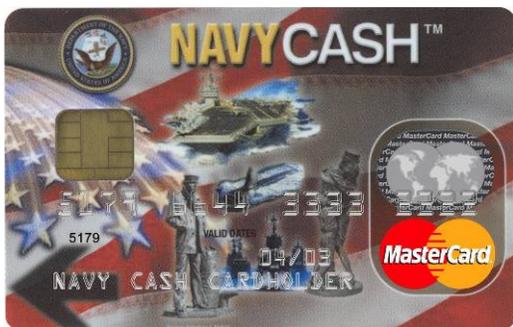


Navy and Marine Cash[®] Customer Service Handbook



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Navy and Marine Cash[®] Customer Service Handbook

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Navy and Marine Cash[®]

Customer Service Handbook

Introduction— Navy and Marine Cash

Navy/Marine Cash evolved from the ATMs-at-Sea program and replaced the ATMs with a state-of-the-art debit card system. Sailors and Marines who elect Split Pay now have a portion of their pay sent directly to their Navy/Marine Cash accounts each pay day rather than to shipboard ATM accounts. K80 Cashless ATMs on board ship provide 24-hour-a-day, seven-day-a-week access to Navy/Marine Cash accounts. But the similarity with ATMs-at-Sea ends there.

Everyone on the ship receives a Navy/Marine Cash card. The K80 Cashless ATMs provide 24/7 offline access to bank or credit union accounts ashore and the ability to move money to and from Navy/Marine Cash accounts and bank and credit union accounts. The Navy/Marine Cash Debit MasterCard[®] looks like a typical debit or check card. However, the Navy/Marine Cash card introduces a chip-based electronic purse in addition to the traditional magnetic strip. The electronic purse replaces bills and coins for purchases on the ship and provides for an essentially cashless environment within the lifelines of the ship. The branded debit feature of the Navy/Marine Cash Debit MasterCard[®] uses the magnetic strip on the back of the card to provide access off the ship to funds in Navy/Marine Cash accounts at more than 23 million MasterCard acceptance locations and more than 1,000,000 ATMs in over 210 countries and territories globally.

Using Navy/Marine Cash

You will be using the Navy/Marine Cash K80 Cashless ATM machines to manage the two “accounts” on your Navy/Marine Cash card—the electronic purse (chip) and the Navy/Marine Cash account (strip). K80s are installed in various locations on the ship. You access the K80 by inserting your Navy/Marine Cash card into the ATM and following the directions presented on the screen. Feed the card into the card slot with the card face up and the chip end first.

After you’ve used the K80 a few times, it’s easy. If you’re on board the ship when Navy/Marine Cash is being implemented, you’ll receive training on Navy/Marine Cash and how to use the Navy/Marine Cash card and K80. If you report to the ship after Navy/Marine Cash is implemented, someone in your division will be able to show you how to use the K80 in just a few minutes.

At the K80 Cashless ATM, you can:

- ❑ Check the balances on your electronic purse (chip) and Navy/Marine Cash account (strip).
- ❑ Move money from your strip (Navy/Marine Cash account) to your chip (electronic purse).
- ❑ Move money from your chip to your strip.
- ❑ Access your bank or credit union account and transfer money electronically to your Navy/Marine Cash account or chip. This is just like writing a check. *Do not transfer money to your Navy/Marine Cash account or chip unless there are sufficient funds available in your bank or credit union account to cover the amount of the transfer.*

- ❑ Transfer money electronically from your Navy/Marine Cash account (strip) back to your bank or credit union account.
- ❑ Transfer money electronically from your electronic purse (chip) back to your bank or credit union account.
- ❑ Change your PIN (Personal Identification Number).
- ❑ Complete a “Ship Check In.” This transfers your Navy/Marine Cash account information to a new ship when you report aboard for permanent or temporary duty.
- ❑ Transfer money from your chip (electronic purse) to someone else’s chip (chip-to-chip transfer).

Chip-to-Chip Transfers

With Navy/Marine Cash, you can loan someone money or pay someone back the money you owe them by transferring electronic value from the chip on your Navy/Marine Cash card to the chip on his or her Navy/Marine Cash card. Just go to a K80 Cashless ATM and follow the instructions presented on the ATM screen for a “Chip-to-Chip” transfer. The transfer is completed in two parts. First, the sending card is put into the K80, authenticated with PIN entry, and initiates the transfer. The funds are removed from the card and placed into an escrow account, and the sending card is removed from the ATM. Second, the receiving card is put into the K80, authenticated with PIN entry, and completes the transfer. The receiving card must be placed into the K80 and authenticated within 60 seconds (more time can be requested if needed). If the process is interrupted for any reason before it is completed, e.g., a power failure at the K80 or time expires, the result of the transaction is stored in the escrow account on the Navy/Marine Cash server as an unmatched transaction. The owner of the sending card can go to the disbursing office to return the value of any incomplete transfers to his or her Navy/Marine Cash card.

What is Electronic Fund Transfer or EFT?

When you access your bank or credit union account at the K80 Cashless ATM and request a transfer of funds, your request is converted into an electronic fund transfer using Automated Clearing House (ACH) instructions. EFT is the process by which Navy/Marine Cash instructs your financial institution to transfer funds in the amount you requested from your home account to your Navy/Marine Cash (strip) or chip account. The bank or credit union account information you provided when you enrolled in Navy/Marine Cash is used to route your request to your home account. By requesting a transfer of funds at a K80 Cashless ATM, you authorize the transfer of funds from your bank or credit union account to your strip or chip account and the conversion of your request into an electronic fund transfer.

How quickly will funds be transferred from my account?

The EFT from your account will usually occur within 24-48 hours, which is faster than a check is normally processed, so you must be sure that there are sufficient funds available in your bank or credit union account when you request a transfer. If the EFT cannot be processed by your financial institution because there are insufficient funds in your account, the transaction will “bounce”, your bank or credit union may charge you a bounced-check fee, and the Disbursing Officer will require you to make good any negative balance that results in your Navy/Marine Cash account due the U.S. Treasury funds pool.

Will the EFT appear on my account statement?

The EFT from your account will be on the account statement that you receive from your bank or credit union. However, the transfer may be in a different place on your statement than the place where your checks normally appear. For example, it may appear under “other withdrawals” or “other transactions.” The EFT should be identified on your statement as “Navy Cash.”

What if there is a problem with an EFT?

You should contact your bank or credit union immediately if you believe that an EFT reported on your account statement was not properly authorized or is otherwise incorrect. Consumers have protection under a Federal law called the Electronic Fund Transfer Act for an unauthorized or incorrect EFT. You may also call the Customer Service Center (CSC) via the Global Distance Support Center (GDSC) at 1(877) 418-6824 (DSN 510 428-6824) or directly at 1 (866) 3NAVYCASH (1 (866) 363-8922 or visit our web site at <https://www.navycash.com> for more detailed information.

What if the EFT cannot be processed?

In rare instances, an EFT cannot be processed for reasons other than insufficient funds. In these cases, your bank or credit union will not charge you a “bounced-check” fee, but the Disbursing Officer will still require you to make good any negative balance that may result in your Navy/Marine Cash account due the U.S. Treasury funds pool.

Providing Bank or Credit Union Account Information Is Optional

Providing your bank or credit union account information is, of course, optional when you enroll in Navy/Marine Cash. If you elect not to provide your account information, you can still be issued a Navy/Marine Cash Debit MasterCard® and an associated Navy/Marine Cash (strip) account. However, you will not be able to access your bank or credit union account at the K80 Cashless ATM. You will still be able to fund your strip account by electing Split Pay or your chip account by cashing a check or exchanging cash at the disbursing office. If you change your mind at a later date, you can add your bank or credit union account information at that time by contacting the Customer Service Center or going to the disbursing office.

Non Sufficient Funds (NSF) and Bounced-Check Fees

Have you ever bounced a check? Most of us have at one time or another. We may have forgotten to record an ATM transaction or a purchase at the grocery store with our check (debit) cards. Banks and credit unions usually charge a fee on each check that bounces, even if several checks bounce in the same day. Bounced-check fees can range from \$14 to \$35 or more and can add up pretty quickly. Transferring money from your bank or credit union account to your Navy/Marine Cash account at the K80 Cashless ATM is just like writing a check. The electronic fund transfer from your account will usually occur within 24 to 48 hours, which is much faster than a check is normally processed. *Do not transfer money to your chip or your strip at the K80 unless there are sufficient funds available in your bank or credit union account.* If the electronic fund transfer cannot be completed because of Non-Sufficient Funds (NSF), your bank or credit union may charge you a bounced-check fee. Any negative Navy Cash account balance that results represents a debt to the U.S. Treasury’s Navy Cash funds pool, and the Disbursing Officer is responsible for collecting on that debt. If a transaction is returned for NSF and your Navy/Marine Cash

account goes negative, access to your bank or credit union account will be blocked automatically. As soon as any negative balance is cleared, access to your home account will be restored. Should you have three transactions returned for NSF, access to your home account will be blocked permanently, and you must report to disbursing and request that access to your home account be restored.

Automatic Representation

Managing and collecting on transactions returned for NSF and negative Navy/Marine Cash account balances is a significant workload for disbursing. The Navy Cash program implemented automatic representation to reduce this workload.

Timing of Navy/Marine Cash Transaction Processing

To keep demands on ship communications systems to a minimum, Navy/Marine Cash was designed to work on a store-and-forward basis. A day's worth of transactions are generally transmitted ashore once each day at the end of the business day. This store-and-forward design affects the timing for processing Navy Cash transactions. Navy Cash lets you transfer value to your Navy/Marine Cash card from your bank or credit union and spend that money on the ship immediately, before the funds are actually transferred from your account ashore to the Navy Cash funds pool. This immediate availability of funds is like the cashing of personal checks that Navy Cash serves to replace. The potential exists to request a transfer from your account ashore at the K80 without having the funds to back your request. If the request is returned for NSF, Navy Cash reverses the credit to your Navy Cash (strip) account. If you have moved funds from your strip to your chip, a negative Navy Cash account balance generally results.

The amount of any negative balance represents a debt to the U.S. Treasury's Navy Cash funds pool, and the Disbursing Officer is responsible for collecting on that debt. The Disbursing Officer must review the Negative Balance Report each day, notify any cardholder who appears on the report, work with the cardholder within two days to resolve the negative balance, and collect the amount of the negative balance within 10 days. If willful negligence or fraud is suspected, the Disbursing Officer should recommend any disciplinary action considered necessary through the chain of command within five working days of receiving the Negative Balance Report. If a cardholder has had three transactions returned for NSF that resulted in negative balances, the Disbursing Officer must decide whether or not to unblock access to the bank or credit union account ashore, once the Navy Cash account balance has returned to zero or a positive amount.

Implementing Automatic Representation

With automatic representation, if your ACH transfer request is returned for NSF, the transfer request will be presented up to two more times on successive pay days to recover any resulting debt.

Pay day is on the 1st and 15th of each month. If the 1st or 15th falls on a weekend or holiday, pay day is the duty day preceding the weekend or holiday. The ACH representation file will be created one day prior to pay day, so the receiving bank or credit union can debit your account first thing on pay day. For example, if the 15th falls on a Monday and is a holiday, the ACH representation file will be created on the 11th, and your account will be debited on pay day on the 12th. If the first representation is also returned for NSF, your ACH transfer

request will be represented automatically a second time on the following pay day.

If the ACH transaction is returned a third time, the Disbursing Officer will be directed to initiate an immediate collection from your pay for the debt owed the U.S. Treasury's Navy Cash funds pool. The Disbursing Officer will also ensure that your Navy Cash access to your bank or credit union account remains blocked until any negative Navy Cash account balance is resolved and the balance is zero or positive.

Using similar methods of automatic representation, the Army's EagleCash™ and Treasury's Military Paper Check Conversion (MPCC) programs have experienced success rates well over 90 percent in collecting on returned transactions. Metrics on automatic ACH representations are included in the monthly Navy Cash metrics reported in the NAVSUP Corporate Information System (CIS).

Automatic representation was actually part of the Navy Cash prototype. The higher than expected rate of NSF transactions at the outset led to changes in Navy Cash business rules, and automatic representation was discontinued to eliminate multiple NSF returns for the same transaction. The current implementation of automatic representation addresses the limitations of the original implementation.

- Navy Cash automatically blocks access to a bank or credit union account when ACH transactions are returned for NSF and the Navy Cash account balance goes negative (temporarily if the first or second occurrence, until account balance returns to zero or positive amount, or permanently if the third occurrence). When a returned transaction is represented, the funds will not be posted immediately but will be held for five business days to ensure that the represented transaction is not returned for NSF as well.

- With Navy Cash, some cardholders transfer as little as 50 cents from their bank or credit union accounts. In some cases, even these small transactions were returned for NSF, and banks and credit unions may have charged a bounced check fee. There is a risk that automatic representations for these very small ACH transactions would also be returned for NSF and additional bounced check fees. To avoid the potential for multiple bounced check fees for small transactions, automatic ACH representation will proceed only if the value of the returned transactions is five dollars or more. The amount of five dollars was selected to balance the desire to protect the individual cardholder with the requirement to reduce Disbursing workload. The Navy Cash program will review this floor limit annually.

Using Your Navy/Marine Cash Card

On board ship, you use your Navy/Marine Cash card chip account to pay for purchases from the Ship's Store, vending machines, Post Office, MWR, or any other "retail" location on the ship. Each retail location has a K22 Point-of-Sale (POS) device, and the vending machines all have a Card Access Device (CAD). You use the K22 or CAD by inserting your Navy/Marine Cash card into the device and following the directions presented on the screen. Feed the card into the card slot with the card face up and the chip end first until the card *gently* clicks into place. Remember, you must leave your card in the device until the transaction is completed.

After you've used the K22 and CAD a few times, it's easy. If you're

on board the ship when Navy/Marine Cash is being implemented, you'll receive training on Navy/Marine Cash and how to use the Navy/Marine Cash card, K22, and CAD. If you report to the ship after Navy/Marine Cash is implemented, the retail operator or someone in your division will be able to show you how to use the K22 or CAD in just a few minutes.

Ashore, you can use your Navy/Marine Cash Debit MasterCard® at more than 23 million MasterCard acceptance locations in over 210 countries and territories worldwide. You can use your card for purchases at any merchants, restaurants, or other retailers that display the MasterCard® logo or at any retail locations that allow point-of-sale debit PIN-based purchases and display the MasterCard® and Maestro® logos. You can also use your card to obtain local currency at more than 1,000,000 ATMs in over 120 countries worldwide that display the MasterCard®, Cirrus®, and Maestro® logos. For all these transactions, the money is automatically deducted from your Navy/Marine Cash (strip) account, provided you have funds in your account.

ATM Transaction Fees and ATM Surcharges

There are no fees to pay when you use your Navy/Marine Cash card anywhere on the ship, whether at the K80 Cashless ATMs or at the K22 or CAD devices. However, when you withdraw funds from an ATM ashore, although Navy/Marine Cash won't charge you an ATM transaction fee, the owner of the ATM may add a surcharge, which has become customary in the U.S. and other countries. That fee will be debited from your Navy/Marine Cash (strip) account.

Keep Track of Your Navy/Marine Cash Balances

The Navy/Marine Cash card is a pre-paid debit card, not a credit card, so the amount of money you can spend is limited by the amount of money you load onto your card. On board ship, you need to keep track of the balance on your chip. Each time you make a purchase, using either a K22 in retail outlets or a CAD in the vending machines, the exact amount of the transaction is automatically deducted from the funds loaded on the chip. The remaining balance on your chip is displayed on the screen of the K22 or CAD as you complete the purchase transaction. You can also check the balance on your chip at any time at one of the K80 Cashless ATMs on board ship. When your balance is low, you can add money to, or "reload," your chip at the Cashless ATMs.

Ashore, making a purchase or payment or obtaining funds at an ATM is similar to writing a check. The amount of the purchase or payment or ATM withdrawal is automatically deducted from your Navy/Marine Cash (strip) account. You must be sure there are sufficient funds available in your strip (Navy/Marine Cash) account to cover the amount of the purchase. Before you leave the ship, check the balance in your strip account by inserting the card into one of the K80 Cashless ATMs on board ship. As you do with each check you write, you need to keep track of each transaction, so you know how much you have left in your Navy/Marine Cash account. Again, when your balance is low, you can add money to, or "reload," your strip account at the Cashless ATMs.

Don't forget about purchases, payments, or ATM withdrawals that have not yet cleared your Navy/Marine Cash (strip) account. It is

important to know that, with any debit or credit card purchase, some merchants ashore, such as hotels, restaurants, and pay-at-the-pump gas stations, may reserve more money than you actually plan to spend. They do this to cover variable costs, such as phone calls, tips, or a full tank of gas. You also need to realize that it may be 24 to 72 hours, and, in some cases, as much as seven days, before this reserve or “hold” is cancelled and the funds become available again for you to spend.

You are responsible for knowing your current Navy/Marine Cash account balance. Merchants cannot tell how much money is on your card. Generally, any attempt to make a purchase or ATM withdrawal ashore for an amount greater than your available balance will be declined. However, a merchant or ATM can put a transaction through without prior authorization. If the purchase or ATM withdrawal exceeds your available balance, your Navy/Marine Cash account will end up with a negative balance. Your negative balance will be reported the next day, and the Disbursing Officer will notify you to come to the disbursing office to clear your negative balance.

Keep Track of Your Bank or Credit Union Account Balance

You are responsible for knowing your current bank or credit union account balance as well. This is particularly important if your ship is experiencing communications problems. If Navy Cash has not been able to complete its end-of-day processing between ship and shore, your funds transfer requests at the K80 are not sent to your bank or credit union to actually debit your account. If you check your account balance online, it will reflect your old balance not your new balance. Remember, transferring money at the K80 is just like writing a check. *Keep track of your transfers! Do not try to spend the same money twice!* Requesting a funds transfer when the funds are not available may be considered fraud. When full communications are restored, Navy Cash will process the backlog of end-of-day round trips, and all your transfer requests will reach your bank or credit union at about the same time. If your requests cannot be completed because of NSF, your bank or credit union may charge a bounced-check fee. Remember too, Navy Cash automatically presents transfer requests returned for NSF up to two more times on successive paydays. With multiple transfer requests returned for NSF, these bounced-check fees could add up very quickly. Finally, negative Navy Cash account balances that result represent a debt to the U.S. Treasury, and that debt will be collected.

Using Your Navy/Marine Cash Card for Recurring Payments

Recurring or automatic bill payment is a one way to pay for such things as telephone or cable television service, health club membership, magazine subscriptions, or internet service. Recurring payments can be made with credit and debit cards. You pre-authorize either a fixed amount, like a monthly internet service bill, or a variable amount, like a telephone bill. Although you can use your Navy/Marine Cash card for recurring payments, it is not recommended.

The Navy/Marine Cash card is a prepaid debit card, not a credit card or a check card. It does not provide a line of credit or access to the pay deposited automatically in your checking account. Normally, the amount of money you can spend is limited by the amount of money you load onto the card. If you forget to add money to your strip account, a recurring payment that exceeds your available balance will be declined, but only if the merchant tries to get authorization first. If

the merchant is “force posting” the transaction without getting prior authorization, a recurring payment that exceeds your available balance will result in a negative balance. Your negative balance will be reported the next day, and the Disbursing Officer will notify you to come to the disbursing office to clear your negative balance.

If you have used your Navy/Marine Cash card for a recurring payment and, for some reason, a merchant continues to submit the recurring payment after you have notified them to cancel their service, you must first contact the merchant yourself to work out the problem. If you are unable to settle the issue, you may contact the Customer Service Center (CSC) for help in resolving the dispute with the merchant. The Fraud/Claims Group will contact the merchant and work to halt the recurring payment and restore the funds to your Navy/Marine Cash account. You can contact the CSC through the Navy’s Global Distance Support Center (GDSC) at 1-877-418-6824 or DSN: 510-428-6824 or directly at 1-866-362-8922.

Negative Navy/Marine Cash Account Balances and Out-of-Service Debt

If your Navy/Marine Cash account balance goes negative for any reason, the amount of the negative balance represents a debt to the U.S. Treasury, and the Disbursing Officer is responsible for collecting on that debt. Even if you leave the service before you settle your negative balance, the Defense Finance and Accounting Service (DFAS), Directorate of Debt and Claims Management, and the Department of the Treasury, Debt Management Service, are responsible for collecting delinquent debts owed the Government by former military members. Debt collection procedures for the Government are detailed in Book 31 of the Code of Federal Regulations, Chapter 9, Parts 900 to 904. A debt notice will be sent through the U.S. Postal Service using the mailing address provided by your Master Military Pay Account. If the postal service returns the debt notice as undeliverable, an attempt will be made to obtain a current mailing address through the commercial credit bureau network and various other government databases. Whether or not a current mailing address is found, DFAS and Treasury are required by law to continue with the debt collection process. Thus, even if they cannot contact you, your debt must be reported to commercial credit bureaus as a "collection account". They are also required by law to report your delinquent account to private collection agencies.

Security

You will be enrolled in Navy/Marine Cash and issued a Navy/Marine Cash Debit MasterCard®, either as part of the initial mass enrollment before Navy/Marine Cash is installed on a ship, or at the disbursing office if you report to a ship after Navy/Marine Cash is installed. Navy/Marine Cash uses encryption and authentication and authorization protocols to protect your personal data.

When you are enrolled and issued a Navy/Marine Cash card, an initial PIN notification will be provided in a separate package. If you desire a PIN different than the original PIN you received after you enrolled, your PIN may be customized at the K80 cashless ATM by following the instructions on the screen. If you forget your PIN, contact the disbursing office. They will ask you some questions to verify your identity and provide instructions to reset your PIN.

Navy/Marine Cash safeguards your money three ways.

- ❑ First, a Personal Identification Number (PIN), known only to you, is associated with your Navy/Marine Cash account. The PIN prevents an unauthorized user from withdrawing your money or making a purchase.
- ❑ Second, after you report your card lost or stolen to the disbursing office or the Navy/Marine Cash Customer Service Center, the card is hot listed, and the account is locked, preventing someone from using your card even if they had your PIN.
- ❑ Third, for vending machine purchases, since your PIN is not required, Navy/Marine Cash limits vending machine purchases to a total of \$25 on your electronic purse before you must reenter your PIN to reset the counter and allow you to continue spending. However, once your card is reported lost or stolen, the electronic purse is also locked, and no one can use your card at vending machines either.

Protect Your PIN

For your protection, memorize your PIN and keep it confidential. No one should ask you to disclose your PIN, so remember: never give your PIN to anyone. Don't write your PIN on your card or in your address book or rolodex, and avoid carrying your PIN with you in your wallet or purse. If you forget your PIN, report to the disbursing office to select a new one. When creating your PIN, don't use consecutive numbers or part of your SSN, birth date, or address.

Protect Your Navy/Marine Cash Card

Your Navy/Marine Cash Debit MasterCard® is your means to purchase things on the ship and your access to your Navy/Marine Cash account. Like the ATM, debit, and credit cards you're familiar with, the Navy/Marine Cash card will stand up to normal wear and tear. But, it's also important that you protect your Navy/Marine Cash card. Do not bend the card. Do not attempt to "pop" the chip out of the card. Do not scratch the chip or magnetic strip. Do not punch a hole in the card for a chain, or key ring, or lanyard. Keep the card clean of dirt, oil, and adhesive debris by rubbing it with a soft cloth. Water or rubbing alcohol can be used if needed. Please report damaged cards to the disbursing office immediately.

Sign Your Navy/Marine Cash Card

For your protection, it is very important that you sign your Navy/Marine Cash Debit MasterCard® in the area indicated on the reverse side. You should sign your card as soon as you receive it. If you have not yet signed your Navy/Marine Cash card, do it now. Merchants and other retailers are not supposed to accept your card for purchases if you have not signed it. Your signature on the back of the card helps to protect you from someone else using your card.

Treat Your Navy/Marine Cash Card Like Cash

Treat your Navy/Marine Cash Debit MasterCard® like cash. If it is lost or stolen, the maximum you can lose from the chip is \$25. To limit your loss, please report lost or stolen cards to the disbursing office immediately. The disbursing office will report your Navy/Marine Cash card as lost or stolen and provide an instant issue Navy/Marine Cash card as a replacement, retaining your account balance. Your new Navy Cash card will have a different PIN. The Disbursing Officer will follow up by either calling the Navy/Marine Cash Central Support

Report Lost or Stolen Navy/Marine Cash Cards

Report lost or stolen Navy/Marine Cash cards to the disbursing office immediately. The disbursing office will report your Navy/Marine Cash card as lost or stolen and provide an instant issue Navy/Marine Cash card as a replacement, retaining your account balance. Your new Navy Cash card will have a different PIN. The Disbursing Officer will follow up by either calling the Navy/Marine Cash Central Support

Unit (CSU) or sending them an e-mail to report the lost or stolen card.

If the disbursing office is not available (e.g., it is after working hours or you are off the ship on liberty), call the Navy/Marine Cash Customer Service Center (CSC) via the GDSC at 1(877) 418-6824 (DSN 510 428-6824) or directly at 1 (866) 3NAVYCASH (1 (866) 363-8922 or send an e-mail to navycash@ezpaymt.com. The Customer Service Representative will ask you some security questions to verify your identity and then cancel your card. Report to the disbursing office as soon as possible to request a new replacement instant issue Navy Cash card.

Blocked Cards

If your Navy/Marine Cash card becomes blocked because you've entered your PIN in a K80 Cashless ATM incorrectly more than three times, you must report to the disbursing office so the card can be unblocked. If a PIN is entered incorrectly 10 or more times, the card is permanently blocked and must be replaced.

Billing Address for Web Purchases

You can use your Navy/Marine Cash Debit MasterCard[®] to pay for things you order over the phone or at a web site. You can then ship the things you order to almost any address you'd like, but, when the merchant asks you for your billing address, you need to give them the ship's mailing address because that's the billing address that's been entered in the MasterCard[®] data base for your Navy/Marine Cash card. To protect against fraudulent use of lost and stolen debit and credit cards, many merchants and their financial networks compare the billing address given by the customer against the billing address registered in the data base. These addresses may need to be the same before they will approve the transaction.

What to Do with Your Navy/Marine Cash Card When You Leave the Ship?

We recommend you keep your Navy/Marine Cash card and account when you leave the ship, particularly as more and more ships in the fleet are equipped with Navy/Marine Cash. A Navy/Marine Cash card does not expire until five years from the date of issue, so it will remain valid after you leave the ship. If your next ship is Navy/Marine Cash equipped and your card is still valid, you can quickly get access to all Navy/Marine Cash capabilities.

If you *choose to keep* your Navy/Marine Cash card, go to the K80 Cashless ATM and transfer funds from *both the chip and the strip* back to your home bank or credit union account before you leave the ship. Alternatively, move the funds on the strip to the chip, and then cash out the chip at the disbursing office to receive cash. As a part of the check-out process, the disbursing office will contact the Navy Cash CSU and ask that your account be suspended, which will prevent online ATM withdrawals and online PIN-based and signature-based purchases ashore, and will block access to your home bank or credit union account. Neither blocking access nor suspending an account disables the chip on a Navy/Marine Cash card; you can still use the value on the chip to purchase things on the ship.

Keep your card until you report to your next Navy/Marine Cash equipped ship. Once on board your new ship, you must first complete a "Ship Check In" at a K80 Cashless ATM, and the ship must complete the next end-of-day processing between ship and shore. In the interim, you must also report to the disbursing office, so the

**Getting Answers to
Questions about Navy/
Marine Cash**

disbursing office can unblock access to your home bank or credit union account and contact the CSU and ask that your account be restored. Since end-of-day processing is normally completed each day, full access to Navy/Marine Cash capabilities should be available the next day.

If you *choose not to keep* your Navy/Marine Cash card, transfer funds from *both the chip and the strip* at the K80 Cashless ATM before you leave the ship. Notify the disbursing office (and Admin Section for the Marine Corps) that you want to close your Navy/Marine Cash account and turn in your Navy/Marine Cash card. After verifying that chip and strip are empty, the disbursing office will cancel your card, notify the CSU to close your account, and destroy your Navy/Marine Cash card in your presence. You should coordinate with the disbursing office (Admin Section) the cashing out of your Navy/Marine Cash card and closing of your Navy/Marine Cash account with the status of your Split Pay Option.

Most of your questions about Navy/Marine Cash can be answered by calling the Navy/Marine Cash Customer Service Center (CSC) or by visiting the Navy/Marine Cash web site (the telephone number and web-site address are printed on the back of your Navy/Marine Cash card and are listed below). You can access your Navy/Marine Cash account information on the Navy/Marine Cash web site. Log on to the web site using your 16-digit card number and PIN. Once you are logged on, you can view your account information, list both ship and shore transactions, and print a statement.

If you have a problem with your Navy/Marine Cash account that you don't understand, e.g., a withdrawal has been "returned" for Non-Sufficient Funds (NSF) or your Navy/Marine Cash account balance is negative, the best source for help is within your Division. Print out a statement from the Navy/Marine Cash web site, and bring it to your LPO, LCPO, or Division Officer. They can go over your Navy/Marine Cash transactions with you to try and track down the reason for the problem. You can also request a copy of your statement by e-mailing the CSC. They will e-mail your statement to you so you can print out a copy for review. Your Division can get additional information from the disbursing office if it is needed. You may also want to work with the ship's financial advisor.

If you have any specific questions about your Navy/Marine Cash account, you can always call or e-mail the Navy/Marine Cash CSC.

For Navy/Marine Cash card holders, the CSC web-site address and telephone number are:

Phone number: 1-866 - 3NAVYCASH
1-866 - 362-8922

Web site: <https://www.navycash.com>

E-mail address: navycash@ezpaymt.com

The Navy/Marine Cash CSC can also be reached through the Global Distance Support Center (GDSC) — "One Touch."

The telephone numbers for the GDSC are:

Commercial: 1-877 - 4-1-TOUCH
1-877 - 418-6824

DSN: 510 - 4-2-TOUCH
510 - 428-6824

Press 4, then 5, then 2 to contact the CSC

The 1-877 number should be used for worldwide toll-free access from the United States, Japan, Germany, England, Italy, and Spain from activities ashore or ships in port and can be used when aboard ships at sea that has the capability and connectivity.

The DSN number should be used for toll-free access from all other countries from activities ashore or ships in port and can be used when aboard ships at sea that has the capability and connectivity.

If your Navy/Marine Cash card is lost or stolen, report it immediately to the disbursing office. If the disbursing office is not available (e.g., it is after working hours or you are off the ship on liberty), call the CSC or send them an e-mail to report it.

**To Verify Your Identity to
Customer Service Center**

If you need to update your Navy/Marine Cash account information, e.g., to change your bank account or update your e-mail address, you can call the Navy/Marine Cash CSC directly at 1 866 362-8922 or through the Global Distance Support Center (GDSC) at 1 877 4-1-TOUCH (1 877 418-6824), DSN 510 4-2-TOUCH (510 428-6824). You will be asked a series of questions to verify your identity before you can update your account information. If you don't have access to a phone, you can e-mail your update request to the CSC at navycash@ezpaymt.com. To verify your identity, include your e-mail address, the last four digits of your SSN, your mother's maiden name, and your date of birth (mm/dd) in your e-mail request and include your Disbursing Officer as a "Cc" or "Courtesy Copy" addressee on the e-mail. You will receive a confirmation via e-mail from the CSC when your account has been updated.

**Unauthorized Use of Navy/
Marine Cash Card Ashore,
Over the Phone, or on the
Web**

If you suspect unauthorized activity on your Navy/Marine Cash account, stop using your card and contact the CSC as soon as possible. The CSC web-site address and telephone numbers are listed above.

You have every right to dispute an unauthorized ATM withdrawal ashore or unauthorized purchase ashore. To initiate a dispute about an unauthorized transaction, you must fill out, sign, and date an affidavit form, a copy of which can be obtained at the Disbursing Office.

The affidavit must then be faxed or mailed to EFS Claims.

Fax: 1 614 776-7506

Address: Navy Cash
Mail Code OH1-0553
PO Box 182918
Columbus, OH 43272

If possible, the form should be sent to EFS Claims on the same day the unauthorized use was reported. EFS Claims will respond through the CSC or directly within 10 business days of receiving the affidavit.

You must fill out all applicable information on the form for your claim to be processed. If you have exercised reasonable care in safeguarding your Navy/Marine Cash card, you will not be responsible for unauthorized purchases, depending, of course, on the history of your account, e.g., you have not reported two or more

unauthorized events in the past 12 months. After your claim has been investigated and processed, the CSC will return the funds to your Navy/Marine Cash account.

If an ATM ashore does not dispense the amount of money requested, i.e., too little or too much cash, no affidavit is required. You should immediately notify the CSC. The CSC will investigate the problem and, depending on the history of your account, return the funds to your Navy/Marine Cash account.

Identity Theft

You've probably read or heard stories about identity theft. As we all know, if your wallet or purse is lost or stolen, a thief can use your credit and debit cards and go on a shopping spree. That's bad enough, but an identity thief can also use your name, address, SSN, date of birth, credit card information, etc. to order an expensive monthly cell phone package in your name, apply for another credit card and send the bills to a different address so you don't realize there is a problem, have a credit line approved to buy a computer on line and send you the bill, receive a PIN number from the Department of Motor Vehicles to change your driving record information online, and much, much more.

There are some relatively simple steps you can take to limit the damage in the event this happens to you or someone you know.

1. *As everyone always advises, cancel your credit, debit, and ATM cards immediately.*

The key is to have the toll free numbers and your card numbers handy so you know whom to call. The next chance you get, use a photocopy machine (or scanner) to copy both sides of each license, credit card, debit card, etc. in your wallet. You now know what you have in your wallet and all of the account numbers and phone numbers to call to cancel them if necessary. Keep the copy in a safe place where you can find it easily (but not in your purse or wallet). Report lost or stolen Navy/Marine Cash cards to the disbursing office immediately.

2. *File a police report immediately in the jurisdiction where it was stolen.*

This proves to credit and debit card providers that you were diligent and is a first step toward an investigation if one is ever done.

3. *Call the three national credit reporting organizations immediately to place a fraud alert on your name and SSN.*

This may be the most important step of all, and it's a step not everyone is aware of. You don't want to wait until a bank you've never heard of calls to tell you that an application for credit was made over the Internet in your name or you've received the first monthly bill for a wide-screen projection TV that's not in your living room. Once the fraud alert has been posted, any company that checks your credit with the national organizations knows your personal information was stolen, and they have to contact you by phone to authorize new credit.

The toll-free numbers for national credit reporting organizations are:

Equifax: 1-800-525-6285

Experian: 1-888-397-3742

Trans Union: 1-800-680-7289

Social Security Administration: 1-800-269-0271

(To report fraudulent use of your SSN)

Federal Trade Commission (FTC) Hotline: 1-877-438-4338

Contact the Department of Motor Vehicles if someone is using your driver's license number as ID to cash checks.

In general, you should keep the amount of personal information you carry in your purse or wallet to a minimum. For example, don't carry your Social Security Card, birth certificate, or more than one or two credit cards and debit (ATM) cards. And, don't throw your credit card, debit card, and ATM receipts into a public trash bin.

Benefits of Navy/Marine Cash

The Navy/Marine Cash card employs chip technology to replace bills and coins for your purchases on board ship and a magnetic strip for your purchases or ATM cash withdrawals when on liberty. Navy/Marine Cash:

- ❑ Provides access to your bank and credit union account ashore 24 hours a day, 7 days a week on board ship.
- ❑ Provides greater security for your money; you no longer need to hold cash that can be lost or stolen.
- ❑ Provides easy access to your money that is deposited in your interest earning bank or credit union accounts.
- ❑ Provides access to Split Pay monies in Navy/Marine Cash accounts both on and off the ship.
- ❑ Provides an alternative to Split Pay; you can have all your pay go to your personal bank or credit union account and transfer funds to your Navy/Marine Cash account only as needed.
- ❑ Significantly reduces the need for coins, bills, checks, and money orders on board ship.
- ❑ Reduces labor-intensive cash handling and the risk associated with handling money.
- ❑ Automates and streamlines most cash-based transactions and processes which saves you time and the government money.

Timing of Navy/Marine Cash Transaction Processing

To keep demands on the ship's communications systems to a minimum, Navy/Marine Cash was designed to work on a store-and-forward basis—a day's worth of transactions are generally transmitted ashore once each day at the end of the business day. This store-and-forward design feature affects the time that Navy/Marine Cash transactions are processed, both on the ship and on the shore.

Remember, you need to stage funds to your Navy/Marine Cash account at least 24 hours in advance, so the funds will be available when you want to use your Navy/Marine Cash Debit MasterCard® ashore. *Don't try to spend the money before it gets there.*

When you use your Navy/Marine Cash card debit feature ashore, either to get cash at an ATM or to purchase something at a restaurant or store, the new balance in your Navy/Marine Cash account will be reflected ashore immediately, but it won't be reflected on the ship until the next end-of-day processing is completed between ship and shore. If you get back to the ship and check your Navy/Marine Cash account balance before this processing is completed, the K80 Cashless ATM will show your old balance not your new balance. *Don't try to spend the same money twice.* If you transfer money to your chip based on your old balance, your Navy/Marine Cash account will end up with a negative balance once all your transactions ashore and on the ship are fully processed. You won't be charged a bounced-check fee, but it does represent a debt to the U.S. Treasury funds pool, and the Disbursing Officer will require you to make good any negative balance in your Navy/Marine Cash account.

The Navy/Marine Cash card is a pre-paid debit card, not a credit card, and managing your Navy/Marine Cash account is much like managing your checking account. Making a purchase or obtaining funds at an ATM ashore is similar to writing a check. You must be sure there are sufficient funds available in your Navy/Marine Cash account to cover the amount of the purchase or ATM withdrawal. Just as you do with your checking account, you need to keep track of all your transactions, both what you deposit and what you spend.

Navy/Marine Cash has provided small ledger books that may help you keep track of your Navy/Marine Cash deposits and major purchases if you like to write things down. The same size as your Navy/Marine Cash card, these ledgers will fit easily in your wallet or purse. Check with Disbursing if you'd like one of these ledger books.

Again, Navy/Marine Cash depends on ship-to-shore communications and works on a store-and-forward basis to keep communications demands to a minimum. Normally, a day's worth of transactions are transmitted ashore once each day at the end of the business day on the ship. The effects of this delay in processing are described in some detail below and in the table that follows.

Home Account to Navy/Marine Cash Transfers

If you transfer money from your home bank or credit union account to your Navy/Marine Cash (strip) account at the K80, the funds are available to use on the ship immediately, as soon as you transfer value from your strip account to the chip. The funds will generally be available ashore the next day, if the ship completes its end-of-day processing between ship and shore. For this reason, it's important to

stage funds to your Navy/Marine Cash (strip) account in advance, so the funds will be available when you want to use your Navy/Marine Cash Debit MasterCard® ashore. However, Automated Clearing House (ACH) transactions, which Navy/Marine Cash uses, are only processed Sunday through Friday at 10:00 PM (8:00 PM on Sunday) Eastern Time by the Federal Reserve system. When you transfer money from your bank or credit union account Sunday through Friday, the transaction will generally be posted to your home account within 48 hours. If you transfer money on Saturday, the transaction will generally not be posted to your home account until Tuesday.

***Navy/Marine Cash to Home
Account Transfers***

The same is true if you transfer money from your chip or strip back to your home account. If you transfer money Sunday through Friday, the funds will generally be available in your home account within 48 hours, if the ship completes its end-of-day processing between ship and shore. If you transfer money on a Saturday, the funds will generally not be available ashore until Tuesday.

***Chip to Navy/Marine Cash
Transfers***

If you transfer money from your chip to your Navy/Marine Cash (strip) account, the new balance in your Navy/Marine Cash account will be reflected on the ship immediately, but the funds won't be available ashore until the next end-of-day processing is completed between ship and shore. Again, it's important to stage funds to your Navy/Marine Cash account in advance, so the funds will be available ashore when you need them.

***Use of Navy/Marine Cash
Funds Ashore***

If you use your Navy/Marine Cash Debit MasterCard® debit feature ashore, either to get cash at an ATM or purchase something at a store or restaurant, the new balance in your Navy/Marine Cash account will be reflected ashore immediately, but won't be reflected on the ship until the end-of-day processing is completed between ship and shore.

PIN Changes

If you change your PIN on the ship, the new PIN is effective on the ship immediately and will generally be effective ashore the next business day, but only if the end-of-day processing is completed between ship and shore. In the interim, the old PIN is still valid ashore.

Split Pay

Navy split pay is normally processed ashore and posted to your Navy Cash account the day before pay day so the funds are available on the ship on pay day. Split pay funds are available for use ashore as soon as they are posted to your Navy Cash account. However, if shipboard communications are down on pay day, the split pay payroll information from shore can't be received on the ship. The Disbursing Officer has the option to run a provisional split pay payroll on the ship. Cardholders who are enrolled in split pay can be given a "provisional credit" in the amount of their payroll. The Navy Cash system on the ship keeps previous payroll amounts as a part of each cardholder's profile and provides disbursing the ability to update the payroll amounts. Even when the Navy Cash system cannot communicate with the shore side, DFAS Cleveland still sends the actual Navy split pay file to the Navy Cash back end ashore for processing. When communications are restored, the Navy Cash system synchronizes Navy Cash accounts between ship and shore and reconciles Navy Cash accounts on the ship so they reflect the correct balances.

Timing of Navy/Marine Cash Transaction Processing

Transaction Type	Aboard Ship	Ashore
Funds transfer from bank or credit union ashore <i>Sunday through Friday</i>	Funds available immediately. ¹	Funds available next day. ² Transaction posted to home account within 48 hours.
Funds transfer from bank or credit union ashore <i>Saturday</i>	Funds available immediately. ¹	Funds available next day. ² Transaction posted to home account by Tuesday.
Funds transfer to bank or credit union ashore <i>Sunday through Friday</i>	New Navy/Marine Cash account balance reflected immediately.	Funds available within 48 hours. ²
Funds transfer to bank or credit union ashore <i>Saturday</i>	New Navy/Marine Cash account balance reflected immediately.	Funds available by Tuesday. ²
Funds transfer from Navy/Marine Cash account to chip	Funds available on chip immediately. New Navy/Marine Cash account and chip balances reflected immediately.	New Navy/Marine Cash account balance reflected next day. ³
Funds transfer from chip to Navy/Marine Cash account	New Navy/Marine Cash account and chip balances reflected immediately.	Funds available next day. ³
Navy/Marine Cash MasterCard® Debit at ATM or merchant ashore	New Navy/Marine Cash account balance reflected next day. ³	New Navy/Marine Cash account balance reflected immediately.
PIN change	New PIN effective immediately.	New PIN effective next day. ³ <i>Use old PIN in interim.</i>
Split pay <i>Shipboard comms "up"</i>	Funds available as soon as ship completes end-of-day between ship and shore. ⁴	Funds available as soon as split pay payroll posted. ⁵
Split pay <i>Shipboard comms "down"</i>	Ship can't receive payroll update. Disbursing Officer has option to run provisional payroll on ship. Cardholders enrolled in SPO given "provisional credit" in amount of payroll. When comms restored, system synchronizes accounts between ship and shore and reconciles accounts on ship so they reflect correct balances.	Funds available as soon as split pay payroll posted. ⁵

Notes:

¹ Transfer value to chip to use on ship.

² If ship completes end-of-day between ship and shore. ACH transactions are processed Sunday through Friday at 10:00 PM (8:00 PM on Sunday) Eastern Time and are generally posted to home bank and credit union accounts within 48 hours. To meet processing deadline, ship must complete end-of-day by about 9:00 to 9:30 PM (7:00 to 7:30 PM on Sunday) Eastern Time. Transactions that miss deadline are processed next business day.

³ If ship completes end-of-day between ship and shore.

⁴ Normally at end-of-day completed the day before pay day, so funds are available on pay day.

⁵ Normally processed the day before pay day, so funds are available on pay day.

Overdraft Protection

Transferring money electronically from your bank or credit union account to your Navy/Marine Cash account at the K80 Cashless ATM is just like writing a check. The electronic fund transfer from your account will usually occur within 24 hours, which is much faster than a check is normally processed. You must be sure you have enough money in your account before you request the transfer. If the electronic fund transfer cannot be completed because of Non-Sufficient Funds (NSF), the transfer bounces just like a check would. Most of us have bounced a check at one time or another. We may have forgotten to record an ATM transaction or a purchase at the grocery store with our check (debit) cards. A bounced check can be an expensive mistake. Banks and credit unions usually charge a fee on each check that bounces, even if several checks bounce in the same day. Bounced-check fees can range from \$14 to \$35, and at that rate, can add up pretty quickly. In addition, the company you wrote the check to may charge you a returned check fee (Navy/Marine Cash itself does not charge fees). If you've bounced more than one or two checks in a year, you may want to consider getting overdraft protection, which is an optional service offered by most banks and credit unions. Overdraft protection is commonly linked either to your savings account, to a designated line of credit, or to a credit card issued by your bank or credit union. Overdraft protection is not free, however. Each bank or credit union has different fees associated with each of these options. You need to compare the cost of overdraft protection to the cost of bounced-check fees. Before you sign up for overdraft protection, Consumer Action, a San Francisco-based nonprofit consumer-education and advocacy group, recommends that you ask the following questions.

What is the interest rate? Interest is normally charged for overdraft advances from lines of credit or credit cards.

What is the transaction charge or transfer fee? A fee may be charged for each transaction in addition to regular interest rates.

What is the advance amount? Overdraft advances vary—some give the exact amount, others advance multiples of up to \$300, while still others set a minimum (e.g., \$50 to \$300), even if it's more than you need. In other words, you may have to borrow \$300, and pay interest on it, even though you need only a few dollars to cover an overdraft.

What is the annual or monthly fee? There might be an annual or monthly fee or both in addition to interest.

How does paying off the overdraft work? Ask how you can repay the loan in the most timely way. Just depositing money in your checking account does not necessarily cover the overdraft. You may have to pay back the overdraft specifically. Ask if a minimum payment will be deducted automatically from your checking account if you haven't made a payment on the outstanding balance by the due date.

Many banks and credit unions also offer a service called bounce protection or overdraft privilege, which is not the traditional overdraft protection. Although bounce protection allows you to avoid the embarrassment and returned check charges from the company you wrote the check to, banks and credit union may still collect the bounced check fee in addition to charging other fees. These overdraft privilege programs often give no assurance of coverage in the event of

an overdraft, but leave that to the discretion of the bank or credit union, and a customer can never be certain that a bad check will be covered. Ask the questions. Compare the fees for overdraft protection with the fees for overdraft privilege (bounce protection). Overdraft protection is an optional service you must request. Some banks and credit unions include bounce protection with their checking accounts automatically, and you must ask to have it removed.

Some Navy/Marine Cash Reminders Before Each Port Visit

Before each port visit, there are some things about Navy/Marine Cash you need to remember. Navy/Marine Cash works on a store-and-forward basis—a day's worth of transactions are generally transmitted ashore once each day at the end of the business day. For this reason, it's important to stage funds to your Navy/Marine Cash account at least 24 hours in advance of arriving in port, so the funds will be available when you want to use your Navy/Marine Cash Debit MasterCard® ashore. If you change your PIN on the ship, the change will only be effective ashore the next business day if the end-of-day processing has been completed between ship and shore. Otherwise, the old PIN is still the only valid one ashore. When you use your Navy/Marine Cash Debit MasterCard® ashore, the ATM / Point-Of-Sale (POS) limit is \$3,000 per transaction, and the MasterCard® purchase limit is \$5,000 per transaction.

Foreign Currency Exchange Fees

You've probably heard the advice that you can get the best exchange rates overseas by making purchases using your credit or debit card instead of converting dollars or traveler's checks to local currency. Although using a credit or debit card rather than cash is a better way to go, you need to be aware that fees are often not itemized on your monthly credit card bill or account statement and are difficult to track. These fees make the cost of credit and debit card purchases or credit card cash advances more expensive than most people realize.

MasterCard, Visa, American Express, and Diners Club convert purchases in most foreign countries at the best interbank wholesale market rates. However, both Visa and MasterCard charge a one percent foreign currency conversion fee. On top of that, most banks and credit unions that issue cards charge their own foreign currency transaction fee, usually an additional two percent. American Express and Diners Club issue their own cards rather than through banks or credit unions, and both charge a two percent fee. Credit card cash advances often incur additional fees, and interest starts accruing immediately.

But even with the additional charges, the interbank currency conversion rates of most major credit and debit card companies are far better than those offered by the typical currency exchange services ashore, which often charge between five and eight percent to convert cash or traveler's checks. Call the toll-free number on the back of your card to ask your issuing bank or credit union what charges they impose if you make purchases overseas. Some banks and credit unions do not add any fees of their own to the MasterCard and Visa one percent. If you're going to make major purchases when you're overseas, shop around and get a credit card with an issuer that doesn't charge the additional two percent fee. It's not especially convenient or wise to pay a hotel bill or make major purchases in cash, and one of the most important benefits of credit and debit cards is protection for purchases

that are damaged when you receive them or that somehow don't get shipped home.

A cheaper way to get spending money overseas is to withdraw local currency from an ATM ashore using the ATM debit card issued by your bank or credit union. As with credit cards, exchange rates for ATM cash withdrawals in most foreign countries are set at the best interbank wholesale market rates. Most banks and credit unions don't charge currency-conversion fees for ATM cash withdrawals, as they do for credit card transactions. However, most banks do impose ATM transaction fees for using another bank's ATMs, and some charge additional fees if the withdrawal is made overseas. In addition, the owner of the ATM may charge a surcharge fee.

The cheapest way to get spending money overseas is to use your Navy/Marine Cash card to withdraw local currency from an ATM ashore. Again, exchange rates for ATM cash withdrawals in most foreign countries are set at the best interbank wholesale market rates. There are no ATM transaction fees to withdraw funds from your Navy/Marine Cash account, even if the withdrawal is made overseas, and no currency-conversion fees. However, you will still have to pay a surcharge fee if one is charged by the owner of the ATM.

Dynamic Currency Conversion (DCC)

Relatively recently, a service known as Dynamic Currency Conversion (DCC) began to appear at merchants. With DCC, your credit or debit card transaction overseas is automatically converted to dollars at the point of sale. The advantage is you see what you're paying in dollars. The disadvantage is DCC adds a fee of up to 3 percent for this currency conversion—a fee that is not charged if the merchant processes the transaction in local currency and it is converted to dollars by the card company at the interbank wholesale market rate as discussed above.

The card company and the bank or credit union that issued your card have nothing to do with DCC—it is installed by the merchants and their banks or credit unions. Merchants are supposed to alert you whenever they add on a fee like DCC to a debit or credit card transaction. For example, they could present you with the price both in local currency and in dollars so you can decide whether or not to use the DCC conversion—but not every merchant will do that. Although it may still be better than changing cash or traveler's checks at the local currency exchange service, it may not be better than asking that the transaction be run in local currency and allowing the card company to handle the conversion to dollars at the best interbank wholesale market rate.

As discussed above, the card companies themselves add a 1 percent fee, but only for foreign currency transactions converted at the interbank rate. Many of the banks and credit unions that issue cards add an additional 1 to 2 percent fee of their own. Now, however, card companies are considering charging fees for all foreign transactions whether charged in the local currency or converted to dollars by DCC.

Whether or not you get charged these fees depends on the bank or credit union that issues your card. Some absorb the fee charged by the card companies; some add a fee on any foreign transaction, whether you pay in dollars or local currency; some charge a fee for transactions

in foreign currency, but don't charge a fee for DCC transactions converted to dollars; and some charge no fees at all on foreign transactions. Depending on what card you use, you could end up paying six percent extra by using DCC, or three percent extra no matter which currency you choose, or, if you use a no-fee card and pay in local currency, you'll end up paying nothing extra. Again, if you're going to make major purchases when you're overseas, shop around and get a credit or debit card from an issuer that doesn't charge a fee on foreign transactions.

