE 09587-4064

4060
Ser 043
15 Mar 1994

From: Master
To: Joseph Smith

Subj: SPECIAL SERVICES OFFICER APPOINTMENT

Ref: (a) COMSCINST 4000.2A

Encl: (1) Special Services Non-Expendable Equipment/Fixed Assets
(2) Certified inventory of NMPS Videocassettes

1. In accordance with paragraph 3401 of reference (a), you are hereby appointed as Special Services Officer responsible for the operations and management of Special Services, Morale, Welfare and Recreation (MWR), and Navy Motion Picture Service Videocassette programs.
2. In this capacity, you will maintain stringent security over all Special Services fixed assets and entertainment videocassette motion picture tapes. You are to conduct an inventory of all fixed assets and video tapes prior to assuming duties as Special Services Officer. Results of the inventory will be attached to this letter as enclosures (1) and (2). The inventory will be conducted jointly with the Special Services Officer being relieved, or a disinterested officer appointed in writing.
3. This assignment involves a personal liability for items and negotiable instruments placed in your custody. Liability commences upon completion of inventory and acceptance, by signature, of this letter. Therefore, any differences in quantities and or condition of materials noted during inventory will be documented and attached to this letter.
4. Responsibilities include all those prescribed by Chapter 3 of reference (a), or contained in notices and instructions forwarded by COMSC or MSC Area Commands pertaining to Special Services, MRW and Videocassette programs.

Accepted by, Special Services Officer

Master USNS Sirius

Distribution:
Ship's file; Area Command Exchange Division; Relieving/Relieved Special Services Officer

FIGURE 3-1 - SAMPLE SPECIAL SERVICES OFFICER APPOINTMENT LETTER

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FM USNS _____
TO MSC NFAF WEST OAKLAND CA//PM1WL3//
INFO COMNAVSUBBASE SAN DIEGO CA//JJJ//
UNCLAS //N01700//
COMNAVSUBBASE SAN DIEGO PASS TO SAN DIEGO NAVY & MARINE CORP RELIEF SOCIETY
MSGID/GENADMIN/USNS _____//
SUBJ/ESTABLISHMENT OF ALLOTMENT FOR REPAYMENT OF EMERGENCY LEAVE LOAN
REF/A/DOC/SECNAVINST 5760.14A//
REF/B/DOC/COMSCINST 4000.2A//
RMKS/1. IAW REFS A AND B, SUBJ ALLOTMENT ESTABLISHED AS FOLLOWS:
A. (SVC MEMBER'S NAME, RATE, SSN)
B. TOTAL AMT OF LOAN DOLLARS _____
C. DATE OF FIRST PAYMENT _____
D. AMT PER MONTH, DOLLARS _____
E. DURATION OF ALLOTMENT _____

FIGURE 3-2 ESTABLISHMENT OF ALLOTMENT

CHAPTER 4: AFLOAT EXCHANGE

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CHAPTER 4: AFLOAT EXCHANGE

PART A: PURPOSE AND AUTHORIZATION

4000. PURPOSE. The primary mission of an MSC Exchange Location is to provide personnel assigned to or transported on MSC civil service manned ships with a convenient and reliable source from which they may obtain, at a reasonable cost, articles considered necessary for convenience and necessity on a daily basis and also to enhance the quality of life of all embarked. Profits generated from exchange sales are used for a recreation program designed to promote personnel morale.

4001. AUTHORIZATION

a. General. Regulations and procedures prescribed in this chapter apply only to MSC exchange offices and locations which are operated with non-appropriated funds onboard MSC civil service manned ships as part of the MSC Exchange Program managed by the Area Commander.

b. Establishment. Area Commanders may authorize the operation of an Exchange Location when the number of personnel assigned and passengers carried or the nature of the voyage warrants establishment. Exchange Locations are authorized to operate in port to the extent that operations do not conflict with area restrictions imposed by naval authorities or Status of Forces Agreements.

4002. REPORTS OF ESTABLISHMENT AND DISESTABLISHMENT. When an MSC Exchange Location is established or disestablished, the cognizant Area Commander will report such action to the Navy Exchange Service Command (NEXCOM) via Commander, Military Sealift Command. (See Figure 4-1.) When an MSC Exchange Location is disestablished, the report will indicate the disposition or recommended disposition of the stock, equipment and fixtures.

4003. DEFINITIONS

a. MSC Exchange Program. The MSC Exchange Program is a functional organization established and operated under the cognizant Area Commander for support of Exchange Locations operated onboard MSC civil service manned ships. The support program consists of the procurement and storage of stock items, training of Exchange Location Operators, communication of policy and price changes and review of sales records, returns and reports.

b. Exchange Location. An MSC Exchange Location is a resale store operated onboard a MSC civil service manned ship.

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c. Exchange Officer. An MSC Exchange Officer is an officer in the Supply Corps of the U.S. Navy who manages and directs the MSC Exchange Program under a cognizant Area Commander. The senior civilian, Deputy Director, assigned to the Headquarters Exchange Office is authorized to assume this position in the absence of the Exchange Officer.

d. Exchange Location Operator. An MSC Exchange Location Operator is a civilian or military crewmember of an MSC ship, assigned, on a voluntary basis, the duty and responsibility of operating an Exchange Location.

e. Complete Voyage. The term "complete voyage," when used in conjunction with "end of voyage returns," refers to an exchange accounting period when voyage return reconciliation documentation is rendered.

f. Civil Service Manned Ships and Ships of MSC. The terms "civil service manned ships" and "ships of MSC," as used in this manual, do not include MSC chartered ships or ships operated by a contractor.

CHAPTER 4: AFLOAT EXCHANGE

PART B: MSC EXCHANGE ORGANIZATION

4100. ORGANIZATIONAL RESPONSIBILITIES

a. Commander, Military Sealift Command (COMSC). COMSC has the following duties.

(1) Provide for, in conjunction with the Commander, Naval Supply Systems Command (COMNAVSUPSYSCOM), the establishment or disestablishment of MSC Exchange Programs ashore and Exchange Locations afloat onboard MSC civil service manned ships.

(2) Review regulations for the operation of Exchange Programs and Exchange Locations.

(3) Exercise management, technical control and military command coordination over MSC exchange activities for both ashore and afloat programs.

b. Commander, Naval Supply Systems Command. The duties, responsibilities and authority vested in COMNAVSUPSYSCOM are delegated to and exercised by the Navy

Exchange Service Command (NEXCOM). Orders and instructions issued by NEXCOM have the same effect and force as if issued by COMNAVSUPSYSCOM.

c. Navy Exchange Service Command. NEXCOM will specifically:

(1) When requested by COMSC, direct the establishment or disestablishment of an ashore MSC exchange.

(2) Prepare and disseminate, with the concurrence of COMSC, regulations and procedures for the operation of MSC exchanges.

(3) Provide for the training and assignment of Ashore Exchange Division Managers and Navy Supply Corps Officers for the management of MSC Exchange Programs.

(4) Exercise, through COMSC and the cognizant Area Commanders, management and technical control over the MSC Exchange Program as differentiated from the MSC Exchange Location System (shipboard) which is a program administered solely by MSC.

d. Area Commander. The cognizant Area Commander, in conjunction with COMSC, has the following duties.

(1) Oversee the establishment or disestablishment of MSC Exchange Locations afloat.

(2) Exercise military command and coordination over MSC Exchanges and MSC Exchange Locations afloat.

(3) Administer operational control over the MSC Exchange Program as directed by COMNAVSUPSYSCOM (NEXCOM).

(4) Administer operational control over afloat Exchange Locations.

(5) Approve nomination of a crewmember for assignment, on a voluntary basis, as an afloat MSC Exchange Location Operator.

(6) Provide necessary spaces, facilities, security and government-owned equipment for the efficient conduct of MSC Exchange Locations afloat.

e. Exchange Division Officer. The Exchange Division Officer at the Area Command is responsible for the efficient management of the ashore Exchange Program and the applicable afloat Exchange Locations. These responsibilities include:

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(1) Procurement and maintenance of ashore warehouse inventories of retail products for Exchange Locations.

(2) Establishment of Exchange Location facilities to include convenience and necessity items.

(3) Administration of comprehensive training for prospective Exchange Location Operators.

(4) Accounting for Exchange Location resale merchandise, such as vending machine products and related equipment, and supplies pertaining to the Exchange Location store and vending machines.

(5) With the exception of the Deputy Director position, assigned by NEXCOM, hiring nonappropriated Fund Instrumentality (NAFI) personnel to assist in the administration and management of the MSC Exchange and Special Services Programs.

4101. AFLOAT EXCHANGE OPERATIONS

a. Selection of Exchange Location Operator

(1) When an afloat Exchange Location is established, the Master will exercise overall responsibility for the operation of the Exchange Location. The Master will nominate, on a voluntary basis, an individual assigned to the ship as Exchange Location Operator. Under no circumstances will the Master designate a crewmember whose duties require the handling or management of other funds.

(2) Exchange Location Operator nominations will be made by letter to the cognizant Area Commander. If a nomination is required during extended voyages, Masters will submit by message the full name, Social Security Number, position/rating and the date of birth of the nominee. When a nominee is approved by the Area Commander, the appointment will be made by letter shown in Figure 4-2.

b. Operator Compensation. Compensation for Exchange Location Operators will be computed at the end of each voyage on the basis of 7% of the gross sales (see Part H, paragraph 4707).

c. Responsibilities

(1) Master. The Master will:

(a) Ensure compliance with procedures specified throughout this manual.

(b) Assure continuity of Exchange Location accountability by timely appointment of Exchange Location Operators. A copy of each appointment letter issued will be forwarded to the cognizant Area Commander.

(c) Provide the necessary spaces, facilities, security -and government-owned equipment and supplies.

(d) Direct prospective or newly appointed operators to report to the cognizant Exchange Divisions Officer for indoctrination. The Area Command Exchange Division Officer will establish a time and location for the operator to be trained.

(e) When a Purser is not assigned, the Master will perform the duties of the Purser as they apply to the Exchange Location operations.

(f) Appoint one certifying officer in writing, as shown in Figure 4-3, to serve as the Certifying Officer who will personally inventory Exchange Location merchandise and verify the accuracy of the inventory supporting regular accountability reports which do not involve a change in operators. Upon the termination of duty of an Exchange Location Operator due to absence or incapacitation, the Master will appoint two certifying officers to conduct a closing inventory. If a new Exchange Location Operator has been designated, he will conduct the inventory with the certifying officers.

(g) Certifying officers shall be appointed in writing by the Master each time there is a change in Exchange Location Operators, an inventory is conducted or a close out of returns is performed. Figure 4-3 is a sample letter.

(h) Prohibit unauthorized sales.

(i) Establish hours of operation. The Exchange Location will be open at least 1 hour each day or as needed to meet the requirements of the crew. General guidance is provided in Part G.

(j) Ensure price lists are signed and properly posted.

(k) Approve the rationing of merchandise as necessary (e.g., one carton of cigarettes per week is a reasonable limitation).

(l) When necessary, approve emergency procurements.

(m) Investigate losses of official funds or Exchange Location merchandise.

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(2) Supply Officer. In addition to the duties and responsibilities outlined in COMSCINST 3120.2D, the Supply Officer will:

(a) Supervise the Exchange Location Operator to ensure efficient performance of his duties.

(b) Exercise, in accordance with Part G, cash control verification and certification procedures and sign the Daily Sales Report NES 600.

(c) Provide assistance in requisitioning merchandise including assignment of requisition numbers (9700-9900 series) and maintaining requisition logs.

(d) Provide guidance in material receipt procedures.

(e) Review and discuss with the Master the accuracy and completeness of voyage returns. The Supply Officer will initial the End of Voyage Accountability Report (NES 607), in the Supply Officer's Signature lock, certifying review.

(f) Advise the Master of any operations in violation of regulations.

(g) Provide additional assistance as the Master may direct.

(h) Provide guidance to inventory teams to ensure accurate and verifiable inventories are performed.

(3) Purser. When assigned, the Purser will:

(a) Systematically advance necessary change funds to the operator and provide small change and check cashing service to patrons of the Exchange Location.

(b) Accept and receipt daily deposits of proceeds from sales including change.

(c) Draw checks in exchange for cash when deposits total \$2,000.00 (approximately) but not in excess of \$2,500.00, and at the end of accounting periods.

(4) Exchange Location Operator. The Exchange Location Operator will operate the Exchange Location in accordance with the policy and procedures set forth in this chapter and supplemental directives issued by the cognizant Area Commander.

4102. SECURITY. All Exchange Location spaces will be securely locked when unattended by the Exchange Location Operator. Spaces will be sealed with self-locking car seals during intervals between completion of accountability inventories and absence of the Exchange

Location Operator. The serial numbers of seals will be recorded in official deck logs. Acknowledgment of accountability by the relieving operator will be indicated by the changing of locks on Exchange Location storerooms and by a written confirmation on the inventory summary sheet.

4103. REGULATIONS. Regulations governing the operation of the Exchange Location will be posted adjacent to the salesroom. Figure 4-4 is a sample format which is considered complete when the ship's name, hours of operation and the Master's signature are added.

4104. FORMS. Forms listed in Figure 4-5 are required for the operation of the Exchange Location. These forms are available upon request from the Area Command Exchange Officer.

4105. EXCHANGE LOCATION FILES. The files listed in Figure 4-6 shall be maintained by the Exchange Location Operator.

4106. EXCHANGE LOCATION INSURANCE COVERAGE. In a case where damage or loss of exchange equipment or supplies potentially subject to insurance coverage has occurred, the details surrounding the incident will be submitted to the Exchange Division Officer at the Area Command for preparation of an insurance claim.

4107. U.S. CUSTOMS DECLARATIONS FOR EXCHANGE LOCATION MERCHANDISE PURCHASED IN SHIP'S EXCHANGE LOCATIONS. To assist Exchange Location patrons in accurate preparation of U.S. customs entry declarations, the Exchange Location Operator is authorized to prepare a Sales Slip (NES 141) as a receipt for the purchase of foreign manufactured merchandise sold in the Exchange Location onboard MSC ships. This will include a complete description of the item, and will be certified by the Exchange Location Operator to have been brought into the Exchange Location stock from an Area Command exchange warehouse or a Navy Exchange Store. The operator will affix his signature at the bottom of the front side of the original sales slip and copy. The Exchange Location Operator will maintain the duplicate copies for review by the customs inspector. Supplies of the sales slips are available from the Area Commander. Exchange Location Operators are accountable for all Sales Slips (NES 141) issued for purchases of foreign manufactured merchandise sold in the Exchange Location onboard ship.

CHAPTER 4: AFLOAT EXCHANGE

PART C: STOCK REQUIREMENT DETERMINATION

4200. AUTHORIZED STOCK. MSC Poster Price Lists contain authorized items for resale in Exchange Locations. These lists are updated every 6 months by the Area Commanders. Overprinted requisitions (SS 605) indicate, by an asterisk symbol, those items designated as

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"never out items." Items so marked must always be on hand. Area Commanders may approve stocking other items which are considered desirable by individual ships upon request.

4201. GENERAL RESTRICTIONS. Operation of any resale activity other than the official Exchange Location is strictly prohibited. Arrangements or agreements which evade the purpose or spirit of this paragraph will be considered a violation within the meaning of this paragraph.

a. Sales for the Account of Individuals. Military and civilian personnel assigned to MSC are not permitted to sell articles in or through the Exchange Location.

b. Concessions. Concessions will not be granted nor arrangements made with dealers or tradesmen to make sales from or agree to pay a portion of their profit to the Exchange Location. Additionally, dealers are not authorized to receive payment for articles sold by invoicing them to the Exchange Location. However, exception is made for concessions sponsored by NEXCOM in which MSC participates. Checks provided from authorized concessions if received will be forwarded to Area Commanders.

4202. SPECIAL STOCK RESTRICTIONS

a. Tax-Free or Tax-Exempt Products. MSC exchanges are entitled to exemptions from Manufacturers Excise Tax by Internal Revenue Code, Section 4221(a)(2) and 4221(a)(3). Additionally, the sale of "Tax-free" cigarettes is authorized, in Exchange Locations, when outside the U.S. 3-mile continental limit. Tax-paid Cigarettes will be withdrawn from sales areas when outside the U.S. 3-mile limit. Tax-free cigarettes will not be sold within the U.S. 3-mile limit.

b. Procurement of Merchandise at Hong Kong. Procurement of merchandise at Hong Kong, British Crown Colony, will be made only through the Naval Supply Depot, Navy Purchasing Branch, Yokosuka Japan.

CHAPTER 4: AFLOAT EXCHANGE

PART D: STOCK PROCUREMENT

4300. BASIS FOR PROCUREMENT. Requirements will be determined on the basis of issue rates developed from SS 605 requisitions. Requirements will be adjusted according to operating conditions, available storage space and number of passengers and crew.

4301. PRIMARY SOURCES OF SUPPLY

a. Source. The primary source of supply is the Exchange Division at the Area Command. Replenishment requisitions will be accomplished on an SS 605. (See Figure 4-7.)

b. Procedure. The SS 605 will be prepared using ballpoint pen or typed. Non-overprinted SS 605 may be used when requisitioning 25 items or less. Requirements should be based on demand history, operating schedule and conditions. When OUT-CONUS, lead-time of up to 90 days may be required. Once a requisition has been filled by the Area Commander, a requisition summary sheet, shown in Figure 4-8, will be prepared by the Area Command staff to update the Exchange Location Operator's accountability.

4302. EMERGENCY SOURCES OF SUPPLY. When required, the Master may authorize the Exchange Location Operator to requisition health and comfort items from other sources. Requisitions will be limited to articles and services considered necessary for the daily health or comfort of personnel. Supply sources, in order of priority, are:

- a. U.S. Navy Mobile Logistics Support Force (MLSF)
- b. Fleet Industrial Supply Centers (FISC)
- c. Ashore Navy Exchanges
- d. Other MSC ships
- e. U.S. Navy ships with a Ships Store Afloat operation,
- f. Army and Air Force Exchange System (AAFES)
- g. Commercial sources

4303. PROCUREMENT ENROUTE

a. General. In the event of early stock depletion enroute and resupply action is required, the Exchange Location Operator will request assistance from the Area Commander. When sources other than the Area Commander are authorized for resupply, the supplying activity will be requested to invoice the ship's Area Command Exchange Division. A copy of the invoice will be retained by the Exchange Location Operator to calculate selling prices. In every instance when a procurement enroute occurs, the Area Commander will be notified by message with the date and source of the transfer-in, total cost invoiced, total selling price applied to the accountability file and date documents mailed to the MSC Exchange Office.

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b. Other MSC Exchange Locations. Stock procured from other MSC Exchange Locations will be transferred at the current selling price of the transferring Exchange Location using SS 605 (see Figure 4-9).

c. Western Pacific Area. When merchandise is required in the Western Pacific area, except Hong Kong, British Crown Colony, the Exchange Location Operator will submit a non-overprinted SS 605 to the MSCPAC Exchange Officer for approval and transmittal to the appropriate supply support activity.

d. Navy or Army and Air Force Exchange Sources. All procurement from Navy and other activities will be at cost plus an applicable administrative charge not to exceed 10% of item cost.

e. Commercial Source. Use of commercial sources will be approved by and coordinated through the Area Commander. Luxury or semi-luxury stock will not be requisitioned from commercial sources. Cash payments to commercial suppliers are not authorized. Invoices will be submitted to the cognizant Area Command Exchange Office.

f. USS Ship, Ship's Store Afloat

(1) Requisitioning. Requisition stock from a USS ship, Ship's Store, using a DD Form 1149, signed by the Master. Prices listed on the requisition document will be at item cost. Block 9 of the DD Form 1149 will contain the notation, "NAVSUP PUB 487 PART 9 Section 1, paragraph 1082.

(2) Payment. Payment at cost price for merchandise from a USS ship will be in the form of a U.S. Treasury check prepared by the Purser for the exact amount. The Purser will use funds from the Exchange Location Operator's sales deposits and will make payment at the time of delivery of the merchandise. The Exchange Location Operator will prepare an SS 605 to document the transaction in his files. Additionally, the Exchange Location Operator will make the appropriate entries on the Daily Sales Report (NES 600) and End of Voyage Accountability Report (NES 607) to support the cash expenditure.

g. Mobile Logistics Support Force (MLSF) Ships. Requisitions may be submitted to Navy Fleet resupply ships using a DD Form 1149 prepared in accordance with procedures outlined in CARGO NAVSUP P-4998, Consolidated Afloat Requisitioning Guide Overseas). The MSC Area Commander will be cited in Block 3 as the paying activity.

h. Fleet and Industrial Supply Centers. Upon approval of the Master, Exchange Location Operators may requisition material from fleet industrial supply centers for health

and comfort items. A DD Form 1149 will be prepared citing the MSC Area Commander as the paying activity.

4304. MINOR EQUIPMENT AND OPERATING SUPPLIES. Operating supplies and minor equipment, under \$25 in value, will be requisitioned from the ship's Supply Department. Items not available from this source will be requisitioned from the cognizant Area Command Exchange Office on a non-overprinted SS 605.

4305. MAJOR EQUIPMENT. Major equipment, over \$25 in value, will be requisitioned from the Area Commander. With the exception of vending machines, the Area Command Exchange Officer will acquire major equipment from the Defense Reutilization and Marketing Office whenever possible (see NAVSUP P-485, paragraph 5105).

4306. EQUIPMENT RECORD. The Area Command Exchange Officer maintains current fixed asset records of all Exchange Location major equipment including government owned equipment. MSC civil service manned ships will not acquire or dispose of major equipment without the concurrence of the MSC Area Commander.

4307. VENDING MACHINES. The Area Command Exchange Officer will coordinate placement of vending machines onboard MSC ships. The immediate space around shipboard vending machines is the responsibility of the Exchange Location Operator. Necessary repairs, including replacement of coin changers, will be requested through the Area Command Exchange Officer. When the installation of a vending machine is desired, the Master will submit a request to the Area Commander. The Area Commander will take action to obtain the type and number of vending machines requested, specify the electrical current required for operation and prepare SHIPALTS when required.

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PART E: MERCHANDISE RECEIPT AND PRICING

4400. INSPECTION. All receipts will be inspected by the Exchange Location Operator for both quantity and quality. When signing for receipt, documents will be marked to show missing or damaged merchandise. Additionally, the SS 605 will be annotated to identify missing or damaged merchandise. Payment will not be made for missing or damaged items. A copy of annotated delivery documentation will be retained by the Exchange Location Operator. In order to take advantage of prompt payment discounts, report receipts to the MSC Exchange Officer, by message, within 72 hours.

4401. RECEIPT PROCEDURE. Upon delivery of merchandise to the ship, the Exchange Location Operator will verify each quantity against either a DD Form 1149 or an SS 605 used as an invoice. Stock received onboard will be staged on deck, checked for broken case

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seals and then secured below. The Master shall post guards in appropriate locations to safeguard the material until it is secured in a locked space. A Certifying Officer, appointed in writing, will certify quantities of materials received as a transfer-in enroute.

4402. RECEIPT OF STOCK FROM THE AREA COMMANDER

a. General. The SS 605 will be used as a receipt invoice for merchandise and service activity supplies furnished by the Area Command Exchange Officer. The SS 605 also establishes the financial accountability of the Exchange Location Operator. When using the SS 605 as a receipt invoice, it must include stocks delivered from the exchange warehouse and all merchandise delivered by drop shipment from commercial sources. The Form SS 605A Summary Sheet will also include total monetary value for each page of the invoice, the total monetary value of the preceding voyage, price changes and the total financial accountability of the Exchange Location operation.

b. Drop Shipments. Bulk lots of Exchange Location stocks may be procured by the Area Command Exchange Officer for consignment and direct delivery (drop shipment) to the ship. Delivery of drop shipments will be arranged to coincide with the ship's schedule. To maintain maximum financial control, drop shipments will be made by separate Purchase Order and Charge Document (SS 605) with covering Summary Sheet (SS 605A). The Exchange Location Operator will follow the receipt procedure outlined in paragraph 2 and will mark "DS" on the SS 605 invoice document next to each line number shipped.

c. Processing of Receipt Papers. Merchandise and service activity supplies requisitioned from the Area Command exchange warehouse and delivered to the ship will be invoiced on an SS 605. In the case of drop shipments, a vendor will present an original and two copies of a shipping invoice for signature. Once shipments are verified against the SS 605 and/or shipping invoice, the Exchange Location Operator will sign and date the original and return it to the vendor, retaining the two copies. One copy, with discrepancies noted, will be forwarded to the Area Command Exchange Officer. One copy of the shipping invoice will be retained for the ship's files.

4403. RECEIPTS, CHARGES TO ACCOUNTABILITY AND DOCUMENT PROCESSING

a. Processing Receipt Invoices. When stock is transferred-in from any source, except as arranged by the Area Command, the Exchange Location Operator will receive material and process documents as follows.

(1) Check the goods received for quantity and quality. Over-shipments and poor quality or outdated merchandise will be refused and/or returned to the shipper and shipping documents corrected and signed by all parties.

(2) Prepare charge to accountability on non-overprinted SS 605. List every item, description, quantity, cost price ;calculation, grand total cost price column, selling price calculation and grand total selling price column. Complete all signature requirements and shipper identification data per illustration.

(3) Compute the total value and enter the figures under "Retail" in the "Total amount" column. Within 24 hours, request the Master notify the Area Command Exchange Officer, by message, in "accordance with paragraph 4303a.

(4) Distribute documentation as follows:

(a) Mail original and one copy of shipping and invoice ;document to Area Command Exchange Officer within 72 hours.

(b) Place one copy of all documents in the Exchange Location Operator End of Voyage Accountability File for submission to the Area Command Exchange Officer when Voyage Close Out Reports are submitted.

(c) Place one copy of all documents in the retained End of Voyage Accountability File.

b. Additional procedures required when cash is expended. When cash is expended for any transfer-in, the supplies will indicate receipt of the payment by signing a receipt document. The amount of cash expended for the purchase of Exchange Location stocks will be entered in the appropriate columns of the Daily Sales Report (NES 600) opposite the date on which the transaction occurred. The completed invoice will be distributed as follows.

(1) The original bill marked and signed "Payment Received" will be attached to SS 605 charge document and submitted in accordance with paragraph 4403a.

(2) A duplicate bill marked and signed "Payment Received" will be retained in the ship's file copies of the voyage returns.

4404. PRICE ADJUSTMENTS AND CHANGES

a. Price Adjustment for Changes Promulgated by the Area Commander. Semiannually on 1 January and 1 July, the Area Commanders adjust retail prices to conform with the poster price list. Headquarters will issue a multi-page, pre-printed MSC Exchange Location Price Adjustment Voucher, NES 604, which lists all items undergoing a price change and includes the item description, old price, new price and price difference. Detailed instructions on completing the form will be provided.

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(1) Upon receipt of the NES 604, perform an inventory of the items undergoing a price adjustment and enter the quantity in the "Quantity" column block. A Certifying Officer shall be assigned by the Master to certify the inventory and to sign page 1 of the form.

(2) Multiply the inventory quantity by the "Unit Selling Price Difference" and enter the amount in either the "Plus" or "Minus" column of the "Amount of Difference" block as appropriate.

(3) Total the plus column and place the amount in the "Total Increase to Accountability" block for each page.

(4) Total the minus column and place the amount in the "Total Decrease to Accountability" block for each page.

(5) Add all the "Total Increase to Accountability" blocks ;and write the total amount on line 4 of the End of Voyage Accountability Report, NES 607. Add all the "Total Decrease to Accountability" blocks and write the amount on line 8 of NES 607.

(6) Sign page 1 of the NES 604 and place it in the voyage file.

(7) Ensure the inventoried merchandise is marked with any new price and that the old poster price list is replaced with the new poster price list.

(8) Ensure that the current Exchange Location Operator, Supply Officer and Master sign the poster price list prior to posting and that if any signer is succeeded during the validity period of the poster, that such successors also sign as the current officials.

b. Similar Items. The selling price for similar authorized health and comfort items (i.e., items similar in size and description to those items pre-printed on the SS 605) procured enroute will be identical to those currently established and in use by the receiving Exchange Location even if the acquisition cost price is higher than the current selling price.

c. Dissimilar Items. The selling price for dissimilar authorized health and comfort items procured enroute will be computed by marking-up the dissimilar items by 35% of their cost :price then rounding them off to the nearest nickel (.05) denomination. An example of a computation for an item with a cost price of \$.18 is as follows:

\$.18	(cost price)
x	<u>1.35</u>	(35% markup)
\$.243	(preliminary figure)
\$.25	(rounded to the nearest nickel)

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PART F: STOCK STORAGE, PRESERVATION AND SECURITY

4500. STORAGE AND PRESERVATION

a. Stock Organization/Rotation. Stock will be maintained in an orderly fashion with all items susceptible to deterioration marked to show the date of receipt. These measures facilitate inventory accuracy, and first in/first out concept of stock rotation (i.e., older stock will be sold before newer stock is displayed for sale). Dunnage or grating will be used to prevent stock from resting directly on decks or against sweating bulkheads.

b. Preservation. Adequate ventilation will be provided by allowing open space between cases and stacks. Merchandise will be handled in a manner to preserve cleanliness and attractiveness for sale. Photographic supplies will be stowed in a cool, dry, well ventilated space. Bulk stock of soft candies should be stored at temperatures which prevent freezing or melting. Packaged (uncanned) cookies and crackers become stale rapidly if humidity control is not available. Temperature control type items will not be stocked if proper storage is not available.

4501. SECURITY

a. Responsibility. The Supply Officer will inspect exchange salesroom and bulk storerooms to ensure adequacy of doors, locks, and hasps, and will take corrective action on deficiencies. Deficiencies which are beyond the capacity of the ship's force will be included in the voyage repair list. A report will be furnished to the Area Command Exchange Officer of any deficiency noted and the corrective action taken. The exchange salesroom and bulk storerooms will be included in the fire and security watch rounds.

b. Key control. Exchange Location spaces will have locks opened by one key or its duplicate only. There will not be a master key for these locks. The original key will be in possession of the Exchange Location Operator. The duplicate key will be maintained in a sealed envelope in the Master's key locker. The sealed envelope will be signed across the seal by the Exchange Location Operator. At the close of business, or when going ashore, the Exchange Location Operator will secure the operating keys in a separate key locker in the Supply Office. Only the Exchange Location Operator will have access to this key locker.

c. Emergency Entry. In an emergency, when the Exchange Location Operator is not onboard, the Master or Duty Officer will authorize breaking the lock securing the space in the presence of at least two witnesses. These witnesses will remain present (if safety permits) as long as the space is open. When entry is no longer required, the space will be

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secured using a car seal. The number of the seal will be recorded in a car seal log and the ship's duty log. The Exchange Location Operator will be notified immediately upon return and a new lock affixed. The Exchange Location space will be inventoried, as soon as practicable, by the Exchange Location Operator accompanied by a Certifying Officer. A complete financial close out will be accomplished by the Exchange Location Operator to determine accountability status.

d. Locks. All salesroom and bulk storerooms will be fitted with a minimum of two heavy duty crossbars, or hasps, and padlocks. When a change of custody occurs, new locks will be installed immediately on appropriate storerooms and salesroom by the new Exchange Location Operator.

e. Admission to All Retail Store and Storerooms. Only the Exchange Location Operator will be permitted access to Exchange Location spaces. Exceptions are authorized for personnel, accompanied by the Exchange Location Operator, conducting inventories, and authorized inspections. The operator is held personally responsible for all merchandise and funds in his custody.

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PART G: SALE, TRANSFER AND DISPOSAL OF STOCK

4600. AUTHORIZED PATRONS. All personnel assigned to or traveling onboard MSC civil service manned ships are authorized to purchase merchandise in Exchange Location for personal use or for use as a bona fide gift. Resale of merchandise is prohibited.

4601. HOURS OF OPERATION. The Exchange Location hours of operation will be enforced by the Master.

a. Store hours at sea. The Exchange Location will be open as frequently as possible when the ship is at sea. As a minimum, the hours will comply with the following:

<u>Patron Size</u>	<u>Minimum Daily Hours</u>
15-50	1
50-100	2
100 plus	3

b. Store hours in port. The Exchange Location will be open during in-port periods to accommodate the needs of patrons. At a minimum, the store will be open 1 hour each day.

(1) Security of Tax-Free Cigarettes. When within the 3-mile U.S. Continental Limit and in U.S. ports, tax-free cigarettes will be removed from sales activities and secured.

(2) Inventories of Tax-Free Cigarettes. Inventories of tax-free tobacco products will be taken by the Exchange Location Operator when arriving in, or departing from the 3mile Continental Limit of the United States. Inventories will be recorded on Inventory SS 605 (blank). These inventories will be certified by a Certifying Officer and retained in the Exchange Location Operator's accountability file. If for any reason unreconciled differences appear as a result of inventory, the Exchange Location Operator will submit a written report to the Master. A copy of this report will be retained in the operator's accountability file, and be available to inspecting officers and Internal Revenue Officers when requested. Receipts of tax-free tobacco products will be added to the certified inventory by the Exchange Location Operator. A copy of the receipt document will be attached to the SS 605 for audit purposes.

4602. SALES PRICE LISTS. Selling prices of all items of merchandise will be established by the MSC Exchange Officer on overprinted SS 605 and Semiannual Poster Price List. Pre-printed poster price lists will be reviewed and signed by the Exchange Location Operator, Supply Officer and current Master, clearly posted in full view within 6 feet of the sales room and on the ship's bulletin boards. Supplementary price lists covering resale merchandise not on the pre-printed poster will be prepared by the Exchange Location Operator, approved by the Supply Officer and Master and posted. Two copies of each supplemental price list will be included with the voyage return documents. Prices on the posted price lists apply to all Exchange Location sales with the exception of bulk sales to other activities.

4603. CASH SALE PROCEDURES

a. Operator Responsibility. The Exchange Location Operator is responsible for obtaining and managing a change fund. Additionally, the operator is responsible for errors in merchandise pricing and errors from the wrong calculation of change for a transaction.

b. Cashing of Personal Checks. Personal checks will be accepted for the amount of purchase. Checks will be made payable to Treasurer of United States. The following identification must be presented:

- (1) Military Personnel - DD Form 2N (Active)
- (2) Civilian Marine Personnel - DD Form 489
- (3) Sponsor Personnel - DD Form 489
- (4) Technical Representatives - orders from their employers

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(5) Other identification as considered appropriate by ship's Purser

c. Cashable Instruments. Personnel who show proper identification and are presenting instruments stated in terms of United States dollars made out in their behalf and endorsed "payable to Treasurer of U.S." will be able to cash the following at an Exchange Location:

(1) U.S. Treasury checks

(2) Money orders

(3) Traveler's checks

(4) U.S. Postal money orders accepted within 1 year of date of issue

(5) Checks drawn by the American Red Cross

d. Credit. No sales in the Exchange Location will be made on a credit basis.

e. Foreign Monies. Foreign monies will not be accepted by the Exchange Location.

4604. ACCOUNTABILITY FOR FUNDS. Exchange Location Operators are accountable to the Area Command Exchange Officer for all monies received through sales in the Exchange Location. Care and diligence will be exercised in the handling of all sales transactions. Access to the change tray will be limited to the Exchange Location Operator. No other funds will be commingled with exchange funds.

4605. CHANGE FUNDS

a. Amount. At the beginning of the accounting period, the Exchange Location Operator will obtain an initial change fund from the Purser.

<u>Number of Patrons</u>	<u>Maximum Change Fund</u>
Up to 50	\$200
51 - 100	\$300
101 and over	\$400

The Purser will obtain a signed receipt from the Exchange Location Operator for the amount of the change fund. The amount of change advanced is in excess of proceeds from sales. At the close of the first day's sales, the Exchange Location Operator will redeem his receipt by returning the total amount of the change fund advanced to the Purser.

b. Change Enroute. Coin or currency necessary for making change will be obtained from the Purser on a dollar-for-dollar conversion basis.

c. Security. Funds in the form of cash, checks or negotiable instruments will not be left in cash trays during non-operating hours. Proceeds from daily sales will be deposited with the Purser, and change funds will be placed in the Exchange Location Operator's safe.

d. Vending Machines. The Exchange Location change fund will be used to provide change for vending machines. The amount of change for each machine will not exceed \$20.00. The Exchange Location Operator is responsible for making daily cash collections from vending machines for deposit with daily receipts.

4606. CASH COLLECTION AND DISPOSITION

a. Collection. Proceeds from sales including vending machines will be collected at the close of each business day.

(1) The Supply Officer will compare cash collected from the exchange sales operation to cash register tapes.

(2) Vending machine proceeds will be checked against machine inventory compared to cash collected.

b. Safekeeping. Proceeds from sales may be kept by the Exchange Location Operator in a safe for the interim period between the time of collection until the time of deposit. A safe suitable for the safeguarding of Exchange Location funds will be provided for the exclusive use of the Exchange Location Operator.

c. Deposits. The Supply Officer will ensure that all funds in excess of change funds are deposited on a daily basis. Deposits will be made to the Purser.

(1) The Purser will prepare a Record and Receipt of Deposit and Withdrawals of Safekeeping Funds (NAVCOMPT 8/8a made out to the Navy Exchange Service Command), which will be signed by the Exchange Location Operator. A copy of each deposit slip will be signed by the Purser and retained by the Exchange Location Operator.

(2) On ships with no Purser assigned, daily deposits will be made with the Master. A NAVCOMPT 8/8a will be prepared.

(3) A specified time for making deposits or obtaining checks will be coordinated with the Purser so that no overtime is involved. This will not preclude the opening of the

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Exchange Location during evening hours. Collections from evening sales will be retained in the Exchange Location safe and included in the cash deposited on the following day.

d. Withdrawal of Cash on Deposit. The only circumstance which warrants a withdrawal of cash on deposit by the Exchange Location Operator is an emergency procurement enroute where vendor refused to submit invoice to Area Command's Exchange Office and cash payment only is demanded.

e. End of Voyage Cash on Hand/Check Remittance. At the end of each accounting period, all cash on-hand will be included in a final U.S. Treasury check issued by the Purser. On ships with no Purser, the Master will use the service of a local Purser, when available, to obtain a U.S. Treasury Check, or purchase a cashier's bank draft for the total funds on deposit. All U.S. Treasury checks or cashier's bank drafts will be listed on the Check Remittance Report (NES 603) and will be submitted with accounting returns to the Area Command Exchange Officer via registered mail (see Figure 4-11). All funds for an accounting period must be remitted to the Area Command Exchange Officer to close out the accountability. Expense incurred in obtaining the bank drafts will be included in the Exchange Location Operator's end of voyage returns.

4607. SALES RECORDS AND REPORTS

a. Daily Sales Report. The Exchange Location Operator will use the Daily Sales Report (NES 600) to maintain a record of the amount received from sale, amount deposited with the Purser and the amount retained as a change fund. Once daily during regular business hours, the Supply Officer will reset the cash register and count cash on hand. A difference of more than \$10.00 will be reported to the Master and investigated. The Exchange Location Operator will enter the amount of daily sales in the appropriate column of the Daily Sales Report (NES 600). The Supply Officer will verify that the entry matches the amount of cash counted and initial the report. Change funds will be segregated from daily sales at the end of each business day. The Supply Officer will verify the change fund daily. The Supply Officer will verify the sales from vending machine collections daily to ensure sales are recorded separately on NES 600. Separate columns on the NES 600 will be used for sales from the Store and sales from vending machines. The Exchange Location Operator will deposit total sales with the Purser daily. At the end of each accounting period, the Supply Officer will verify that the NES 600 amounts agree with disbursing records and sign the NES 600.

b. Check Remittance Report. Each time the \$2,000 - \$2,500 dollar limit is reached, an original and four copies of the Check Remittance Report (NES 603) will be prepared listing the numbers and the amounts of U.S. Treasury checks issued by the Purser or cashier's bank drafts purchased by the Master. The original and one copy of the report and the U.S. Treasury checks/bank drafts will be sent by registered mail to the Area Command Exchange

Officer. One copy of the report will be retained for the ship's files and two copies will be included in the end of voyage returns.

4608. TRANSFERS TO OTHER MSC SHIPS

a. General. Transfers between MSC Exchange Locations will be accomplished on an SS 605 requisition, invoice and receipt document. The transfer will at the retail selling price of the transferring ship.

b. Accounting. Any discrepancy between the selling price on the SS 605 and the receiving ship's current selling price will be adjusted using a Retail Price Adjustment Voucher (NES 604).

c. Reporting. The original and one copy of the receipted SS 605 will be forwarded to the Area Command Exchange Officer by the transferring ship. One copy of the receipted SS 605 will also be provided to the Area Command Exchange Officer by the receiving ship. The transaction will be annotated by the transferring ship as a "transfer to other activity" on the end of voyage accountability report. The receiving ship will show the transaction as a "transferin during voyage."

4609. GRATUITOUS ISSUE TO SURVIVORS

a. Upon receipt of a written directive from the Master, the Exchange Location Operator will make gratuitous issues of items necessary for the health and comfort of survivors and persons in distress who are unable to pay for merchandise. The Exchange Location Operator will prepare and obtain signatures on itemized receipts from each recipient. The receipts will show the name, citizenship, rank (grade or position), organization (ship, company, etc.) and owner or operator of the distressed ship.

b. Accounting. The total money value will be entered on the Retail Price Adjustment Form (NES 604). The NES 604, together with the itemized and signed receipts, will be the basis for each retail credit taken.

(1) Complete the top portion of NES 604 and place an "X" in the block "Merchandise Marked Down to Zero and Destroyed."

(2) On line 1, list the item description and the current retail price in the "Old Price" block.

(3) The "New Price" block should be ".00" and the "Difference" block the same amount as the current retail amount listed in the "Old Price" block.

(4) Enter the quantity of the merchandise in the "Quantity" block.

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(5) Enter the total value in the “minus” column in the “Amount of Difference” block.

(6) After issuing the merchandise, obtain the signature of the Master. Sign the MSC Exchange Location Operator signature block.

(7) Enter the total dollar amount of the inventory that has been reduced by the Gratuitous Issue on line 8 of the MSC Exchange Location End of Voyage Accountability Report, NES 607 (Figure 4-12). File the NES 604 into the voyage file.

4610. STOCK DISPOSAL

a. Excess or returned damaged stock. The Area Command Exchange Officer will coordinate disposal of excess or returned damaged stock. Items such as cameras, radios and other electronic items may be covered by warranty permitting recovery of initial costs. Emergency disposal of edible stocks, found to be unfit for consumption, will be documented on surveys and on NES 604.

b. Price Adjustments for Unsalable Merchandise. The MSC Exchange Location Price Adjustment Voucher, NES 604, will be used to document the prices used to adjust accountability for spoiled and unsalable items such as damaged soda cans, candy or other food items certified by the ship's Medical Services Officer (MSO) as unfit for consumption.

(1) Complete the top portion of NES 604 and place an “X” in the block “Merchandise Marked Down to Zero and Destroyed.”

(2) On line 1, list the item description and the current retail price in the “Old Price” block.

(3) The “New Price” block should be “.00” and the “Difference” block the same amount as the current retail amount listed in the “Old Price” block.

(4) Enter the quantity of the merchandise in the “Quantity” block.

(5) Enter the total value in the “minus” column in the “Amount of Difference” block. For example, if ten cans of soda are destroyed, the retail price is \$.50 each, the minus column in the amount of difference block should be \$5.00.

(6) After destroying the merchandise, obtain the signature of the MSO. If there is no MSO, obtain the signature of the Master. Sign the MSC Exchange Location Operator signature block.

(7) Enter the total dollar amount of the inventory that has been reduced by the spoiled merchandise on line 8 of the MSC Exchange Location End of Voyage Accountability Report, NES 607. File the NES 604 into the voyage file.

4611. LOSS/THEFT OF CASH OR MERCHANDISE

a. Certificate of Loss or Damage. If losses occur because of casualties such as flooded storerooms, or if theft of Exchange Location stock is evident, the Exchange Location Operator will immediately report such loss to the Master, via the Supply Officer. An immediate investigation to determine the cause and value of the missing or damaged Exchange Location stock will be conducted. In all cases, a complete inventory and accountability close-out will be conducted to determine the actual value of loss. Upon completion of the investigation, a certificate of loss or damage will be furnished to the Exchange Location Operator detailing the circumstances involving the loss or damage. This certification will be utilized as the basis for preparation of an insurance claim by the Area Command Exchange Officer. An original and two copies of the certificate will be prepared. One copy will be retained in the Exchange Location Operator files, and the original and one copy will be forwarded to the Area Command Exchange Officer at the time of submission of end of voyage returns.

(1) The Exchange Location Operator will notify the Area Command Exchange Officer by message, detailing the circumstances of loss or theft.

(2) In cases of theft, the local Naval Investigative Service Office will be notified by message with Area Command Exchange Officer as an info addee.

(3) Copies of all supporting documentation for loss by theft will be provided to the Area Command Exchange Officer.

b. Accounting for Loss/Theft

(1) Stocks damaged by flooding or other casualty, except edibles, will be retained until disposition instructions are provided by the Area Command Exchange Officer.

(2) Stock or cash lost by theft will be accounted for using a certificate of loss prepared by the Master. The NES 604, Retail Price Adjustment Voucher, will contain a statement that the loss was due to theft. One copy of the certificate of loss will be included with accounting returns. Determining the value of loss may require a complete inventory and close out of accountability files.

(3) In the event an Exchange Location Operator absents himself from the ship without closing accountability files, the Master will appoint certifying officers to conduct a

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closing inventory and accountability close-out. If losses are discovered, the Master will notify the Area Commander and the Naval Investigative Service by message. A new Exchange Location Operator will be appointed as soon as practical.

CHAPTER 4: AFLOAT EXCHANGE

PART H: INVENTORY, RETURNS AND REPORTS

4700. INVENTORIES

a. Inventory Periods. A complete physical inventory of Exchange Location stocks will be taken after the close of business on the last day of the accounting period. An accounting period is when 90 days have elapsed since the last inventory, upon relief of an Exchange Location Operator, or when directed by the Area Command Exchange Officer.

b. Personnel

(1) The Exchange Location Operator and a certifying Inventory Officer, appointed in writing, will perform the inventory.

(2) During transfer of accountability, the relieved and relieving Exchange Location Operators and a Certifying Officer will conduct the inventory.

(3) When an Exchange Location Operator is absent or incapacitated, two Certifying Officers and the prospective Exchange Location Operator will perform the inventory. When an operator is absent or incapacitated, existing seals and locks will be cut in the presence of all three members of the inventory team.

c. Preparation for Inventory. The Exchange Location Operator accepting accountability will have a supply of self-locking car seals and a set of locks for which he holds the only keys. Exchange Location spaces will be sealed when the inventory team is required to leave the space prior to the conclusion of the inventory and when the inventory records are being validated.

(1) All documents necessary for the completion of accountability reports will be removed from sales and storage areas.

(2) The Supply Officer will indoctrinate all participants as to proper inventory procedures.

(3) The Exchange Location Operator will prepare a set of SS 605s (overprinted) for each inventory team member.

(a) All items not indicated on the Beginning of the Voyage Accountability Inventory (SS 605) will be typed in on a blank SS 605.

(b) The original and one copy of the SS 605A Summary Sheet will be used as the smooth inventory tally for forwarding to the Area Command's Exchange Office. Caption headings will contain the following.

<u>Caption</u>	<u>Remarks</u>
Name of ship	Self-explanatory
Voyage Number	Voyage number for which inventory is taken
Date	Date of inventory
To End of Voyage Inventory	Inventory Tally "X" in box to indicate action

(c) The third, fourth and fifth copy of the SS 605 will be used for rough inventory and as retained copies for the Exchange Location Operator's files.

(d) The sixth copy will be used as a replenishment requisition.

d. Procedure for Validating Count

(1) Members of the inventory team will physically count each item and ensure correct quantities are recorded on the SS 605. A ballpoint pen will be used to record all count. Erasures are not permitted. Errors will be corrected by lining out and initialing the entry.

(2) Cases will be opened or inspected to the extent necessary to satisfy all members that merchandise is not missing.

(3) Upon completion of count, doors will be locked, car seals properly placed and serial numbers of seals entered in the deck log in the presence of all members. Inventory team members will retain one copy of the SS 605. The counter will sign in the "recorded by" space at the bottom of each page of the inventory tally.

(4) One copy of the SS 605 from each inventory team member will be provided to the Exchange Location Operator. Inventory counts reflected on SS 605s will be compared and matching quantities entered on the SS 605 Rough Inventory. All differences will be resolved by recount. When recounts are necessary to resolve discrepancies, all inventory team members will be present when spaces are opened and entered. Upon completion of reconciliation of discrepancies, spaces will be secured with locks and car seals.

(5) Upon completion of the SS 605 Rough Inventory, the prospective Exchange Location Operator will sign the Summary Sheet (SS 605A) in the "For Inventory Only"

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portion, Exchange Location Operator block. The Certifying Inventory Officer will certify the physical inventory and place his signature in the block provided for the Certifying Officer.

(6) Exchange Location Operators will not deviate from these procedures.

e. Validating Money Value. The current Exchange Location Operator, not the prospective operator, will use the official copy of the rough inventory to multiply each quantity by the unit price and enter the extended money value for each item of stock.

(1) Each page will be totaled and the money value entered.

(2) Page totals will be carried forward to the summary page where the page totals will be added together to obtain the total inventory money value.

(3) Individual line extensions will be recomputed and verified by the prospective operator before the total inventory money value is entered on the rough Accountability Report Worksheet (NES 607).

(4) Differences will be resolved by verifying unit price, extensions and other entries made on the rough SS 605. If the deviation persists, another inventory will be conducted.

(5) Unresolved deviations will be reported to the Master, and an investigation initiated.

f. Preparation of Smooth Inventory. When the money value has been validated, the original and two copies of a smooth SS 605 will be prepared. All entries will be legibly entered using a typewriter or ballpoint pen. The overprinted Inventory Summary Sheet, SS 605A, will be completed and signed. All signatures will verify that quantities are properly transferred from the rough to the smooth SS 605. The applicable certifications on SS 605A will be signed by each participant to the inventory.

4701. END OF VOYAGE RETURNS

a. Purpose. The end of voyage returns consist of the NES 607 accountability report and substantiating documents. These documents are the supporting vouchers for all transactions incurred by the Exchange Location during an accounting period. End of voyage returns are required to:

(1) Provide documents required for audit by the Area Command Exchange Officer.

(2) Establish correct sales accountability and provide clearance for the Exchange Location Operator at the end of each voyage.

(3) Provide the basis for payment of commission to the Exchange Location Operator.

(4) Establish an accurate value for opening inventory.

(5) Furnish information to the MSC Exchange and Navy Exchange Service Command for management purposes.

(6) Support and document vouchers during audits.

(7) Facilitate logistics planning.

b. Required Forms. The forms listed in Figure 4-15 are required for end of voyage returns.

c. Preparation

(1) Substantiating Documents. The voyage return process begins with the accumulation of substantiating documents held in the files previously described. These files are listed in Figure 4-5. Final cash on hand, at the conclusion of the last day of sales, is deposited with the Purser and an ex-cash remittance check prepared.

(2) Voyage Conclusion. At the time of the end of voyage inventory, the Daily Sales Report (NES 600) along with the Check Remittance Report (NES 603) will be reviewed by the Supply Officer to ensure that the totals are in agreement with the Purser's records. The Exchange Location Operator will then prepare a rough End of Voyage Accountability Report Worksheet (NES 607).

(3) Accountability Report. The End of Voyage Accountability Report (NES 607) is the basis for ascertaining the net sales accountability of the Exchange Location Operator and will reflect any overages or shortages during the voyage accounting period. An original and three copies of the End of Voyage Accountability Report will be prepared. One copy of the report will be retained in the ship's files and two copies will accompany the original upon submission of returns. One receipted copy will be retained by the Exchange Location Operator upon verification of returns by the Area Command Exchange Officer.

(4) Operator Compensation. At the time of end of voyage returns, Exchange Location Operators will prepare a Statement of Work Performed (NES 608) which indicates the total gross sale amount (applicable to the 7% commission computation) and computes

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the commission payable by the Area Command Exchange Officer to the operator. (See Figure 4-13.)

d. Frequency. End of voyage return documents shall be prepared and submitted to the Area Command Exchange Officer when:

- (1) A maximum of 90 days have elapsed since the last inventory was taken.
- (2) An Exchange Location Operator is relieved (regular or emergency relief).
- (3) Directed by the Area Command Exchange Officer.

e. Submission. Voyage returns will be submitted by mail ;within 10 days after the end of an accounting period. If circumstances preclude compliance, the Master will notify the Area Commander, by message or cc:Mail, stating the reason and an estimated date returns will be forwarded. Reports may be hand delivered when in-port at an Area Command.

4702. CLEARANCE OF EXCHANGE LOCATION OPERATOR

a. The Area Command Exchange Officer will audit the End of Voyage Accountability Report (SS 607), the Daily Sales Report (SS 600), substantiating documents and cash turned-in. When returns have been reconciled, the Area Command Exchange Officer will:

- (1) Furnish voyage clearance for the Exchange Location Operator.
- (2) Provide one receipted copy of the NES 607 and one receipted copy of End of Voyage Accountability Report (Home Port Audit Copy NES 607A) to the Exchange Location Operator for retention in the ship's files (see Figure 4-14).

b. The Exchange Location Operator is assigned financial and physical responsibility of stores placed in his custody. The responsibility for this accountability may not be delegated.

c. Compensation for Exchange Location Operators will be computed at the end of each voyage on the basis of 7% of the gross sales. All shortages found as a result of audit will be deducted from commissions. All shortages in excess of commission will be pursued by every means available until the total shortage is repaid.

d. If there are overages of fund, the Exchange Location Operator will certify to that effect, then the overage may be paid to him. He will include this certification with the voyage return sales in order to "balance" the accounts.

CHAPTER 4: AFLOAT EXCHANGE

PART I: RELIEF OF EXCHANGE LOCATION OPERATOR

4800. REGULAR RELIEF

a. When an Exchange Location Operator is relieved, a complete inventory of Exchange Location stocks on-hand will be taken under the personal supervision of the Exchange Location Operator and the relieving Exchange Location Operator using inventory procedures previously discussed. The relieving Exchange Location Operator will sign the certification on the Summary Sheet (SS 605A).

b. The original and one copy of the certified inventory will be submitted with the end of voyage returns. One certified copy will be retained in the ship's files and one certified copy will be retained by the Exchange Location Operator being relieved.

4801. EMERGENCY RELIEF. Under emergency situations (e.g., the Exchange Location Operator is incapacitated or absent from the ship and relief is deemed necessary), the Master will nominate, by message indicating circumstances requiring emergency relief, a new Exchange Location Operator and appoint two Certifying Officers who will:

a. Conduct an inventory to establish accountability.

b. Prepare a complete documented summary of charges and credits derived from the records and inspection of Exchange Location spaces.

c. Enter charges and credits on an End of Voyage Accountability Report (NES 607). The inventory will be entered on an SS 605. The members of the inventory team will sign the applicable statements on the Summary Sheet (SS 605A).

d. The Master will report the value of the inventory to the Area Command's Exchange Officer via message. The Exchange Officer will advise the Master that the accountability is correct. If the accountability is faulty, the Exchange Officer will direct a solution prior to the new Exchange Location Operator opening the store for business.

4802. CASH RECEIPTS

a. In the event of emergency relief, all cash, treasury :checks, Record and Receipt of Deposit and Withdrawals of Safekeeping Funds (NAVCOMPT 8/8a) and NES 603 (Check Remittance Reports) will be totaled and verified against the Daily Sales Report (NES 600).

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b. A cash receipt from sales, as of the date of relief, will be prepared in an original and three copies for the signature of the Exchange Location Operator.

(1) The signed original and one signed copy will be submitted with the voyage returns.

(2) One signed copy will be furnished to the Exchange Location Operator being relieved.

4803. RECORDS AND FILES. All records, files and copies of retained vouchers covering Exchange Location transactions will remain at the Exchange Location in the custody of the relieving Exchange Location Operator who will make settlements of previous business as may be required.

**DEPARTMENT OF THE NAVY
MILITARY SEALIFT COMMAND ATLANTIC
32ND ST & AVE E
MILITARY OCEAN TERMINAL BLDG 42
BAYONNE NJ 07002-5399**

**4400
Ser N4/533
26 Nov 1993**

**From: Commander, Military Sealift Command, Atlantic
To: Commander, Navy Resale Service Support Office
Via: Commander, Military Sealift Command**

Subj: ESTABLISHMENT OF AN AFLOAT EXCHANGE

- 1. Request that an exchange facility be established onboard the USNS BAKERFIELD (T-AK 111). Personnel to be served onboard number approximately forty.**
- 2. Ship mission, availability of personnel storage and the size of the crew onboard the USNS BAKERFIELD supports the establishment of an afloat exchange.**

**P. J. QUIGLEY
By direction**

FIGURE 4-1: EXCHANGE ESTABLISHMENT/DISESTABLISHMENT

DEPARTMENT OF THE NAVY
MASTER
USNS BIG HORN (T-AO 198)
FPO AE 09565-4072

4066
Ser 043
15 Mar 1994

From: Master, USNS BIG HORN (T-AO 198)
To: Joseph Smith

Subj: EXCHANGE LOCATION OPERATOR APPOINTMENT

Ref: (a) COMSCINST 3120.2D
(b) COMSCINST 4000.2A

Encl: (1) Accountable Inventory Document (SS 605)
(2) Employee Withholding Allowance Certificate (IRS Form W-4)

1. In accordance with paragraph 2-1-3a of reference (a) and paragraph 4101a of reference (b), you are hereby assigned duty as Exchange Location Operator effective 15 March 1994. Acceptance of this letter implies that you accept the accountability and responsibility described in the following paragraphs.

a. This assignment involves a personal liability for any and all merchandise to include cash placed in your custody. Liability commences upon receipt of merchandise and is not relinquished until this agreement is terminated by agreement of both parties or until accountability is properly transferred to a relieving operator and the MSC Area Command Exchange Officer has audited and approved your final financial returns.

b. Responsibilities include all those prescribed by Chapter 4 of reference (b), including but not limited to cleanliness and orderliness of Exchange Location spaces, sales and handling of cash and inventory, preparation of accountability returns and custody of merchandise until accountability is properly transferred and the MSC Area Command Exchange Officer has audited and cleared your final returns.

c. Duties and responsibilities pertaining to the Exchange Location Operator may not be delegated or assigned.

d. Familiarity with reference (b), Chapter 4, in its entirety, and any other amplifying instructions, notices, training guides and information published by the MSC Area Command Exchange Officer is a necessary prerequisite for successful operation of the Exchange Location.

e. The Supply Officer is responsible for providing general supervision and assistance in Exchange Location matters.

FIGURE 4-2: EXCHANGE LOCATION OPERATOR APPOINTMENT LETTER

Page 1 of 3

Subj: EXCHANGE LOCATION OPERATOR APPOINTMENT

f. Except for a change fund authorized in Part G, paragraph 4605, Chapter 4 of reference (b), all Exchange Location sale funds are to be deposited with the ship's Purser on a daily basis. When the deposit is made, the Purser will issue a Safekeeping Deposit Receipt (NAVCOMPT 8/8a). On ships where no Purser is assigned, the Master will accept deposits.

g. Except when open for business, Exchange Location spaces are to be secured in the manner prescribed by Part F, paragraph 4501, Chapter 4 of reference (b) as well as any amplifying instructions from the Area Commander. The Exchange Location Operator will hold the original keys to exchange spaces. Duplicate keys to exchange spaces will be placed into a sealed envelope and placed in the Purser's or Master's safe. As a further safeguard, spaces will be placed under a serialized cargo seal and its number will be entered in the ship's log whenever the ship is in-port and the Exchange Location is not open for business.

h. Exchange Location regulations and price lists will be posted adjacent to the salesroom.

i. Exchange Location hours of operation will be established by the Master.

j. COMSC policy is to provide an equitable compensation to Exchange Location Operators for their assistance in servicing crewmember health and comfort needs. Failure on the part of operators in achieving such equitable compensation often results from one of the following: failure to conduct actual physical inventories, failure to verify correctness of unit prices and computations on accounting documents, failure to handle and deposit sales funds properly, failure to maintain adequate security of spaces, failure to exercise proper security when receiving supplies and failure to study training material provided by the Area Command Exchange Officer.

k. The Exchange Location Operator is responsible for the following exchange owned or operated major equipment: (if any)

- | | |
|----------------|------------------|
| 1. Item: _____ | Serial No. _____ |
| 2. Item: _____ | Serial No. _____ |
| 3. Item: _____ | Serial No. _____ |

l. Exchange Location Operator is personally responsible for all exchange equipment, stores and funds in his/her custody.

m. In exchange for services, the operator agrees that he/she will be paid compensation at a rate of 7% of gross sales, less the dollar value of any shortages identified by financial records.

n. The Exchange Location Operator hereby voluntarily agrees and consents to offset any loss of Exchange Location property or funds resulting from his/her negligence or misconduct. The remedy includes withholding compensation recovery from the operator's Government salary or retirement accounts.

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Subj: EXCHANGE LOCATION OPERATOR APPOINTMENT

o. This agreement in no way precludes criminal or disciplinary actions which may be warranted under the provisions of CMPI 750, Schedule of Charges and Range of Penalties, or the UCMJ, as applicable, for shortages which are found to be the result of dishonest acts or involve the wrongful use of accountable funds.

2. The dollar amount of the merchandise inventory transferred into my custody and for which I hold myself accountable to the MSC Area Command Exchange Officer is \$_____ as indicated on the attached inventory document (SS 605) (enclosure (1)).

Name
Master

Name
Exchange Location Operator

Distribution:

Original: Area Command Exchange Office (Code N43)

Copy 1: Exchange Location Operator

Copy 2: Ship's Exchange Location File

Copy 3: Ship's General Correspondence File

Copy 4: Supply Officer's Files

DEPARTMENT OF THE NAVY
USNS _____

4066
Ser
Date

From: Master, USNS
To:

Subj: APPOINTMENT OF CERTIFYING OFFICER FOR EXCHANGE LOCATION INVENTORY

Ref: (a) COMSCINST 4000.2A

1. Effective on the date of this letter, you are appointed as the Certifying Inventory Officer to conduct the Exchange Location Inventory which will begin on _____ 19___. Chapter 4 of reference (a) and local Area Command instructions refer.
2. The importance of your independent certification of this inventory is an integral part of the Exchange Location accountability program. You are directed to conduct the inventory using the exact procedure listed below. There is no deviation permitted.
3. You will report any significant deviations which you may observe during this inventory directly to me.
4. Please acknowledge your receipt, understanding and intention to comply with the inventory certification procedure shown hereon, by signing this letter on the line provided.
5. CERTIFICATION OF INVENTORY PROCEDURE
 - a. You will conduct a 100% inventory of all Exchange Location stocks.
 - b. Your count will be made on pre-printed exchange inventory, SS 605.
 - c. You will retain your own inventory form with your personal papers for a period of 1 year.
 - d. You need not be concerned with the computation or financial value of the inventory; however, you are to be concerned with the physical counts on-hand. The actual procedure you are to employ is as follows:
 - (1) Report to the Supply Officer for indoctrination of inventory procedures prior to beginning the inventory.

FIGURE 4-3: APPOINTMENT LETTER FOR CERTIFYING OFFICER
Page 1 of 2

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Subj: APPOINTMENT OF CERTIFYING OFFICER FOR EXCHANGE LOCATION INVENTORY

(2) Each party taking the inventory will take an independent count on separate tally sheets, SS 605.

(3) After the inventory, each party will compare each independent inventory to the other. Discrepancies will be reconciled by recounts, until all are in agreement with the counts.

(4) The Exchange Location Operator will lock and cargo-seal each space. The certifying officer(s) will record the seal numbers on their own copy of the inventory.

(5) The Exchange Location Operator will compute the value of the inventory and prepare the voyage accountability reports.

(6) Prior to presenting the accountability reports to me for my signature, the Exchange Location Operator will present the computed inventory to you in order to obtain your certifying signature in the space provided on the Summary Sheet, SS 605A.

(7) Before signing the document, you will compare each line-item count with your personal copy of the inventory. You will not certify the inventory as correct unless the calculated inventory presented to you is exactly the same as your personal copy. When you certify that the inventory is correct, you will also place your initials on each page of the inventory document that will be used in the voyage return documents.

(8) If the inventory documents do not agree, you will immediately report the incident and circumstances to me in person.

I have read, understand and will comply with these orders.

Master

Signature of Certifying Officer

Distribution:

Original: Area Command Exchange Officer (Code N43)

Copy 1: Certifying Officer

Copy 2: Ship's Exchange Location File

Copy 3: Ship's General Correspondence File

Copy to:

Serial file

Exchange Location Operator (for ship's retained voyage returns)

Exchange Location Voyage Returns file submitted to the Area Command

USNS _____
MSC EXCHANGE LOCATION REGULATIONS

1. The MSC Exchange Location is authorized to sell to all persons embarked in this ship while at sea, and to authorized personnel only while in port. Sale of merchandise is for the personal use of patrons or for use as a bona fide gift. The resale of such merchandise is prohibited. Sales of emblematic items are authorized to the general public during ship tours and VIP visits.
2. All sales will be for cash, first party treasury checks, U.S. postal money orders, travelers checks, American Red Cross checks or personal checks for the amount of purchase. Under no circumstances will credit be extended or money accepted on deposit.
3. Rationing of any item or merchandise may be instituted without notice to assure equitable distribution of items in short supply or to cooperate with overseas commanders in the control of "black market" operations.
4. All patrons should count their change before leaving the sales counter as no adjustments will be made later.
5. Authorized price list is posted adjacent to the salesroom.
6. The Exchange Location operates with a limited change fund which is inadequate for cashing of checks, money orders, etc. Patrons will request such service from the Purser.
7. Specific hours of operation will be posted on the salesroom door in plain view. Additionally the operating hours will be announced on the ship's public address system 30 minutes prior to opening for business.

Current Master / Date

FIGURE 4-4: EXCHANGE LOCATION REGULATIONS

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<u>FORM</u>	<u>TITLE</u>
NAVCOMPT 8/8a	Record and Receipt of Deposits and Withdrawals of Safekeeping Funds (Used by Pursers only)
NES 141	Patron Sales Slip
NES 600	Daily Sales Report
NES 603	Check Remittance Report
NES 604	Price Adjustment Voucher
SS 605	Overprinted Stock Catalog
SS 605	Non-overprinted forms
SS 605A	Issue/Inventory Summary Page
NES 607	End of Voyage Accountability Report Poster Price List Supplementary Poster Price List
NES 608	Statement of Work Performed

Poster Price List (Furnished by Area Command)

Supplementary Price List (Prepared by Exchange Location Operator if required)

FIGURE 4-5: FORMS REQUIRED FOR OPERATION F EXCHANGE LOCATION

EXCHANGE LOCATION ACCOUNTABILITY FILE

1. The Exchange Location Operator will maintain an accountability file for each accounting period. The file will be maintained in a legal size (8 1/2" x 14") file folder. The folder will be titled as follows:
 - a. Ship's name and UIC
 - b. Voyage Number; a consecutive number for each accounting period (not the operation voyage number of the ship)
 - c. The beginning date of the accounting period
 - d. The ending date of the accounting period (entered at the time the accounting period is closed)
2. The contents of the file will be as follows:
 - a. Left side
 - (1) NES 607, End of Voyage Accountability Report. The first entry on line 1 is the value of opening inventory (this is the value of the previous closing inventory as audited by the Area Command Exchange Officer and is stated on NES 607A).
 - (2) NES/600, Daily Sales Report. As the accounting period proceeds, post the daily sales from the store and vending machines. The Supply Officer will verify and initial these entries daily as required by Chapter 4.
 - b. Right side
 - (1) Correspondence (letters, messages, suppliers delivery tickets etc.) and appointment letters filed in date sequence.
 - (2) All accounting forms used during the accounting period (see Figure 4-5).
3. At the end of the accounting period, make an identical copy of the folder for submission to the Area Commander with End of Voyage Returns. Forms listed in Figure 4-18 will be enclosed with the Accountability File. All applicable signatures will be obtained prior to submission of these files.
4. When audit of files has been completed by the Area Commander, returned records will be filed and retained for 2 years.

FIGURE 4-6: EXCHANGE LOCATION FILES

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**Figures 4-7 through 4-14 consist of samples of SS 605s, NES 600, NES 603, NES 607,
NES 608, NES 607A**

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Form No.	Form Title	To Be Included In Returns For Area Commander	Retained For Ship's File	Figure
NES 600	Daily Sales Report (posted daily - accurate history of sales as they occurred)	Orig & 1 copy	1 copy	4-10
NES 604	Retail Price Adjustment Voucher	Orig & 1 copy	1 copy	
NES 603	Check Remittance Report	Orig & 3 copies	1 copy	4-11
SS 605	As Requisition	Orig	1 copy	4-7
SS 605	As Transfer-out	1 copy	1 copy	4-9
SS 605	As Receipt Document	1 copy	1 copy	
SS 605	As Certified Inventory Form	Orig & 1 copy	1 copy ELO 1 copy Cert. Officer	
SS 605A	Summary Sheet	Same as above	Same as above	
NES 607	End of Voyage Accountability Report	Orig & 2 copies	1 copy	4-12
NES 608	Statement of Work Performed (only ships where operator earns commission)	Orig & 3 copies	1 copy	4-13
NAVCOMPT 8/8a	Record of Receipt of Deposit/ Withdrawals	1 copy	1 copy	
Local forms				
	Mimeographed Supplementary List (current voyage inventory, signed by Master and ELO)	2 copies	1 copy	
	Appointment Letter (first return of current operator only)	1 copy	1 copy	4-2
	Disinterested Officer Appointment Letter	1 copy	1 copy	4-3

FIGURE 4-15: END OF VOYAGE FORMS

CHAPTER 5: OX COGNIZANCE MATERIAL

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CHAPTER 5: OX COGNIZANCE MATERIAL

PART A: PURPOSE

5000. INTRODUCTION

a. The Commander, Military Sealift Command (COMSC), is the Inventory Manager of DBOF-MSC Special Material. DBOF-MSC Special Material includes equipment, components and repair parts similar to Navy cognizance symbols "S," "F," "H" and "N" materials, but peculiar to MSC ships. Such material is held exclusively for MSC use and does not duplicate stock carried or controlled by other inventory managers of the Navy Supply System.

b. All activities concerned with the requisitioning, issuing, receipt, repair and storage of DBOF-MSC Special Material shall be guided by the procedures prescribed in this manual. A Transaction Report (in MILSTRIP format) prepared by the Fleet Industrial Supply Center stock point reports any stock position changes. A Report of Condition and Disposal Instructions for MSC Material (MSC Form and Report 4500-1), prepared by the Area Commander and forwarded to COMSC, documents OX Cog material condition.

PART B: INVENTORY CONTROL PLAN

5100. GENERAL

a. COMSC, acting as the Inventory Manager for DBOF-MSC Special Material (cognizance symbol OX), maintains complete financial and quantitative inventory records for all items of DBOF-MSC Special Material.

b. The DBOF-MSC OX Cognizance Inventory Control Plan is aimed at identifying the responsibilities of those activities involved with the requisitioning, issuing, receipt, storage, repair and inspection of DBOF-MSC Special Material. These activities have been assigned missions as specific echelons of a supply system providing OX Cog material.

5101. ORGANIZATION. The DBOF-MSC Special Material OX Cognizance Inventory Control Plan is comprised of two functionally different activities:

a. Inventory Control Point - COMSC, Washington DC

b. Primary Stock Points - Fleet Industrial Supply Center Cheatham Annex, Williamsburg VA; Fleet Industrial Supply Center Oakland; Fleet Industrial Supply Center Pearl Harbor; Fleet Industrial Supply Center Puget Sound and COMSCFE Yokohama, JA

5102. RESPONSIBILITIES

a. COMSC Logistics Director. The Logistics Director (N4), with the technical assistance of the Engineering Director (N7), is responsible for:

(1) Maintaining a proper balance between the supply and demand for MSC Special Material. Balanced stock levels will be determined on the basis of stock item stratification which include:

- (a) Number, type and location of MSC ships
- (b) Operational requirements
- (c) Planned repairs and/or alterations
- (d) Usage data
- (e) Mobilization requirements

(2) Directing procurement, repair, storage, redistribution and disposal action to assure efficiency and economy in MSC supply operations.

(3) Obtaining National Stock Numbers (NSN) or Temporary Navy Item Control Number (T-NICN) for each item of material prior to the entrance of such items into the MSC segment of the Navy Supply System.

(4) Publishing and maintaining the DBOF-MSC Special Material Stock List.

(5) Assigning management data codes and standard prices to DBOF-MSC Special Material.

(6) Maintaining liaison with MSC subordinate commands in order to ensure that distribution of stock is consistent with operational plans and MSC schedules.

(7) Maintaining liaison with stock points and any other related activities to ensure that COMSC instructions are properly interpreted and followed.

b. Stock Points. Only material authorized by COMSC and identified by an NSN or T-NICN furnished by COMSC, may be carried under cognizance symbol 0X in DBOF-MSC Special Material stock. Activities stocking 0X Cog material will be responsible for:

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(1) Inventory Management. The receipt, storage, inventory and availability of OX material in accordance with procedures prescribed in NAVSUP Manual Vol II Supply Ashore.

(2) Stock Issue. Stock points will issue OX Cog material to MSC ships and subordinate commands. Issues of OX Cog material to other than MSC ships or subordinate commands will be made only upon authorization from COMSC. In such instances, reimbursement to the DBOF will be required unless otherwise directed by COMSC.

(3) Material Inspection. OX Cog material held by a stock point which is not adjacent to an MSC Area Command, or Subarea Command or MSC Office, will be inspected at periodic intervals to ensure that there is no material deterioration during storage. Guidelines concerning the frequency of inspection are provided in Figure 5-1.

(4) Damaged Stock. COMSC will be notified in the event that material becomes damaged or preservation is deemed necessary to prevent stock from deteriorating and an estimate of the cost to preserve/restore the material to a Ready For Issue (RFI) condition will be submitted. Material damaged while in storage or during the process of delivery will be reported to COMSC immediately. If the stock point is in the vicinity of an MSC subordinate command, technical assistance may be requested to evaluate the damage. Funds to effect necessary repairs will be provided by COMSC either directly or through the subordinate command.

(5) Unauthorized Stock. In the event that material stored as DBOF-MSC Special Material is determined to be non-OX material or extensive research has not identified the item, assistance should be requested from COMSC before any disposition action is taken.

(6) Inventory Status. Due to the small quantity of items stocked by COMSC under a particular stock number, the technical complexity, high cost and long procurement lead-time of OX Cog material, it is imperative that the stock records maintained by COMSC accurately reflect the actual material carried in stock. For these reasons, current detailed reporting of stock status by means of Transaction Reporting and Asset Status Cards is necessary.

c. MSC Area and Subarea Commands and Offices. Responsibilities of MSC Area and Subarea Commands and Offices include:

(1) Technical assistance and guidance to the adjacent stock points will be provided, when requested, in matters relating to OX Cog stock.

(2) Assuring that material is in RFI condition prior to the stocking of that item, unless otherwise directed by COMSC.

(3) In collaboration with local stocking activities, will conduct periodic inspections of DBOF-MSC Special Material to determine state of preservation, adequacy of storage facilities and condition of material held in stock. Items still in original packages should not be opened for inspection if the package is still intact. Guidelines for inspections are provided on Figure 51.

5103. CATALOG OF DBOF-MSC SPECIAL MATERIAL. The DBOF-MSC Special Material Stock List comprises the Catalog of DBOF-MSC Special Material.

5104. REPAIR PROCEDURES. Repairable items of DBOF-MSC Special Material which are currently in store, in a condition not fit for issue, will not be repaired without prior approval of COMSC. In the event that the stored material is determined to be unfit for issue, the following procedures apply.

a. If the stock point is in the immediate vicinity of an MSC subordinate command:

(1) The stock point will request technical assistance as necessary from the MSC subordinate command to determine the extent of repairs required, the estimated cost and the time required to affect repairs. A report of Condition and Disposal Instructions for MSC Material (MSC Form and Report 4500-1) will be submitted to COMSC by the MSC subordinate command.

(2) If repairs are considered appropriate, a letter of authorization to repair and assignment of a project number will be issued by COMSC directly to the cognizant MSC subordinate command with a copy of the letter to the prospective stock point as a info addee.

(3) The subordinate command will requisition the material to be repaired from the stock point referencing the letter and project number as the authority. A copy of the requisitioning document (DD Form 1348) will be furnished to COMSC (N4).

(4) The stock point will report stock status changes to COMSC in accordance with MILSTRIP/MILSTRAP procedures.

(5) Upon completion of authorized repairs, the subordinate command will effect the turn-in of the repaired item by the use of a DOD Single Line Item Release/Receipt Document (DD Form 1348-1), utilizing a document number constructed as follows:

<u>Column</u>	<u>Instructions</u>
---------------	---------------------

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30	Enter "N"
31-32	Enter "PN" for project number
33-35	Enter "N39" for COMSC
36-39	Enter Julian date of turn-in
40-43	Enter the three-digit serialized project number followed by the last digit of the calendar year

Examples:

PN - 0566 turned in on 14 Jul 86 NPNN3961950566
PN - 0766 turned in on 18 Aug 86 NPNN3962300766

(6) The stock point, upon receipt of the repaired item, will report the stock status change to COMSC in accordance with MILSTRIP/MILSTRAP procedures.

b. If the stock point is not in the immediate vicinity of the MSC subordinate command:

(1) COMSC will coordinate the repair of the item with a commercial source.

(2) Material will be released from the stock point to the contractor via AUTODIN, message, FAX or phone call.

(3) Upon completion of repairs, material will be returned to the stock point. The stock point will provide COMSC a transaction receipt.

(4) Stock records will be adjusted upon receiving release notification from COMSC. A report of the stock position change will not be required.

(5) All charges to job orders pertaining to repair of DBOF-MSC Special Material shall be verified to ensure that they are applicable. A contract number will be used to identify all charges vouchered. Funds authorized for work shall be applied only to the work specified.

5105. SHIPBOARD CERTIFICATION

a. For certain major equipments and components, certification by the American Bureau of Shipping (ABS) and the United States Coast Guard is a prerequisite before an item can be installed onboard ships under the operational control of COMSC.

b. COMSC has authorized the Area and Subarea Commands to collaborate with the supporting stock points to establish local procedures for ABS certificates. The procedures will include the determination as to the need for certification, the custody of any required certificates and appropriate disposition of such certificates when the item is issued by the stock point.

5106. CANNIBALIZATION

a. Cannibalization of 0X Cog material is not authorized unless otherwise directed by COMSC. When authorized, a directive will be forwarded. The directive will contain instructions for the handling of the cannibalized carcass including ultimate disposition such as:

- (1) Return to stock (this material will be held in "G" condition).
- (2) Hold until cannibalized part has been returned or replaced.
- (3) Turn-in for disposal when approved by COMSC.

b. The activity directed to take action will report completion to COMSC. All documents issued by COMSC and the stock points will be in accordance with MILSTRIP/MILSTRAP procedures.

**PART C: PHYSICAL INVENTORY PROGRAM, MSC DEFENSE BUSINESS
OPERATING FUND (MSC-D OF) SPECIAL MATERIAL**

5200. GENERAL. To promulgate policy and assign responsibilities for physical inventory of MSC-DBOF Special Material, cognizance symbol 0X (0X Cog), Special Material Held for Repair and Custody Material Receipt (CMR). These instructions amplify the information provided in reference (n) and contain guidance for scheduling, conducting and reconciling inventories to stock records and financial ledgers maintained by COMSC.

5201. SCOPE. These instructions are applicable to:

a. COMSC, its subordinate commands and MSC contractors having custody of 0X Cog material.

b. Commander, Naval Supply Systems Command (COMNAVSUPSYSCOM), its subordinate commands and activities designated as storage facilities of having custodial responsibility for MSC-DBOF Special Material (0X Cog) as delineated in the Memorandum of Agreement (MOA) between COMSC and COMNAVSUPSYSCOM dated 3 November 1988.

5202. BACKGROUND. Physical inventories are conducted on DBOF Subsidiary Accounts listed below to maintain accountability and control of material financed by the

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DBOF, in accordance with NAVCOMPT Volume 5, and to verify stock records balances and financial ledgers are in agreement.

a. 0X Cog Material, Subsidiary Account 1421. 0X Cog material consists of high value, long lead time material and equipment which, because of its design or specified use, is peculiar to ships under control of COMSC. Such material is held exclusively for Military Sealift Command (MSC) use and does not duplicate stock carried or under control of the Defense Logistics Agency or the Navy Supply System. 0X Cog material is stored at four Navy stock points and four MSC designated storage locations:

(1) Navy stock points

VA (a) Fleet Industrial Supply Center, Norfolk, Cheatham Annex, Williamsburg,

(b) Fleet Industrial Supply Center, Oakland CA

(c) Fleet Industrial Supply Center, Pearl Harbor HI

(d) Fleet Industrial Supply Center, Puget Sound, Bremerton WA

(2) MSC designated storage locations

JA (a) Commander, Military Sealift Command, Far East (COMSCFE), Yokohama

(b) Contractor Facility, T-5 Tanker Equipment, Houston TX

MA (c) Contractor Facility, Maritime Prepositioned Ship (MPS) Equipment, Avon

(d) Contractor Facility, MPS Equipment, New Orleans LA

b. Special Material Held for Repair, Subsidiary Account 1422. Special material being held for repair consist of 0X Cog repairables being held for inspection and authorization to repair or undergoing repair at a contractor's facility.

c. Custody Material Receipts, Subsidiary Account 1427. CMR material consists of assets procured by MSC for ship overhauls/special projects. These materials are placed in temporary storage, at MSC designated facilities, awaiting delivery to a specific ship. CMR material may also include miscellaneous excess materials offloaded from MSC ships for temporary storage.

5203. POLICY. It is the policy of COMSC to establish and maintain a physical inventory program to ensure inventory accuracy, and financial accountability, of 0X Cog, Special Material being held for repair and CMR material in accordance with reference (n). The primary goal of the physical inventory program is improved operational readiness through effective management of critical high value, long lead-time material.

5204. RESPONSIBILITIES. Annual inventory of MSC-DBOF material is the responsibility of the Comptroller. However, the inventory will be conducted by the Logistics directorate personnel, with Comptroller personnel participating as auditors or observers.

a. COMSC Logistics Director as Item Manager (IM) shall:

(1) Direct MSC subordinate commands and contractors having custody of MSC-DBOF (0X Cog), Special Material Being Held for Repair and (CMR) material to conduct inventories in accordance with reference (n).

(2) Coordinate with Navy stock points for the inventory of 0X Cog held material.

(3) Coordinate with Navy stock points the reconciliation of discrepancies and update of the Master Stock Item Record (MSIR).

(4) Prepare and maintain MSC Supply Management System (SMS) stock records.

(5) Assign personnel to conduct or assist with scheduled inventories.

(6) Coordinate survey actions and preparation of documentation for deficiencies which cannot be reconciled.

b. COMSC Comptroller shall:

(1) Assign Comptroller personnel to participate as observers and auditors during physical inventories conducted by Supply Department personnel.

(2) Make accounting adjustments to reflect monetary value of physical inventories in accordance with NAVCOMPT Volume V.

(3) Coordinate with COMSC Logistics Director to reconcile financial records for subsidiary accounts 1421 and 1422. Coordinate with Area Commanders to reconcile subsidiary account 1427.

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c. COMSC Engineering Director shall:

(1) Assign personnel to provide technical assistance for material identification, equipment, applicability, material condition and preservation and packaging requirements.

(2) Coordinate with COMSC Logistics Director to schedule visits to storage sites as required.

5205. PROCEDURES. The IM is responsible for scheduling and coordinating the inventories of MSC-DBOF material. The type of physical inventory required, whether cycle or annual, is predicated on the type of material and storage location. Therefore:

a. Navy stock points shall schedule and conduct cycle inventories of 0X Cog material in accordance with the procedures prescribed in reference (n) and the MOA between COMSC and COMNAVSUPSYSCOM (Management of 0X Cog Material stocked at NAVSUP Activities) dated 3 November 1988.

b. MSC designated stock points shall conduct an annual inventory of 0X Cog material in accordance with the procedures prescribed by reference (n) and/or contractual agreements.

c. MSC designated stock points shall inventory CMR material in accordance with procedures prescribed by this instruction.

d. MSC shall direct subordinate commands to verify quantities of 0X Cog Repairable material held at contractors' repair facilities annually. Procedures for physical inventory of 0X Cog Repairable material will be coordinated with the Administrative Contracting Officer.

5206. ACTION

a. Reconciliation of count documents and stock records. Total quantities of 0X Cog items are maintained on the SMS by the IM. However, each stock point maintains its own records for transaction reporting and inventory control as applicable. 0X Cog inventory balances on hand at Fleet Industrial Supply Center Oakland, Fleet Industrial Supply Center Norfolk (Cheatham Annex), Fleet Industrial Supply Center Puget Sound and Fleet Industrial Supply Center Pearl Harbor are recorded on the activities MSIR. 0X Cog items at COMSCFE and designated contractor locations are maintained on local records. Accordingly, count documents will be compared with local records as follows.

(1) The IM shall compare count documents with stock balances recorded on the MSIR.

(a) Differences of recorded balances on count documents and the MSIR will be resolved by recount procedures prescribed in reference (n).

(b) Differences which cannot be resolved will be identified, documented and investigated. The IM will request Navy stock points to conduct research to determine cause if required.

(2) MSC designated stock points will compare count documents with local records.

(a) Differences in recorded balances on count documents and inventory records will be resolved by recount procedures prescribed in reference (n).

(b) Differences which cannot be resolved will be identified, documented and forwarded to COMSC (N4).

b. Posting inventory balances

(1) Upon completion of recount and reconciliation procedures, reported on hand balance from count documents will be entered on the appropriate stock record.

(2) Differences will be reflected as gains or losses by inventory as appropriate. After review of unresolved differences, COMSC will determine if reversal transactions are necessary or authorized.

c. Survey Action

(1) When research has failed to determine cause for material gains or losses, COMSC will ensure a Report of Survey, DD Form 200 is prepared by stock points. COMSC will prepare Report of Surveys for losses at contractor facilities. Instructions for preparation of DD Form 200 are contained in enclosure (12) of reference (n) and reference (c). COMSC will review and utilize the Report of Survey to:

(a) Relieve accountable/responsible officers from accountability.

(b) Substantiate physical inventory adjustments of the accountable record with the physical inventory on hand.

(c) Substantiate adjustments to financial records as appropriate.

(2) OX Cog items determined to be unfit for issue during inventory will be surveyed only after the IM's review.

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d. Performance measurement goal. COMSC has established location survey and inventory validity performance goals for MSC-DBOF special materiel inventories of 98%.

PART D: FINANCIAL INVENTORY MANAGEMENT

5300. GENERAL. Acting as an Inventory Control Point (ICP), COMSC maintains central inventory control records that reflect the up-to-date stock status of each item of DBOF-MSC Special Material. Inventory control records are maintained by COMSC on the basis of the number of items pertaining to 0X Cog stock held by the various stock points. COMSC generally follows the transaction reporting procedures contained in NAVSUP PUB 437 (MILSTRIP/MILSTRAP) in reporting all stock position changes to 0X Cog items. As the ICP, COMSC establishes the standard prices at which 0X Cog items are received, carried and issued. COMSC is capable of computing at any given time the value of 0X Cog stock at each stock point. 0X stocks are included in the capitalized inventory of the MSC-DBOF and are exempted from being included in stores returns.

5301. REPORTING. Transaction reporting is defined for 0X Cog material as a method of collecting stock status information from stock points whereby the IM is advised of each change in any of the elements of stock status data of an item as it occurs. Transaction Item Reports on all receipts, issues, maintenance, changes, etc. are reported via AUTODIN in MILSTRIP format except for COMSCFE. COMSCFE mails a copy of DD 1348-1 for all transactions.

5302. PRICING. 0X Cog stock material will be priced as follows.

- a. COMSC will establish, review and revise the standard prices for 0X Cog material. These standard prices will be shown in the DBOF-MSC Special Material Stock List.
- b. The standard prices as listed therein will be utilized by the stock points on all issue and receipt documents.
- c. When new items are introduced into the MSC segment of the Navy Supply System, COMSC will advise the Area Commanders and the stock points concerned of the standard prices to be assigned.
- d. The prices as shown in the DBOF-MSC Special Material Stock List will be used on final accounting documents issued by COMSC to the recipients of the 0X Cog material.

PART E: MATERIAL DISPOSITION

5400. GENERAL. MSC is the IM of 0X Cog material. Such material requires special inventory control because of high unit cost, high demand, repairability and other economic considerations. In order to assure availability of 0X Cog material within the MSC Supply System, these materials should not be discarded when they become unserviceable. Instead, 0X Cog material should be turned into the MSC Supply System stock.

5401. POLICY. Generally, 0X Cog materials held by MSC ships should be turned into the applicable Area Commander when they become unserviceable or are determined to be in excess of shipboard needs. The following specific guidelines apply.

a. Ready For Issue (RFI) Excess. When a RFI 0X Cog item is determined to be in excess of shipboard allowance or use, it will be turned into the applicable Area Commander. Copies of the DD 1348-1 turn-in document will be provided to COMSC (N4). Area Commanders having administrative responsibility for a ship will screen excess 0X Cog material for possible use by other ships. If no requirement exists, the Area Commander will submit a disposition request indicating excess material and ship applicability. Disposition instructions will be provided by COMSC (N4). Excess RFI 0X Cog material will not be shipped to a stock point without authorization from COMSC (N4).

b. Not Ready For Issue (NRFI)

(1) Turn-in. When shipboard personnel have determined that 0X Cog material is unserviceable or NRFI, a turn-in document (DD 1348-1) will be prepared to document the transfer of the item to the Area Commander, except where indicated in subparagraph (2) below. A Condition and Disposal Instruction Report for MSC material (MSC Form and Report 4500-1) along with a DD 1348-1 turn-in document will be prepared and forwarded to the Area Commander. When a requisition is submitted by the ship to replace the unserviceable RFI 0X Cog material, the requisition number must be referenced on the MSC Form and Report 4500-1 and the DD 1348-1 for tracking purposes. Copies of the two documents must be submitted to the applicable Area Commander and to COMSC (N4) within 90 days of the date the requisition is submitted. Area Commanders will provide COMSC (N4) a monthly status report by the 5th of each month on all outstanding 4500-1 reports. Report is to be submitted via cc:Mail and will include document number, NSN, ship name, nomenclature, due date and status.

(2) Disposal. Disposal of NRFI 0X Cog material to the Defense Reutilization and Marketing Office (DRMO) will generally be an action initiated by the Area Commander. In some cases, the transfer of NRFI 0X Cog material from ships to the Area Commander

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may either be uneconomical or impractical. Therefore, local shipboard action to dispose of NRFI 0X Cog material to a DRMO may be initiated, but only after prior approval from COMSC (N4).

(3) Cannibalization. Unserviceable NRFI 0X Cog material held by ships pending turn-in to the applicable Area Commander will not be cannibalized unless authorized by COMSC (N4). (See Part B, para. 7.)

5402. DOCUMENTATION

a. DD 1348-1 Preparation. The DD 1348-1 turn-in document will be prepared as follows: (see Figure 5-2)

Card Columns/ Data Block(s)	Entry
1-3	"BC1"
8-22	NSN/NICN
23-24	Unit of Issue
25-29	Quantity
30-43	Expenditure Number as assigned from the expenditure log
55-56	"0X"
60-61	Movement Priority Designator (MPD); e.g., 03, 06 or 13
71	Appropriate Material Condition(F-Unserviceable, A-Serviceable) (see P-485 Appn. 9B).
72	Blank
73	Blank
A	Transferring ship's service designator code, UIC, ship name and hull number
B	Service designator code, UIC and name of ultimate consignee
N	Blank if material is unclassified. If classified, enter "C" for confidential; "B" for secret; "T" for top secret. When security code is used, all the consignee's copies of the DD Form 1348-1 will be secured inside the container. The documentation may remain outside provided that there is a continuous chain of receipts until the material and documentation are turned over to receiving personnel at their destination.
P	Same as cc 71
V	Blank
X-Y	Item nomenclature and serial number
AA-CC	Blank
DD	Blank
EE	PACKAGING REQUIRED" if it is considered that additional packaging is required by transshipping activity to prevent damage during handling and shipment.
11	Service designator code, UIC and name of receiving activity if delivered to another Navy activity for transshipment to ultimate consignee.
12	Julian Date of shipment from the transferring ship.
FF-GG	"Approved for Transfer" name, rank/grade and signature of the person authorized to approve the transfer.

b. 4500-1 Preparation. Turn-in of 0X Cog material to the Area Commander must be accompanied by MSC Form and Report 4500-1 prepared as follows: (See Figure 5-3.)

Card Columns/ Data Block(s)	Entry
From	Enter complete name and address of activity for which "0X" Cog material is shipped from.
Date	Date report is prepared.
To	Enter "COMMANDING OFFICER MILITARY SEALIFT COMMAND CENTRAL TECHNICAL ACTIVITY, 901 M STREET SE, WASHINGTON DC 20398-5541" if not already filled in.
Material Removed From	Activity where the "0X" Cog material was removed from.
Reference	Enter any reference relating to the report; e.g., message, letter, telecon, etc. If turn-in is a result of a receipt of RFI 0X Cog material from stock, enter the requisition number. If turn-in is not a result of an 0X Cog material issue from stock, indicate reason for turn-in; i.e., "excess."
NSN	Enter Cog symbol "0X," Material Control Code (MCC) and NSN taken from the ML-N or Navy Item Control Number (NICN).
Standard Price	Enter the current standard price taken from the ML-N.

Card Columns/ Data Block(s)	Entry
Recommended Action	"Repair" or "Dispose as Scrap" (mark box as appropriate). If "Dispose as Scrap" is recommended, indicate anticipated/continuing requirements for the item in the comments block.
Est. Time Required	If recommended action is "Repair" to Repair, enter number of working days required to repair item.
Application of Material	Enter ship type where material may be used.
Quantity	Enter quantity of mater al being turned-in.
Description of Material	Enter nomenclature, nameplate data and manufacturer, APL technical manual, serial number etc.
Description of Condition and Repairs	Enter condition of item, i.e., "Beyond Economical Repair" or "Restore to Useable Condition" or "Excess RFI" return to stock.
Estimated Cost	Enter dollar estimate for "Labor and Material" cost.
Total	Enter total of estimated "Labor and Material" cost estimate.
Grand Total	Enter grand total.
Comments	Enter additional comments as required.
Signature	Signature of Supply Officer or Master for ships without Supply Officer.

5403. PACKAGING FOR TURN-IN. Material turned into the Area Commander by a specific ship should be packaged individually when possible; otherwise, the material should be enclosed in a sturdy box with the following packaging considerations.

- a. Exterior of the box will contain the following information:
 - (1) Box _____ of _____
 - (2) Ship's name
 - (3) "0X COG" (bold letters)

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(4) List of contents. The list should be either enclosed in plastic on the outside or handwritten on the inside. When available, the bill of lading or shipping document should accompany the list of contents.

b. The list of contents for a box should contain:

(1) Nomenclature

(2) Quantity

(3) Document/contract number

c. Interior of the box will contain:

(1) Carefully sealed individual packages

(2) Protective packing material to prevent the individual items from tossing about

(3) A list of contents, if not already attached

1. **Main or auxiliary turbine rotors (after 8 years in store)**. If assembled, visually examine turbine interiors or blades. If unassembled, make visual examination of casing, diaphragms, and cylinder blading. The rotor should be examined (including the journal areas) for pitting or corrosion of polished surfaces. Thrust bearing shoes should be examined. All disturbed surfaces should be represerved.
2. **Pumps, centrifugal and rotary with ferrous casings (after 3 years) with non-ferrous casings (after 4 years)**. Check unit for missing exterior parts (attached valves, vents, cocks, etc.). Nameplates should be intact and legible. Check visually for cracks, corrosion, loose fasteners, deteriorated gland packing, dirty or damaged bearings. Represerve disturbed surfaces after examination.
3. **Pumps, reciprocating, steam driven (after 4 years)**. Check for completeness of unit. Also check presence and legibility of -nameplate and represerve disturbed surfaces.
4. **Rotating electrical equipment (motors and generators) (after 3 to 4 years)**. Check for frayed wires and torn insulation and clamps, corrosion, rust, etc., and bearings examined for dirt and damage. Covers should be removed and the brushes and harnesses checked. Test insulation resistance and record results of test. Nameplates are to be intact and legible. Replace removed covers and shields. All fasteners are to be secured and disturbed surfaces are reserved. As appropriate, fabricate and install external test terminal board.
5. **Electric control equipment (after 3 years)**. Inspect for completeness, presence and legibility of identification and instruction plates, corrosion of casing and fasteners, free movement of rheostats and corrosion or cracking of bus bars and connections. The unit is to be reassembled and non-insulated surfaces represerved as required.
6. **Winches, windlasses, capstans (after 3 years)**. Check for completeness of equipment and visually inspected frames, housing, baseplates and drums for cracks, corrosion and scoring. Inspect gears, bearings, linkage, brakes, clutches and check presence and legibility of nameplate. Reassemble and represerve disturbed surfaces. (See instructions on motors and controls.)
7. **Compressor, reciprocating after (4 years)**. Check for completeness of unit and remove hand hole covers. Inspect for adequacy of internal preservation. Check presence and legibility of nameplate. Reassemble and represerve disturbed surfaces. (If motor driven, see instructions on electric motors.)
8. **Gasoline and diesel engines (after 4 years)**. Check for completeness of unit and remove hand hole covers. Inspect for adequacy of internal preservation. After checking for presence and legibility of nameplate, reassemble and represerve disturbed surfaces. (For electrical parts, see instructions on electrical motors and generators.)
9. **Propellers (after 5 years)**. Visually inspect for blade deformities, cavitation, erosion, pittings or cracks and check propeller bore for damage, corrosion or cracks.

FIGURE 5-1: GUIDELINES CONCERNING FREQUENCY OF INSPECTION
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10. Propulsion shafts (after 5 years). Check for completeness of unit and visually inspect shaft for adequacy of rubber or glass covering. Inspect uncovered areas and bearing sleeves for damage, corrosion or pitting. Check bores of bolt holes on flanges and threads of propeller nut and repressure disturbed surfaces.

11. Electronic Equipment. The initial inspection and cyclic programming for inspection of electronic items is as follows:

a. Determine completeness of each item as to the number of crates, boxes, etc., method of packing and date packed

b. Establish records and a programmed course for periodic inspection and repacking of each item in accordance with the requirements of the method under which the material was packed.

c. Visual examination of all packages shall be made and where damage to packaging is noted, unpacked and inspect unit in detail and report to COMSC for authorization of necessary repairs and repackaging.

d. Cyclic inspection and repacking of all electronic items shall be made at the frequencies specified in the method of packing in which items are contained. Review desiccant, barrier-wrapping and other packaging material as required to restore each item to the standards of its original method of packing.

CHAPTER 6: SUPPLEMENTARY SUPPLY INSTRUCTIONS

PART A: CUSTODY MATERIAL RECORDS (CMR)

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CHAPTER 6: SUPPLEMENTARY SUPPLY INSTRUCTIONS

PART A: CUSTODY MATERIAL RECORDS (CMR)

6000. DEFINITION

a. Custody Material Records (CMR) are financial and inventory accounting of material procured with Account 1427 funds. Inventories of material are held for use during scheduled ship overhauls or special projects. These materials are placed into temporary storage at an Area Command facility awaiting delivery.

b. Custody Material Inventories may include miscellaneous excess items having significant economical use which qualifies them for restoration and future use in support of scheduled maintenance and installation programs.

c. Material excluded from the CMR inventory include the following:

(1) Material in Use. All ship and storeroom material currently in use or issued for immediate consumption, (i.e., within 30 days).

(2) Allowance Material. All material assembled to satisfy shipboard allowances.

(3) Plant/Minor Properties. Includes furniture, special tooling, office equipment and accessories as defined in NAVCOMPT Manual, Vol 3.

(4) Other. Materials specifically approved by COMSC to be excluded from CMR accounting.

6001. INVENTORY DESCRIPTION

a. Planned Acquisition Material. CMR inventories will include material purchased with Account 1427 funds for planned pre-budgeted requirements and will be held in temporary storage by the Area Commander for use by a specified ship for a designated purpose or time period. If material is to be held less than 30 days, it will be retained at the storage site for transshipment purposes only.

b. Excess Material

(1) Assets retained for CMR inventories may include shipboard excess materials, meeting the following requirements:

(a) Ready for Issue (RFI) material.

(b) Should be retained for other ship hull/class applications.

(c) Have definite future MSC applications.

(2) Other material which may be stored in the CMR inventory includes material procured for an overhaul (but not used) as well as material removed or salvaged from MSC ships.

6002. RESPONSIBILITIES

a. The Logistics Director at the Area Command is responsible for receiving, issuing, storing and inventory reporting of all CMR material.

b. The determination of what material should be placed in the CMR inventory is a joint responsibility of the Area Command Logistics Director and the Area Command Engineering Director. Specific responsibilities are provided as follows:

(1) The Engineering Director is responsible for advising the Logistics Director, by memorandum, of each candidate item to be placed in the CMR inventory. Included in the memorandum are the items' nomenclature, price, complete description and application of the item and date of the specific project/program for which the item will be use . Additionally, the Engineering Director will inform the Logistics Director when items are to be added, issued or transported from the inventory and will conduct joint inspection of all CMR inventory materials.

(2) The Logistics Director's responsibilities include providing authorization to place items into Account 1427, preparing the documentation (DD Form 1149/DD Form 1348-1) for each item issued, transferred or added to the Account 1427 inventory. The Logistics Director is also responsible for files and stock record cards for each item in the Account 1427 inventory, conducting inventory with the Engineering Director and preparing an updated inventory list for distribution.

6003. INVENTORY REPORTING

a. Annual Physical Inventory. Annually in April, MSC Area Commanders will conduct an inventory of Account 1427 CMR material.(RCS MSC 4443-2)

(1) Material retained beyond an expected use date will be reviewed to determine application and requirement.

(2) Material having no requirement will be processed for turn-in to the supply system or processed for disposal. Turn-in/disposal documentation will accompany annual inventory reports when available.

b. Accounting Adjustments. Necessary accounting adjustments to reflect the actual value of annual physical inventories will be effected through General Ledger Account 1427. Additionally, required monthly transaction reports will reflect only those transactions flowing through Account 1427.

c. Physical Inventory Reports. Annual physical inventory reports will contain, but will not be limited to, the following:

(1) National Stock Number/Part Number (NSN/PN)

(2) Quantity

(3) Unit of measure/issue

(4) Nomenclature (detailed with nameplate data, all reference and serial numbers, etc.)

(5) Value

d. Monthly Inventory Screening. The Logistics Director will screen the CMR inventory and issue a monthly CMR status report. Within 30 days, the Engineering Director will provide disposition instructions on all items that have exceeded their target disposition dates. Instructions are provided below:

(1) When projected repair modification for placing the item in CMR has been delayed, the new date for release from inventory will be provided.

(2) Procedures for release include:

(a) A transfer to ships or other activities will be authorized by the Engineering Director and must be accompanied by a copy of the correspondence stating that the ship or activity will accept the item(s).

(b) Transfers of items, not having an NSN, to disposal will be accompanied by written justification.

(c) Turn-in of NSN material to the supply system will be accompanied by written justification.

e. Monthly Transaction Reporting. Monthly transaction reports will contain, but will not be limited to, the following information:

- (1) National Stock Number/Part Number (NSN/PN)
- (2) Quantity
- (3) Unit of measure/issue
- (4) Nomenclature (detailed with nameplate data, all reference and serial numbers, etc.)
- (5) Issued to/Procured from
- (6) Value
- (7) Copy of all 4500-1 reports issued on the material listed in the monthly transaction report

6004. INSPECTIONS. Inspections conducted by COMSC will include review of financial and material records and inspection of storage areas to ensure compliance with this manual.

CHAPTER 6: SUPPLEMENTARY SUPPLY INSTRUCTIONS

PART B: UNITED SEAMEN'S SERVICE (USS) OVERSEAS

6100. GENERAL. DOD Directive 1330.16 sets forth a Department of Defense policy that facilitates the accomplishment of USS missions in overseas foreign areas where U.S. military support operations are a significant activity of a port. OPNAVINST 4060.1B implements the DOD directive in assisting USS missions in establishing and providing facilities, supplies and services for U.S. Merchant Seamen.

6101. SITE ESTABLISHMENT. The USS establishes clubs primarily for use by U.S. seamen at various port locations around the world. In some cases, these locations coincide with ports utilized for military logistic support flowing to U.S. Forces that are located in that geographical area. In accordance with DOD Directive 1330.16, requests for the establishment and support of USS club buildings and recreational areas in overseas locations will be forwarded to COMSC for comment and to the Assistant Secretary of Defense (ASD) Manpower, Reserve Affairs and Logistics (MRA&L) for approval.

6102. SITE SUPPORT

a. Supplies and services to USS missions are provided by the appropriate DOD and military authority. These supplies and services are provided in cases where the USS mission site is located on a military base, other U.S. Government property or in close proximity to a nearby U.S. Uniformed Services Command.

b. Military Commanders, or appropriate U.S. Government officials, will continually review facilities operated and services rendered by the USS mission in accordance with DOD Directive 1330.16. This review will help ensure compliance with the existing local support agreement. Such an agreement, which may take the form of a Memorandum of Understanding between the two parties, contains the status of forces and the status of existing agreements made with the country concerned. These agreements also include certain regulations of the military service that govern the installation on which the USS facility is located.

6103. GENERAL SUPPORT

a. Logistical Support. Logistical support rendered by U.S. Government agencies to the USS is provided only when economic conditions or isolated locations are such that support is not available from local civilian sources, or cannot be imported.

b. Support Agreements. Support agreements and Memorandum of Understandings are not restricted to only those clubs actually located on DOD installations. If military logistical support is provided, a Memorandum of Understanding will be consummated.

c. USS Employee Travel. Air transportation provided for USS employees between the Continental United States (CONUS) and overseas areas will be limited to that travel which provides direct service to the Armed Forces and shall be covered specifically in a Memorandum of Understanding. Further, such air transportation will be limited to locations where commercial transportation is not available (e.g., Diego Garcia) for regularly scheduled changes of personnel and for emergency repatriation. In such instances, the cognizant MSC Area Commander will be inviting commander and COMSC will fund the cost. Since this authorization represents an additional cost to MSC overhead, MSC Area Commanders contemplating incurring air travel costs shall provide a forecast of such costs in advance of each fiscal year. Amendments to such forecasts are allowed and will be handled on a case-by-case basis by COMSC.

6104. RESPONSIBILITIES

a. COMSC. The Commander, Military Sealift Command will act as:

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(1) Official liaison and point of contact within DOD for handling USS concerns.

(2) Host periodic meetings with the USS to discuss policy and resolve conflicts.

b. MSC Area Command/Offices/Masters:

(1) Render advice to the USS and the local military commanders in determining the need/desire to establish a new USS club, and in determining the amount of DOD support required to maintain a club.

(2) Ensure compliance with the Status of Forces Agreement.

(3) Assure that the USS club has implemented adequate controls and are in strict compliance with applicable U.S. and indigenous laws, directives and agreements in regard to access to clubs, currency exchange and merchandise control.

(4) Assist as necessary in drafting and review of the Memorandum of Understanding between the local military commander and the local USS club director.

(5) Assist in promoting an efficient and harmonious relationship between USS and the local military commander.

(6) Conduct an annual review of each club within his jurisdiction that is receiving military logistical support. This review will include those actions directed in subparagraphs (2) and (3).

(7) Forward a written report of the annual review to COMSC via the appropriate Area Commander.

(8) Participate as an observer in any inspection of a USS club by a local military commander when invited by the inspecting officials or by the USS.

APPENDIX A

LIST OF FORMS

FORM #	FORM NAME	NSN
DD 200	Report of Survey	0102-LF-000-2000
DD 1149	Requisition and Invoice/Shipping Document	0102-LF-011-1801
DD 1155	Order for Supplies or Services/Request for Quotations	0102-LF-011-3102
DD 1348	Single Line Item Requisition System Document	0102-LF-013-4840
DD 1348-1	Single Line Item Release/Receipt Document	0102-LF-013-1040
DD 1608	Unsatisfactory Material Report (Subsistence)	0104-LF-005-7100
MSC 4440/18	Daily Ration Memorandum	See Note 1
MSC 4500/1	Report of Condition and Disposal Instructions for MSC Material	See Note 1
NAVSUP 306	Controlled Equipage Custody Record	0108-LF-500-6503
NAVSUP 335	Subsistence Ledger	0108-LF-500-3351
NAVSUP 338	General Mess Control Record	0108-LF-500-3381
NAVSUP 367	Record of Receipt and Expenditure	0108-LF-500-3670
NAVSUP 1046	Sale of Enlisted Dining Facility Meals	0108-LF-501-0460
NAVSUP 1059	Food Item Report/Master Food Code List	0104-LF-501-0591
NAVSUP 1114	Stock Record Card	0108-LF-501-1141
NAVSUP 1282	Food-Item Request/Issue Document	0108-LF-501-2821
NAVSUP 1334	Expenditure Log, Loss Without Survey	0108-LF-505-0601
NAVSUP 1357	Ration and Sales Report	0108-LF-012-3900
NAVSUP 1358	General Mess Operating Statement	0108-LF-501-3581
SF 1034	Public Voucher	7540-00-634-4206
SF 1165	Receipt for Cash Subvoucher	7540-00-634-4357
NES 141	Sales Slip	0130-LF-001-4100
NES 600	Daily Sales Report	See note 1
NES 604	MSC Exchange Location Price Adjustment Voucher	See note 1
NES 607	End of Voyage Accountability Report	See note 1
SS 605A	Summary Sheet	See note 1

Note 1 - Copies of these forms are available from Area Commander.

APPENDIX B

LIST OF REPORTS

Report Symbol	Title	Reference
RCS MSC 4060-1	Report of Subsistence Returns	Chap 2, Part D
RCS MSC 4443-2	Inspection and Annual Physical Inventory Report	Chap 6, Part A
RCS MSC 4500-1	Report of Condition and Disposal Instructions for MSC Material	Chap 5, Part A
RCS SPCC 8010-12	Ammunition Transaction Report	Chap 1, Part C