



Welcome and Administration

I. INTRODUCTION

In this first training chapter, we will have participant introductions; review course administration, the purpose of the training and the course agenda; and complete the course pre-test. As we proceed through today's topics, you will become familiar with the Command Financial Specialist Program and understand more fully why you are here and why your command has chosen you to be one of its representatives.

Chapter correlation to Major OPNAVINST task areas:

1. **Education and Training:** Introduces you to major topic areas via agenda review. Training techniques include active participation, chapter review, lecture and student introductions.
2. **Information and Referral:** Introduces you to major topic areas via agenda review and the pre-test. Introduces students to each other as possible referral resources.
3. **Counseling:** Introduces you to major topic areas via agenda review. Counseling technique practice begins with introductions.

II. LEARNING OBJECTIVES

N/A (this is an administrative chapter.)

III. REFERENCES

OPNAVINST 1740.5B

IV. CONTENT



Learner Introductions

Pair up with another class member and interview them for answers to the following questions:

1. Name:

2. Command:

3. Job or position at command:

4. Why are you attending CFS training?

5. How will you use what you learn this week?

6. What prior financial experience do you bring to the classroom?

Training Guidelines

Command Financial Specialist Training is conducted using many different training techniques. As adult learners, you will participate in all aspects of the training. You are encouraged to speak openly and to respect each other's opinions. Your full participation in all class activities, including practical applications to be done after class, is vital to the success of this training.

Student Manuals

Your manual is separated into chapters that follow course topics. This is your workbook for the class, and it is yours to keep. We will be actively using the pages in this workbook to complete both in-class activities and after-class homework. Please make notes as we proceed through the information on each topic so that you can refer to them later as needed.

Each chapter will be organized as follows:

I. Introduction

II. Learning Objectives



III. References

IV. Content

The student manual has been developed as a standardized workbook and companion to the CFS training class. Some of the material is generic in nature. You should use this workbook to make notes on local information and include any updated or area-specific materials provided to you during the course of the training.

Dot.com Disclaimer

During the course, you will hear references to a variety of Web sites. These sites are for educational purposes only. No warranty is made regarding their accuracy or quality, nor does using the information on these sites constitute an endorsement of the site, its products or its services. Other sites with similar information may be available and may prove equally useful.

Other Materials

You will be provided a variety of materials to assist you in your job as a CFS. These items are yours to keep at your command. They will provide you with additional reference information and training materials, as well as forms used for the CFS Program.

1. Command Financial Specialist Training Student Materials CD
2. Personal Financial Management Standardized Curriculum CD

Command Financial Specialist Student Data Card

Name: _____ Rate/Rank: _____

SSN: _____ Branch of Service: _____ UIC: _____

Command (do not abbreviate): _____

Command Mailing Address: _____

Work E-mail: _____

Work Phone: _____ Rotation Date (PRD): _____

Present Position: _____

Date Attended Training: _____ Location: _____

DATA REQUIRED BY THE PRIVACY ACT OF 1974

AUTHORITY: 5 USC Sec 3301, which allows the Secretary of the Navy to make regulations for the Department of the Navy. One of these regulations, SECNAVINST 1754.1B, establishes the Navy Family Services Center Program.

PRINCIPAL PURPOSE: To enable the Chief of Naval Education and Training to record and track graduates of the Command Financial Specialist Training Course. Social Security number (SSN) will be used to provide positive identification.

ROUTINE USES: The information obtained will become part of the Navy Integrated Training Resources Administration System (NITRAS) and may be disclosed to routine users of such system. Unauthorized users will not have access to this protected information.

DISCLOSURE: Disclosure, including SSN, is voluntary. Failure to complete this form will result in incomplete documentation and withholding of reporting attendance at this course within NITRAS. To avoid erroneous application of your course records to another member, this data card will not be processed without your SSN.

I have read and understand the above information.

Signature/Date: _____

Command Financial Specialist Course Evaluation

Command Financial Specialist Training Course DATES _____

Please indicate your responses by circling SD—Strongly Disagree; D—Disagree; A—Agree; AS—Strongly Agree.”

1. I found the training well-organized.	SD	D	A	SA
b. I was well-engaged during the course.	SD	D	A	SA
c. The instructor met my needs.	SD	D	A	SA
d. I understood the objectives that were outlined during the course.	SD	D	A	SA
e. I will be able to apply what I learned during this course.	SD	D	A	SA
f. I found the room atmosphere to be comfortable.	SD	D	A	SA
g. I was given ample time to demonstrate my skills.	SD	D	A	SA
h. The Student Manual enhanced my learning.	SD	D	A	SA
i. I am clear about what is expected of me as a result of going through this training.	SD	D	A	SA
j. I do not anticipate any barriers to applying what I learned.	SD	D	A	SA

Please indicate the usefulness of these individual chapters to you—1 indicating “LOW” and 5 indicating “HIGH.”

1. The Need for Personal Financial Management	1	2	3	4	5
2. Intro to Personal Financial Management and the Financial Planning Worksheet	1	2	3	4	5
3. Military Pay Issues	1	2	3	4	5
4. Introduction to Financial Counseling	1	2	3	4	5
5. Record Keeping /Instructor Training	1	2	3	4	5
6. Consumer Awareness	1	2	3	4	5
7. Navy-Marine Corps Relief Society	1	2	3	4	5
8. What FFSC Can Do for You	1	2	3	4	5
9. Resource Training	1	2	3	4	5
10. Legal Issues of PFM	1	2	3	4	5
11. Credit Management	1	2	3	4	5
12. Credit Reports and Scores	1	2	3	4	5
13. Debt-Management Programs	1	2	3	4	5
14. Letters of Indebtedness and Letters of Intent	1	2	3	4	5
15. The eFPW Computer Demo	1	2	3	4	5
16. Insurance and Survivor Benefits	1	2	3	4	5
17. Financial Counseling Seminar	1	2	3	4	5
18. Wealth-Building Seminar—Saving and Investing	1	2	3	4	5
19. Wealth-Building Seminar—Retirement Planning	1	2	3	4	5
20. Group Case Studies	1	2	3	4	5
21. Car-Buying Strategies	1	2	3	4	5
22. Developing Your Program	1	2	3	4	5

How would you improve this course?

What kind of help might you need to apply what you learned?

What barriers do you anticipate you might encounter as you attempt to put new CFS skills into practice?

What ideas do you have for overcoming the barriers?

What ultimate impact do you think you might contribute to the Navy as you successfully apply what you learned?

Additional comments:

Daily Homework

Day One

- a. Completely read OPNAVINST 1740.5B and answer the questions on page 3.36 in the Student Manual.
- b. Complete any Income Case Studies not done in class.
- c. Complete How Do You Rate as a Money Manager? and the Financial Values Clarification sheets on pages 6.10 and 6.11 of the Student Manual.
- d. Begin the personal Financial Planning Worksheet, to be handed in Wednesday morning.
- e. Review the Instructional Techniques material in Chapter 7.

Day Two

- a. FPW: Complete your Financial Planning Worksheet, to be handed in first thing in the morning.
- b. Bring a current (within the past 12 months) credit report to class on Wednesday. If you do not have one, download it from www.annualcreditreport.com. Complete the Personal Credit Report Review on page 13.2 of the Student Manual. Your credit report and personal information will not be shared with the class or instructor.
- c. Use the Brightscore promotional code provided by your instructor to access your Brightscore (www.brightscore.com). Print your Brightscore Action Plan and bring it to class on Wednesday. Your Action Plan and personal information will not be shared with the class or instructor.
- d. If you have a laptop with Excel available, please bring it to class on Wednesday and Thursday.

Day Three

- a. Read Chapter 18, Role-Play Instructions in preparation for the counseling Role-Play.
- b. Complete the ASEC Ballpark Estimate available at www.choosetosave.org.
- c. Analyzing an FPW: Using the completed Financial Planning Worksheet on pages 4.12–4.17 of your Student Manual, analyze this budget to determine if the sailor is ready and able to move from the barracks to off-base shared housing. Double check all entries, and fully complete the Action Plan page with your recommendations for ways to improve the budget and/or make more realistic projections. Be ready to state whether you think this sailor is ready to make the move off-base.

Day Four

- a. Group Case Studies must be complete and ready for presentation first thing Friday morning. In preparation, review the Case Study Presentation Guide, and read all case study scenarios in Chapter 11.
- b. Complete the Plan of Action and Milestones on page 22.11 of your Student Manual. This should reflect your plans for functioning as a CFS when you return to the command.
- c. Reminder: A completed Course Evaluation Form is your ticket out of class at the end of training, so feel free to begin completing it tonight (page 2.7 of your Student Manual).

CFS Course Agenda

Monday	Introduction to Personal Financial Management
0730–0820	Welcome, Introduction and Pre-Test (2)
0830–0930	The Need for Personal Financial Management (3)
0930–1100	Introduction to PFM and the Financial Planning Worksheet (4)
1200–1250	Military Pay Issues (5)
1300–1350	Income Case Studies (5)
1400–1450	Introduction to Financial Counseling (6)
1500–1545	What Are My Options? Exercise (4)
1545–1600	Daily Wrap-up

Tuesday	Referral Resources
0730–0830	Practical Application Review; Record-keeping; Instructor Techniques Review (7)
0840–1000	Consumer Awareness (8)
1010–1100	Legal Issues of PFM (9)
1200–1330	Resource Speakers: NMCRS; FFSC; EFM; Housing (10)
1340–1430	Resource Training (10)
1440–1545	Introduction to the Group Case Studies (11)
1545–1600	Daily Wrap-up

Wednesday	Credit and Debt
0730–0800	Practical Application Review
0800–0900	Credit Management (12)
0910–1000	Credit Reports and Scores (13)
1010–1100	Debt Management (14)
1200–1230	Debt-Management Programs (14)
1230–1300	The Two LOIs (15)
1310–1410	Insurance and Survivor Benefits (16)
1420–1445	FPW Computer Demo (17)
1445–1545	Group Case Studies (11)
1545–1600	Daily Wrap-up

Thursday	Counseling and Wealth-Building
0730–0950	Counseling and Communication Seminar (18)
1000–1100	Wealth-Building Part I: Saving and Investing (19)
1200–1430	Wealth-Building Part II: Retirement Planning (20)
1440–1545	Group Case Study Preparation (11)
1545–1600	Daily Wrap-up

Friday	Program Development
0730–0920	Group Case Study Presentations (11)
0930–1020	Car-Buying Strategies (21)
1030–1120	Developing Your Program (22)
1130–1200	Post-Test; Course Evaluation; Presentation of Certificates

Notes:

1. Homework is due first thing each morning.
2. Fully completed Financial Planning Worksheets are due first thing Wednesday morning.
3. Bring in your credit report for Wednesday. If you don't have one from the past 12 months, download one report at www.annualcreditreport.com.
4. The Ballpark Estimate is due Thursday morning and is available at (www.choosetosave.org/ballpark).

Command Financial Specialist Pre/Post Test

Identifier: _____

Check all that apply:

Status

- Active Duty
- Retiree
- Family Member
- Other

Gender

- Male
- Female

Rate/Rank

- E-5 – E-6
- E-7 – E-9
- O-1 – O-3
- O-4 or above

Time in Service

- Less than one year
- 1 – 5 years
- 6 – 10 years
- 11 years or more

Please circle the correct answer. If you do not know the answer, please do not guess; select “E.”

1. An effective financial counselor:
 - A. Helps the client create solutions to identified problems
 - B. Does as much for the client as possible to relieve stress
 - C. Is capable of making quick judgment calls regarding a client
 - D. Has enough technical experience to get through a session asking a minimal amount of personal questions
 - E. Unknown
2. If a client cannot make payments on a car loan “secured” by the car, what can happen?
 - A. Lenders generally will give three months to catch up
 - B. They will only be sued for payments owed on the car even if it’s been repossessed
 - C. They will only be sued for the “Blue Book” retail value of the car
 - D. Lenders generally do not repossess the physical object because of wear and tear
 - E. Unknown
3. If a client gets into serious financial trouble, what is the strongest action the military can take?
 - A. Require counseling; require financial-management classes
 - B. Take away privileges; take away a rank
 - C. Stop a promotion; take away duty assignment; remove a security clearance; or even discharge
 - D. Report the information to all credit bureaus and affect the member’s credit
 - E. Unknown
4. What is the purpose of a spending plan?
 - A. To show all monthly budget items
 - B. To provide a paycheck-by-paycheck plan for paying expenses
 - C. To predict ahead of time when more credit will be needed
 - D. To show when too much is being paid for loans
 - E. Unknown
5. What are the first steps to effective personal financial management?
 - A. Saving enough money to invest, getting expert advice, and writing a will
 - B. Deciding if you will have a child, saving for retirement, and writing a will
 - C. Planning, buying a home, and getting insurance
 - D. Setting goals, planning, making a budget
 - E. Unknown
6. According to OPNAVINST 1740.5B, the three major tasks of the CFS are:
 - A. Budgeting, savings and investing, and counseling
 - B. Education and training, budgeting, and consumer advocacy
 - C. Education and training, information and referral, and counseling
 - D. Information and referral, resource library maintenance, and debt-management assistance
 - E. Unknown

7. The difference between pay and allowances is:
 - A. Generally, pay is taxed and allowances are not
 - B. Generally, only pay is taxed and allowances are only subject to Social Security deductions
 - C. Pay and allowances are both subject to income tax and Social Security deductions
 - D. Pay is subject to income tax and Social Security while allowances are subject to Social Security deductions
 - E. Unknown
8. What does a high interest rate do to the actual price of any item bought on credit?
 - A. It can raise the payment, which is the most important factor
 - B. On loans for less than \$1,000, it doesn't make much difference
 - C. It only matters on credit cards, since their rates are so high
 - D. It makes the item cost substantially more in total price
 - E. Unknown
9. Which saver will have more in an Individual Retirement Account (IRA) at age 65, assuming they all earn the same interest rate?
 - A. Saver who puts in a \$30,000 lump sum at age 35 and no more
 - B. Saver who put in \$3,000 every year from age 31 to age 36 and no more
 - C. Saver who puts in \$3,000 every year from age 30 to age 65
 - D. Saver who put in \$3,000 every year from age 18 to age 25 and no more
 - E. Unknown
10. Which of the following steps should be taken before entering into a sales contract?
 - A. Just skim the contract, because most are standard legalese and say the same things
 - B. Read the headings and the part above where you sign, and you'll know most of it
 - C. Take it home before you sign, read every word, use Navy Legal Services for advice
 - D. Ask the salesperson if there are any parts that could get you in trouble
 - E. Unknown
11. What is the difference between a scam and fraud?
 - A. Fraud concerns things that cost over \$1,000
 - B. Scams usually are legal but bad deals; fraud involves something illegal
 - C. Scams usually are illegal, fraud is legal but a bad deal
 - D. They really are two words that mean the same thing
 - E. Unknown
12. For military service members, what is the difference between a Letter of Indebtedness and a Letter of Intent?
 - A. The Letter of Indebtedness expresses a creditor's notification of a debt; the Letter of Intent expresses the debtors intent to pay it
 - B. A collection agency sends a Letter of Indebtedness; a bank sends a Letter of Intent
 - C. A Letter of Indebtedness is bad news; a Letter of Intent is good news
 - D. A creditor sends a Letter of Indebtedness; DoN CAF sends a Letter of Intent
 - E. Unknown
13. What is the total number of days the law allows for you to cancel a contract signed at the merchant's place of business?
 - A. Zero days
 - B. Three days
 - C. Ten days
 - D. Seven days
 - E. Unknown
14. The law that may allow service members to reduce interest rates to 6 percent on debts incurred before entering the service, maintain state of residency, require a court hearing before evicting, etc.
 - A. Federal Truth in Lending Law
 - B. There is no such law
 - C. Servicemembers Civil Relief Act
 - D. These issues are governed only by state law
 - E. Unknown

15. Which type of bankruptcy relieves the debtor of all payments and obligations including taxes, alimony, government debts and child support?
 - A. Only a Chapter 7 bankruptcy, which “forgives” most debts
 - B. Only a Chapter 13 bankruptcy, which reorganizes debt payment
 - C. No bankruptcy relieves a person of government debts or family support
 - D. Both a Chapter 7 and a Chapter 13 let the debtor walk away from all debts
 - E. Unknown

16. How long does the record of a bankruptcy remain on one’s credit record?
 - A. Two years for Chapter 7 and three years for Chapter 13
 - B. 10 years for any type of bankruptcy
 - C. 15 years for any type of bankruptcy
 - D. It remains on your credit record forever
 - E. Unknown

17. What can an individual do in their own defense if their credit report does not explain their side of a complicated credit problem?
 - A. Insist the creditor remove the item
 - B. Sue the credit bureau to add their side of the story
 - C. There is nothing a consumer can do once a negative item is listed
 - D. Add a 100-word statement telling their side of the story
 - E. Unknown

18. All types of life insurance provide:
 - A. Cash benefits should the policyholder die
 - B. Cash-surrender value should the policyholder live
 - C. Coverage for a specific amount of time
 - D. Low-interest loan and conversion rights
 - E. Unknown

19. Which statement is NOT true about credit reports?
 - A. Every American gets a free credit report every two years
 - B. Anyone with a legitimate business interest can obtain your credit report
 - C. Credit reports are used when a security clearance is in question
 - D. Too many trade lines is not necessarily a good thing
 - E. Unknown

20. Who is the beneficiary of a service member’s SGLI (Servicemen’s Group Life Insurance) policy?
 - A. Any children of the service member
 - B. Whomever the service member is married to
 - C. The parents of the service member
 - D. Whomever the service member names on the policy
 - E. Unknown

21. What type of program will allow you to pay less on your income taxes and create a retirement fund?
 - A. CSB
 - B. TSP
 - C. Social Security
 - D. Medicare Savings Plan
 - E. Unknown

22. The Fleet and Family Support Centers:
 - A. May provide emergency money to clients when they need it
 - B. Are available only for use by spouses and other family members
 - C. Refer all financial clients to outside resources after an initial assessment
 - D. May provide financial education and counseling when the CFS is unable or unavailable
 - E. Unknown

23. When you purchase stock, what are you buying?
 - A. A share in the assets, earnings and losses of a company
 - B. A seat on the board of directors of a company
 - C. A chance to share in the increases of a stock but not the decreases
 - D. A share of a company’s stock that has no value until you sell
 - E. Unknown

24. Which of the following types of insurance will protect your future earnings if your dog bites your neighbor and you’re sued?
 - A. Rider
 - B. Replacement cost
 - C. Umbrella
 - D. Comprehensive
 - E. Unknown

25. You have charged goods from a catalog, which billed your credit card but never sent the items. What does the Fair Credit Billing Act let you do?
- A. You have the right to receive the goods or double your money back
 - B. You can force the seller to give you the goods for free after 60 days
 - C. You can ignore the issue until you receive the goods or a refund
 - D. You can refuse, in writing, to pay that part of your bill until the matter is settled
 - E. Unknown
26. Net monthly pay is:
- A. What you make every payday
 - B. What you take home every payday
 - C. What you take home every month after income taxes and Social Security (FICA) are deducted
 - D. What you take home every month after income taxes, Social Security (FICA), and allotments are deducted
 - E. Unknown
27. What are the three ways to create a positive cash flow?
- A. Increase income, decrease living expenses, increase credit use
 - B. Decrease living expenses, increase income, decrease indebtedness
 - C. Increase income, increase credit use, decrease indebtedness
 - D. Increase income, increase credit use, decrease indebtedness
 - E. Unknown
28. Good financial management states your indebtedness should not exceed what percentage of your net income?
- A. 15
 - B. 20
 - C. 35
 - D. 38
 - E. Unknown
29. What is the best way to establish credit?
- A. Open a checking account
 - B. Open a savings account
 - C. Apply for a loan using your savings as collateral
 - D. All of the above
 - E. Unknown
30. What is the name of the monthly compensation your spouse and any children will receive from the government if you pass away on active duty?
- A. DIC
 - B. SDEA
 - C. TSP
 - D. SSA
 - E. Unknown
31. Which of the following is a premise of Solution-Focused Financial Counseling?
- A. It is long-term
 - B. It requires the counselor to take responsibility for solving the problem
 - C. It maintains a task-centered focus
 - D. It focuses on the past to correct the future
 - E. Unknown
32. Final Pay, High Three and REDUX military retirement pay plans are all examples of what?
- A. A defined-benefit retirement plan
 - B. Voluntary retirement programs
 - C. A defined-contribution retirement plan
 - D. Tax-advantaged retirement plans
 - E. Unknown



The Need for PFM

I. INTRODUCTION

- The goal of this training topic is to provide an introduction to the Navy's PFM program, an overview of typical financial problems and concerns experienced by service members, and a review of OPNAVINST 1740.5B (which details your role and responsibilities as a CFS). This topic will begin the discussion of how you as the CFS can use your skills to help fellow sailors. We will discuss the "presenting" financial concerns that may bring Sailors to come to see you, as well as the real reasons, emotional fallout and implications of various financial issues.
- Chapter correlation to major OPNAVINST task areas:
 1. **Education and Training:** Introduces tasks. Introduces you to specific topic areas of training via review of the OPNAVINST. Provides current trends and statistics that can be used in future training. Models lecture, class participation, and critical video review training techniques.
 2. **Information and Referral:** Introduces tasks.
 3. **Counseling:** Introduces tasks. Introduces you to the types of presenting financial problems you will encounter while working with clients, the real reasons financial problems occur, typical emotional fallout from financial problems, and the civilian and military implications of financial problems.

II. LEARNING OBJECTIVES

Using OPNAVINST 1740.5B, learners will locate nine key areas directly impacting their role as a CFS.

Participating in a group activity, learners will distinguish among and list at least four presenting problems, real reasons, emotional fallout, and implications of financial problems.

III. REFERENCES

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<http://www.nmcrcs.org>

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IV. CONTENT

Financial Risk Factors for Military Members

- Youth/Immaturity
- Early Independence
- Earlier Family Responsibilities
- Unemployed Spouse
- Having Children Earlier
- Better-Educated
- Deployments
- Frequent Moves
- Separation From Extended Family
- High Cost of Living
- Stability of Employment
- Availability of Easy Credit
- Falling National Savings Rate

Financial Problems and Concerns

“**Presenting Financial Concerns**” are the types of issues that will motivate a client to come and see you as the Command Financial Specialist.

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

“**Real Reasons**” the client might be coming to see you. This is some of the meat of your job as a CFS — listening to the Presenting Financial Concerns while trying to discern the Real Reasons for the problems.

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____

Financial Problems and Concerns

“**Emotional Fallout**” a client may be experiencing. These are the personal issues that can be linked directly to the client’s financial problems. Your job as a CFS is to recognize that there is emotional fallout and make a referral to the proper resource.

1. _____
2. _____
3. _____
4. _____
5. _____

“**Implications**” of financial problems. These are detrimental impacts of personal financial problems for the service member, the command, and the military.

Civilian Implications

Military Implications

- | | |
|----------|-------|
| 1. _____ | _____ |
| 2. _____ | _____ |
| 3. _____ | _____ |
| 4. _____ | _____ |
| 5. _____ | _____ |
| 6. _____ | _____ |
| 7. _____ | _____ |



Optional Video Review

“**The Money Tree**” video depicts a young civilian couple getting into financial problems. Please make notes on the video for later discussion in the space provided.

What did they do right? _____

What did they do wrong? _____

What could they have done better? _____



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON, D.C. 20350-2000

OPNAVINST 1740.5B CH-1
N135
2 Jul 08

OPNAV INSTRUCTION 1740.5B CHANGE TRANSMITTAL 1

From: Chief of Naval Operations

Subj: UNITED STATES NAVY PERSONAL FINANCIAL MANAGEMENT
(PFM) EDUCATION, TRAINING, AND COUNSELING PROGRAM

Encl: (1) Revised enclosure (5)

1. Purpose. To revise the Initial/Lifecycle Training Continuum.
2. Action. Remove enclosure (5) of the basic instruction and replace with enclosure (1) of this change transmittal.

A handwritten signature in black ink, appearing to read "M. E. Ferguson III".

M. E. FERGUSON III
Vice Admiral, U.S. Navy
Deputy Chief of Naval Operations
(Manpower, Personnel, Training
and Education)

Distribution:

Electronic only, via Department of the Navy Issuances Web site
<http://doni.daps.dla.mil/>



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON, D.C. 20350-2000

OPNAVINST 1740.5B
N135
7 May 07

OPNAV INSTRUCTION 1740.5B

From: Chief of Naval Operations

Subj: UNITED STATES NAVY PERSONAL FINANCIAL MANAGEMENT (PFM)
EDUCATION, TRAINING, AND COUNSELING PROGRAM

Ref: (a) DOD Instruction 1342.27 of 12 Nov 04
(b) DOD Instruction 1344.07 of 30 Mar 06
(c) OPNAVINST 1500.22F
(d) DOD Instruction 1342.22 of 30 Dec 92
(e) OPNAVINST 1740.4B
(f) SECNAVINST 1754.1B
(g) SECNAVINST 5211.5E
(h) SECNAV M-5210.1
(i) SECNAVINST 1740.2D
(j) SECNAVINST 5040.3A
(k) DOD 7000.14-R, Volume 5, Chapter 34 of Dec 01
(l) MILPERSMAN 7000-020

Encl: (1) Terms and Definitions
(2) Command Financial Specialist (CFS) Qualifications, Functions, and Training
(3) Fleet and Family Support Center and/or Regional Personal Financial Management Program Responsibilities
(4) Core Personal Financial Management Training Subjects
(5) Initial/Lifecycle Training Continuum
(6) Department of Defense Financial Education Partner List
(7) Command and Staff Responsibilities
(8) Sample Command Financial Specialist Letter of Designation
(9) Sample Command Special Assistant for Personal Finances Letter of Designation

1. Purpose. To promulgate United States Navy policy and assign responsibilities for the implementation of the Personal Financial Management (PFM) education, training, and counseling program. Recent Navy community needs assessment data clearly identifies PFM as a top concern for Navy families. Operational commanders have identified financial decision making and

resultant financial problems as having a serious negative impact on the stability of servicemembers and families, as well as a debilitating effect on operational readiness, morale, and retention. This policy implements specific requirements that establish a systemic approach to address PFM issues for Sailors, families, and the Navy. This instruction is a complete revision and should be reviewed in its entirety.

2. Cancellation. OPNAVINST 1740.5A.

3. Applicability and Scope. Provisions of this instruction apply to all Navy active duty and reserve personnel, regular and reserve commands, permanent detachments, and departments. Navy civilian employees serving at duty stations outside the continental United States (OCONUS) are also included under some provisions of this instruction. Active duty and reserve personnel of other Department of Defense (DOD) components and United States Coast Guard are included when assigned to Navy commands.

4. Definitions. Terms used in this instruction are defined in enclosure (1).

5. Background

a. Reference (a) establishes PFM policy for all DOD components. The Navy hereby provides amplification of that policy.

b. Management of personal finances presents an increasing challenge to Sailors and their families. For some, the lack of basic consumer skills and training in how to prudently manage finances sets the stage for financial difficulty. Other contributing factors that magnify the impact on the military lifestyle are:

(1) High cost of living in some areas in the United States and overseas.

(2) Prevalence of easy credit and predatory lenders.

(3) High-pressure sales tactics.

(4) Clever and deceptive advertising techniques that include internet ads.

(5) Undisciplined buying and the tendency to live beyond one's means.

(6) Consumer rip-off schemes.

c. In many cases, resultant financial problems have a serious negative impact on Sailors and their families, as well as a debilitating effect on operational readiness, morale, and retention.

6. Mission

a. The Navy PFM program exists to provide education, counseling, information and referral to Navy personnel and commands in order to increase personal, family, and operational readiness. Locally, the PFM program assists commands in achieving a higher state of mission readiness, thereby improving servicemember performance and retention through personal financial readiness.

b. Although the PFM program has a counseling mission, its primary focus is on prevention of financial difficulties and mismanagement through education of Sailors and their legal dependents (hereafter referred to as family members).

7. Policy

a. References (a) through (l) mandate specific programs, actions, or requirements that are relevant to the PFM program.

b. PFM is a key Quality of Life (QOL), readiness and retention program. As detailed in references (a) and (l), servicemembers and the Navy have a joint responsibility to address personal financial obligations. Members have an obligation to meet the financial needs of their families and discharge their just financial debts in a timely fashion. Commanding Officers (COs) have a responsibility to encourage financial responsibility and sound financial planning. The Navy promotes sound financial practices, personal integrity, and responsibility among its members.

c. All Sailors shall become familiar with PFM program policies and objectives, use prudent PFM practices in pursuit of personal excellence and support their shipmates by sharing their PFM knowledge.

d. The PFM program consists of three major elements:

- (1) Financial education and training
- (2) Financial information and referral
- (3) Financial counseling

e. Active and Reserve commands, permanent detachments, and departments having at least 25 personnel assigned shall have a trained Command Financial Specialist (CFS) to coordinate the program and to assist the CO/Officer-In-Charge (OIC) in providing financial training, information, and counseling to command members. Commands shall maintain a ratio of one CFS to every 75 members assigned, including those assigned temporary duty (TEM DU), temporary duty under instruction (TEM DUINS), and members from other services. Personnel assigned as a CFS must meet the criteria establishment in enclosure (2). Commands, permanent detachments and departments having fewer than 25 personnel are encouraged to have a trained CFS. Alternatively, those with fewer than 25 may arrange for another command to provide CFS services by written agreement. All commands and permanent detachments shall conduct annual PFM training per reference (c) and provide counseling via a trained and qualified CFS.

f. At the individual command level, the three elements of the program are under the control of a qualified CFS. General duties and responsibilities of the CFS are detailed in enclosure (2).

g. As described in references (a), (b), (f), and (i), Fleet and Family Support Centers (FFSC) provide support to all elements of the PFM program. Each FFSC shall provide at least one trained and qualified staff member to function as a financial educator and counselor (FEC) as detailed in enclosure (3).

h. Core PFM training subjects, listed in enclosure (4), will be delivered in a continuum of learning beginning with Recruit Training and continuing throughout a Sailor's career and transition to civilian life, as detailed in enclosure (5). Financial education, training, and counseling will be provided as a collaborative effort between the CFS and the FFSC PFM personnel. If these two resources are not available, commands should refer to enclosure (6) and/or consult the FFSC to obtain names of other local authorized resources.

i. Providing current PFM information to military personnel is an integral part of the program. Relevant PFM information will be issued or published regularly in Navy internal media. The United States' financial world and consumer markets are very dynamic; therefore, it is incumbent upon commands, CFS, and PFM staff to raise awareness of PFM concerns and assistance available to Sailors and their families.

j. A qualified CFS or FEC will counsel Navy personnel, family members, and other DOD personnel experiencing financial difficulties or seeking information on PFM concerns. If the CFS or FFSC cannot provide assistance, referrals shall be made to other authorized agencies (e.g., Navy Marine Corps Relief Society (NMCRS); Navy Legal Service Office (NLSO); National Foundation of Credit Counseling affiliated, non-profit Consumer Credit Counseling Services (CCCS); Navy Mutual Aid; or other resources detailed in enclosure (6)). Navy Mutual Aid Association will be a primary referral and educational resource where Survivor Benefit Plans are concerned.

k. Fleet and Family Support Centers support all elements of the PFM program by conducting a CFS Training Course and providing qualified FECs to function in all other areas of the PFM program as needed. Enclosure (3) provides amplification on the qualifications of the FEC.

8. Action and General Responsibilities

a. Specific responsibilities and duties in support of the PFM program are delineated in enclosures (2), (3), and (7). It is of critical importance to the readiness of Sailors and the

Navy that all Navy leaders, at all levels, engage on this issue and serve as mentors to those in their charge. The Chief Petty Officer's Mess shall exercise proactive leadership and mentorship in PFM.

b. Per references (a) and (1), servicemembers are responsible for prudently maintaining their day-to-day personal financial matters and to adequately prepare for the management of personal responsibilities prior to departing on an extended absence.

9. Command Inspection Program. The Immediate Superior in Command (ISIC) shall inspect the command's PFM program. The following minimum requirements shall be reviewed:

- a. CFS identified in writing using enclosure (8).
- b. CFS must receive appropriate training per enclosure (2).
- c. Appropriate ratio of CFS to crew per paragraph 7.e. of this instruction.
- d. Each command will appoint one CFS assigned as a Command Special Assistant for Personal Finances (CSAPF) using enclosure (9). Commanding Officers and Command Master Chiefs (CMCs) shall meet with the CSAPF at least quarterly to discuss PFM issues at their command. The CSAPF and their contact information shall appear on the masthead of the command plan of the week/plan of the day (POW/POD).
- e. CFS will be included in Command Indoctrination Program(s), and pre and post-deployment programs, as applicable.
- f. Per references (f) and (g), PFM counseling records are maintained to ensure confidentiality and compliance with applicable Privacy Act regulations.
- g. CFS identified in appropriate locations (POD, POW, etc.).

h. Consultation with the CFS will appear on the command check-in/check-out sheets.



J. C. HARVEY JR.
Vice Admiral, U.S. Navy
Deputy Chief of Naval Operations
(Manpower, Personnel, Training
and Education)

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TERMS AND DEFINITIONS

BASIC UNDERSTANDING. To comprehend the underlying principles of the subject matter in order to apply them to everyday life situations.

DOD PERSONNEL. Active Duty, Guard, and Reserve Component members of the Sea Services, family members, and civilian employees including non-appropriated fund employees and special Government employees of all offices, agencies, and departments carrying out a function on a Defense installation.

EXTENDED ABSENCE FINANCIAL PLAN. A plan developed by a servicemember prior to deployment, specifying the following for the period of the absence: legal power of attorney to accomplish personal and financial requirements, plan for covering financial obligations, disposition of car and auto insurance, allotments for appropriate monthly expenditures, and disposition of other financial issues that might occur during the period of absence.

FINANCIAL PLANNING AND COUNSELING. The act of evaluating an individual or family's income and expenditures and recommending short-term and long-term actions to achieve financial goals and ensure individual, family, and mission readiness.

PERSONAL FINANCIAL MANAGEMENT. The process (or steps) involved in managing one's personal finances, including income, expenses, and investments for an individual or family.

PERSONAL FINANCIAL READINESS. Adequately preparing for the management of personal responsibilities prior to departure on an extended absence, including: family matters and potential family contingencies; personal finances; personal property; and other personal obligations that can and do arise during one's career lifecycle. Also includes prudent day-to-day management of personal finances, including financial planning (budgeting), saving and investing (including Thrift Savings Plan (TSP)), consumer awareness, and credit management. Considerations include career and transition planning, spouse employment, and relocation entitlements and expenses.

Enclosure (1)

7 May 07

SERVICEMEMBERS. Active Duty, Guard, and Reserve component members of the military Services whether permanently assigned or Temporary Duty (TEM DU) or Temporary Duty Under Instruction (TEM DUINS).

**COMMAND FINANCIAL SPECIALIST (CFS)
QUALIFICATIONS, FUNCTIONS, AND TRAINING**

1. Qualifications of the Command Financial Specialist (CFS). The CFS shall function as the command's principal advisor on policies and matters related to PFM. The following qualifications apply:

a. Military members in pay grade E6 and above (including officers) may be appointed a CFS. Medium and large commands are strongly encouraged to have an officer(s) serve as and lead their CFS program. Commander, Navy Installations Command (CNIC) Program Manager is established as the single point waiver authority for commands seeking to appoint a CFS at the E5 level. Waivers will not be granted below E5. Such request shall contain, at a minimum:

(1) Command rank demographics (e.g., indicating the absence of senior personnel meeting established criteria).

(2) Certification of the designated member's qualifications.

b. CFSs must be highly motivated and financially stable (must meet the financial overseas screening standards, paragraph 2i below). For assistance with the CFS screening process, COs may refer to the FFSC FEC staff for guidance. Screening shall be completed prior to training.

c. Successfully complete the authorized CFS training course provided by a FFSC.

d. Have at least one year remaining in the command at time of CFS course completion.

e. Participation in continuing education (i.e., periodic CFS forums).

f. CFS refresher training at least every three years.

2. Functions of the CFS. At the completion of formal training, the CFS shall be able to perform the following functions:

Enclosure (2)

7 May 07

a. Assist the command to establish, organize, and administer the command PFM program including a thorough pass down to the incoming CFS.

b. Disseminate financial management information within the command through General Military Training (GMT), POD notes, newsletters, e-mail, etc.

c. Maintain current PFM resource books, directories, references, and training materials for use in GMT, divisional training, and counseling. In addition, CFSs shall maintain close liaison with the FFSC PFM staff, where possible.

d. Present PFM training as part of the command GMT program (under reference (c) and provide divisional/departmental/branch PFM training as required under enclosure (5)).

e. Provide basic PFM counseling to individual members of the command, upon request.

f. Maintain individual records of counseling conducted and counseling referrals. Per reference (g), those records shall be maintained to ensure confidentiality and compliance with the Privacy Act.

g. Refer members with serious financial problems to the appropriate resource or agency capable of providing necessary assistance/counseling, such as FFSC PFM staff, NMCRS, non-profit CCCS, and per references (a), (b), (i), and (k). Ensure the individual is seen and counseled. Follow up on referred individuals by maintaining contact with the individual and the resource/counseling agency to monitor progress.

h. Assist members with the development of their Extended Absence Financial Plan per reference (a) and coordinate the administrative responsibilities for the command.

i. Perform financial screenings, as needed, for members of the command. In the absence of a CFS, or in a complicated case, the FFSC PFM staff can perform the screenings. For Overseas Duty Screening, the following guidance applies:

(1) Members will be approved for overseas orders if:

(a) E4 and below, Debt to Income Ratio does not exceed 30 percent (monthly debt payments (not including primary residence mortgage) divided by net monthly income).

(b) E5, W2, and O1 and above, the member does not have any outstanding or unresolved Letters of Indebtedness or outstanding returned checks for insufficient funds.

(c) Such screening shall be documented by an administrative remarks page entry (page 13) into the member's service record.

(2) The CFS will ensure the member completes a Financial Planning Worksheet (FPW). The FPW is available at <https://www.nffsp.org/skins/nffsp/home.aspx>.

(3) The CFS will counsel the member on the projected living expenses at the overseas location and on the need for the member to fully understand their expenses, entitlements, and pay and allowance changes related to the OCONUS Permanent Change of Station (PCS) move.

j. Report quarterly to the CO the CFS activity (education and counseling) conducted at their command. Individual command data shall be tracked by using the CFS reporting Web site at <https://donsir.persnet.navy.mil/cfs/>.

7 May 07

**FLEET AND FAMILY SUPPORT CENTER AND/OR REGIONAL PERSONAL
FINANCIAL MANAGEMENT PROGRAM RESPONSIBILITIES**

1. FFSC FEC shall support local commands and area CFSs by serving as the primary resource and subject matter expert in tailoring PFM information, materials, and education programs to the local area. FFSCs will also:

a. Provide financial education/training, information, and referral assistance to military personnel and their family members. Provide financial counseling to Sailors and other DOD personnel, as defined in reference (a), when assigned aboard a Navy installation. Under reference (a), paragraph E3.1.5, programs shall be established by FFSCs to encourage spouses to participate in the PFM program.

b. Maintain records and ensure privacy and confidentiality of all records and information regarding PFM counseling conducted, per references (f) and (g).

c. Maintain ongoing liaison with financial institutions located on base to encourage military and family member awareness and use of their PFM counseling and information services as detailed in reference (a).

d. Foster and establish working relationships with the local representatives of the DOD partners listed in enclosure (6) or as updated on the DOD Military Home Front Web site (<http://www.militaryhomefront.dod.mil>).

e. Ensure compliance with reference (a), paragraph E3.1.9. Individuals assigned to provide PFM services at FFSCs shall:

(1) Obtain Accredited Financial Counselor (AFC) certification within two years of their assignment.

(2) Possess a baccalaureate degree from an accredited college or a combination of education and experience which equips them to serve as an FEC.

(3) Receive continuing education on personal financial management on an annual basis and maintain professional certification, once acquired.

Enclosure (3)

(4) Read and understand references indicated within this instruction.

f. Hold an area-wide PFM awareness forum/meeting at least quarterly to discuss PFM issues. At a minimum, the following personnel should be invited: Senior Enlisted Advisors, CFSS, and Command Career Counselors/Career Planners. Meeting reports (minutes) shall be provided to the cognizant CO.

g. Conduct, at least semi-annually, an informational seminar for area command leaders that provides an introduction and overview of PFM program services, assistance, and initiatives.

h. When training CFSS by any method, at a minimum, provide two on-site individuals (one instructor must be from the FFSC PFM staff and others may be a CFS or other qualified Navy civilian employee and/or contractor), capable and trained as instructors of the CFS course. An additional person capable of acting as an alternate instructor should also be available.

i. FFSCs shall report to the CNIC program manager on a quarterly basis. Reporting criteria and format must contain, at a minimum, the type and number of PFM related classes/workshops/seminars held; number of participants in each, CFS training sessions and student loads, number of personnel receiving individualized counseling or assistance, and reason(s) individual counseled.

j. Make available, the CFS Training Course with sufficient periodicity and locations to meet demands and optimally offer 25-30 student quotas per class, using CNIC (lead) and Naval Education and Training Command (NETC) (Center for Personal and Professional Development (CPPD)) (assist) developed CFS Instructor Guide and CFS Training Manual. CFS training locations shall serve as quota control for CFS training.

k. Ensure data from CFS training is entered into the Corporate Enterprise Training Activity Resource Systems (CETARS): Standard Training Activity Support System (STASS), Navy Integrated Training Resource Administration System (NITRAS) II systems, as applicable.

7 May 07

l. Maintain records for at least two years of the name, rate/rank, SSN, member's assigned command, and Unit Identification Code (UIC) of all trainees who successfully complete the CFS course. Provide documentation (course completion certificate) to the trainees' command.

m. Submit annually by 30 June, to the CNIC program manager and NETC via the Echelon 2 commander/area coordinator, a schedule of CFS classes for the upcoming fiscal year.

n. Function with NMCRS as agreed in Memorandum of Agreement (MOA) between NMCRS/DON of 5 February 2001 (NOTAL) or current MOA.

o. Ensure only CFS and PFM course materials approved by CNIC program manager and NETC (CPPD) referred to in this instruction are used in all training and counseling activities.

p. Assist servicemembers with the development of the financial portions of the Family Care Plan described in reference (e).

CORE PERSONAL FINANCIAL MANAGEMENT TRAINING SUBJECTS

1. Military Pay Issues
2. Banking and Financial Services
3. Developing Your Spending Plan
4. Credit Management
5. Car Buying Strategies
6. Introduction to Saving and Investing
7. Consumer Awareness (includes predatory lending)
8. Insurance/Risk Management
9. Legal Issues
10. Home Purchase/Housing
11. Financial Planning for Deployment
12. Money and the Move
13. Savings and Investments
14. The Basics of Retirement Planning
15. College Savings
16. Retirement Resources

NOTE: Additional Core Educational Programs can be added as necessary by Chief of Naval Operations (CNO) (N135) and/or CNIC Program Manager to keep curriculum current.

Enclosure (4)

90 MAY 2008 1740.5B CH-1

INITIAL/LIFECYCLE TRAINING CONTINUUM

CATEGORY	TYPE TRAINING	TRAINING SOURCE/VENUE	LEARNING ENVIRONMENT	PFM TOPICS
Officer	Personal and Leadership	United States Naval Academy; Officer Candidate School; Officer Indoctrination School Basic Course*; Reserve Officer Training Corps	Instructor Lead (not less than 4 hrs)	Pre-commissioning PFM education (appropriate training materials TBD by Navy PFM Program Manager)
	Personal	Annual General Military Training	Instructor Lead (CFS)	Hot Topics
	Personal	Transition Assistance/Pre-Separation Briefing/Counseling	Instructor Lead	PFM for Transitioners (appropriate training materials TBD by Navy PFM Program Manager)
	Leadership	Division Officer	Instructor Lead	Division Officer PFM education (appropriate training materials TBD by Navy PFM Program Manager and **CNL)
	Leadership	Prospective Commanding Officer /Prospective Executive Officer	Instructor Lead	Leading a command PFM Program (appropriate training materials TBD by Navy PFM Program Manager and **CNL)
Enlisted	Personal	Delayed Entry Program	Blended**	Leave and Earnings Statement; Financial Planning; Navy Expectations of Financial Responsibility
	Personal	Recruit Training Command	Instructor Lead (1-2 hrs)	Leave and Earnings Statement; Banking Basics; Direct Deposit; Hot Topics; Thrift Savings Plan; MyPay; Navy Expectations of Financial Responsibility
	Personal	A School	Instructor Lead (16 hrs)	Military Pay; Banking and Financial Services; Developing your Spending Plan; Credit Management; Consumer Awareness; Car Buying Strategies; Insurance; Savings and Investments/Thrift Savings Plan; Government Travel Card; Financial Planning for Deployment

Enclosure (5)

OPNAVINST 1740.5B CH-1
 JUL 02 2008

INITIAL/LIFECYCLE TRAINING CONTINUUM

CATEGORY	TYPE TRAINING	TRAINING SOURCE/VENUE	LEARNING ENVIRONMENT	PFM TOPICS
	Personal	Annual General Military Training	Instructor Lead (CFS)	Hot Topics
	Personal	Transition Assistance/Pre-Separation Briefing/Counseling	Instructor Lead	PFM for Transitioners (appropriate training materials TBD by Navy PFM Program Manager)
	Leadership	Recruit Division Commander (RDC) Seminar	Instructor Lead	Specially designed curriculum to augment existing PFM knowledge and skills that will enable the RDCs to serve as quasi PFM mentors to the recruits
	Leadership	Prospective Petty Officer Leadership Course	Instructor Lead	PFM for Prospective Petty Officers (appropriate training materials TBD by Navy PFM Program Manager and ***CNL)
	Leadership	Work Center Supervisor Leadership Course	Instructor Lead	PFM for Work Center Supervisors (appropriate training materials TBD by Navy PFM Program Manager and ***CNL)
	Leadership	Leading Petty Officer Leadership Officer Leadership Course	Instructor Lead	PFM for Leading Petty Officers (appropriate training materials TBD by Navy PFM Program Manager and ***CNL)
	Leadership	Prospective Chief Petty Officer Leadership Course	Instructor Lead	PFM for Prospective Chief Petty Officers (appropriate training materials TBD by Navy PFM Program Manager and ***CNL)
	Leadership	Leading Chief Petty Officer Leadership Course	Instructor Lead	PFM for Leading Chief Petty Officers (appropriate training materials TBD by Navy PFM Program Manager and ***CNL)
	Leadership	Command Master Chief/Chief of the Boat Leadership Course	Instructor Lead	"Operating a Successful Command PFM Program" (appropriate training materials TBD by Navy PFM Program Manager and ***CNL)

INITIAL/LIFECYCLE TRAINING CONTINUUM

CATEGORY	TYPE TRAINING	TRAINING SOURCE/VENUE	LEARNING ENVIRONMENT	PFM TOPICS
All (Available Additional Training)	Personal	Command Financial Specialist; Fleet and Family Support Centers	Instructor Lead	Various PFM topics
	Personal	Career Options and Navy Skills Evaluation Program - First Term	Instructor Lead (8 hrs) (FFSC)	Per CONSEP curriculum
	Personal	Career Options and Navy Skills Evaluation Program - Mid Career	Instructor Lead (8 hrs) (FFSC)	Per CONSEP curriculum
	Personal	Navy Knowledge Online	Web	Various PFM topics
	Personal	Stand Up Training	Instructor Lead (CFS)	Various PFM topics

- * Prior enlisted are not required to complete this "personal" PFM training since they would have received it under enlisted personal training.
- ** Blended learning environment may be any combination of instructor led classes or self-paced learning accomplished via distance learning or CD ROM based training that include appropriate assessments of learning where applicable.
- *** Center for Naval Leadership (CNL) will provide appropriate complimentary scenario based training as coordinated with PFM Program Manager (CNIC staff).

DEPARTMENT OF DEFENSE FINANCIAL EDUCATION PARTNER LIST

Air Force Aid Society (AFAS)
American Red Cross (ARC)
Army Emergency Relief Society (AERS)
Association of Military Banks of America (AMBA)
Better Business Bureau (BBB)
Consumer Credit Counseling Services (CCCS)
Consumer Federation of America (CFA)
Defense Credit Union Council (DCUC)
Department of Labor (DOL)
Department of Treasury (DOT)
Employee Benefits Research Institute (EBRI)
American Savings Education Council (ASEC)
Federal Citizen's Information Center (FCIC)
Federal Deposits Insurance Corporation (FDIC)
Federal Reserve Board (FRB)
Federal Trade Commission (FTC)
Freddie Mac
In-Charge Institute of America
Internal Revenue Service (IRS)
Jumpstart Coalition
National Association of Securities Dealers (NASD) Investor
Education Foundation
National Endowment for Financial Education (NEFE)
National Foundation for Credit Counseling (NFCC)
National Military Family Association (NMFA)
Navy and Marine Corps Relief Society (NMCRS)
Navy Exchange/Marine Corps Exchange/Army and Air Force Exchange
Service (NEX/MCEX/AAFES)
North American Securities Administrators Association (NASAA)
Securities and Exchange Commission (SEC)
Small Business Administration (SBA)
Social Security Administration (SSA)
U.S. Department of Agriculture, Cooperative State Research
Education and Extension Service (USDA, CSREES)
TRICARE

NOTE: Updates to this list can be found at
<http://www.militaryhomefront.dod.mil/>

Enclosure (6)

COMMAND AND STAFF RESPONSIBILITIES

1. Deputy Chief of Naval Operations (Manpower, Personnel, Training, and Education) (DCNO) (MPT&E) (N1), as program sponsor, shall establish Navy PFM program policy.

2. CNO, Director, Personal Readiness and Community Support (N135) will establish and maintain policy, monitor program performance, and serve as Navy's liaison with Assistant Secretary of the Navy (Manpower and Reserve Affairs) (ASN) (M&RA), DOD and other cognizant agencies on Navy PFM policy matters. CNO (N135) will establish all PFM training requirements and provide program policy interpretation to CNIC and NETC.

3. CNIC shall implement and coordinate the Navy PFM program and as program manager shall:

a. Coordinate and manage implementation of the PFM training program as determined by CNO (N135) which includes coordinating, developing, and managing training programs, curricula, and materials with NETC (CPPD).

b. Provide subject matter expertise to NETC (CPPD) for the development, validation, and piloting of NETC (CPPD) provided training and education, to include the development of learning objectives and scenarios for instruction.

c. Maintain program, program elements, and materials ensuring effectiveness and currency through periodic review and update.

d. Utilize necessary military and authorized civilian resources in support of the program. Where practical, partner with United States Marine Corps PFM program manager in sharing program materials, curricula, and other resources to maximize efficiency and effectiveness of the Navy PFM program.

e. Provide guidance to all activities regarding implementation of program policy and plans.

f. Ensure resources are provided to meet the certification requirements for FECs per reference (a).

Enclosure (7)

g. Coordinate and manage Navy CFS training throughout the Navy to meet Fleet needs, including the provision of CFS professional development and CFS Train the Trainer courses.

h. Provide the CFS training course with sufficient frequency and resources to accommodate Navy training needs.

i. Collaborate with the Navy Child and Youth Program Manager to develop curricula, materials, and procedures needed to implement the provisions of reference (a), paragraph E3.1.7, that details development of on-demand PFM education for Navy Child and Youth Programs. Implementation shall be completed within 180 days of promulgation of this instruction.

4. NETC shall designate a PFM program point of contact to liaise with CNO (N135) staff and CNIC program manager. NETC shall also accomplish the following:

a. Designate a PFM topic selected by CNIC program manager as an element of the Navy GMT program.

b. Provide and document, using Five Vector Model (5VM) or other data base, PFM training that will be provided for all enlisted Sailors following recruit training.

c. Provide and document, using 5VM or other data base, PFM program training using PFM standardized curriculum for all officer candidates, Navy Reserve Officers Training Corps (NROTC), and personnel in other officer accession programs.

d. Include/maintain the CFS training course in the Corporate enterprise Training Activity Resource Systems (CeTARS), Standard Training Activity Support System (STASS), Navy Integrated Training Resource Administration System II (NITRAS), as applicable.

e. In concert with CNIC program manager, develop curricula, materials, assessment instruments, and other procedures and systems necessary to implement the requirements of reference (a), paragraph E3.1.1.3, that fulfills the following requirement: "prior to assuming a leadership role as a supervisor, officers and non-commissioned officers shall demonstrate a basic understanding (as defined in reference (a), paragraph E2.1.1) of

PFM policies and practices." Implementation shall be completed within 180 days of promulgation of this instruction.

f. In concert with CNIC program manager, develop curriculum, materials, assessment instruments, and other procedures and systems necessary to implement the requirements of reference (a), paragraph E3.1.1.1., which fulfills the following requirement: "within three months of reporting to first permanent duty station, servicemember must demonstrate a basic understanding (as defined in reference (a), paragraph E2.1.1) of a variety of PFM subjects and skills." Implementation of this assessment requirement shall be completed within 180 days of promulgation of this instruction.

g. Ensure PFM training (as required by enclosure (5)) that would occur in NETC school houses is conducted.

5. Chief of Navy Information (CHINFO) shall, in coordination with the CNIC program manager, review and provide PFM information for frequent inclusion in Navy internal media.

6. U.S. Naval Academy (USNA) shall provide PFM program training as detailed in enclosure (5) to all Naval Academy Midshipmen using PFM standard curriculum. Designate one member of staff to serve as a Financial Advisor and educator for the Midshipmen. This individual is an officer or civilian equivalent and is trained as a CFS.

7. Echelon 2 commands/area coordinators shall:

a. Monitor timely establishment and ensure continuing effective program implementation. Echelon 2/area coordinators with CFS course training sites shall provide CNIC program manager a consolidated schedule of course training dates, quota availability and other information in the manner required for inclusion in NITRAS and CANTRAC by NETC.

b. Include PFM in ISIC inspections to ensure program policy compliance follows the guidelines in paragraph 9 of the basic instruction.

c. Assess requirements for CFS training in area of responsibility coordinating with CNIC program manager to ensure

that the CFS course is provided with sufficient frequency and resources to meet Fleet, training, and policy requirements.

8. Echelon 3 commands/regional coordinators shall:

a. Monitor timely establishment and continuing effective implementation of the program as it applies to commands under their cognizance.

b. Establish priorities for quota control for CFS training courses under their cognizance. Quota preference is to be given to commands that do not have a trained CFS. Quota allocations must address both local, out-of-area/isolated and remote, and reserve commands. Course schedules and locations must be readily accessible to Fleet units on demand.

9. Commanders, COs, and OICs shall:

a. Designate CFS(s) in writing (enclosure (8) provides a sample designation letter). When more than one CFS is assigned, designate one as the lead CFS or as a Command Special Assistant for Personal Finances (enclosure (9) provides a sample designation letter). Meet with the lead CFS on a recurring, but not less than quarterly, basis to discuss PFM. Enclosure (2) provides qualifications criteria, functions, and training for CFSs.

b. Ensure compliance with the provisions of this instruction and associated references.

c. Ensure all command inspection items are followed as stated in paragraph 9 of basic instruction.

d. Per reference (a), ensure that in all cases where personnel are the subject of a bad check report or letter of indebtedness, that a determination be made as to whether or not financial mismanagement by the individual is involved. In all cases of financial mismanagement, individuals should receive mandatory PFM counseling from CFS or FEC.

e. Establish and maintain records between command inspection cycles of PFM education, training, and counseling conducted.

f. Per reference (g), maintain PFM counseling records so as to ensure confidentiality, including compliance with applicable Privacy Act provisions.

g. Per references (b) and (i), obtain a review and recommendation from the servicing FFSC's FEC, an opinion from the local representative of the Staff Judge Advocate (SJA), and approval from the installation CO prior to granting authorization for any personal financial management presentation on base offered by a commercial or other entity not specifically authorized under reference (a) of this instruction. DOD personnel shall observe training provided by sources other than those authorized under this instruction as required in reference (a), paragraph E3.1.6.

h. Permit and encourage Command Career Counselors (CCCs) and Command Ombudsman to attend CFS training to raise their awareness of the financial issues and resources available to Sailors and families. This provision in no way intends to make the CCC or Ombudsmen serve as financial counselors or CFSS.

i. Promote among members of the command, maximum utilization of a proactive lifecycle approach to PFM by encouraging attendance at a Career Options and Navy Skills Evaluation Program (CONSEP) workshop.

10. Installation COs/OICs with an FFSC shall also:

a. Be the final approving official with concurrence from the local FFSC PFM staff and the SJA, per references (a), (b), and (i), for all persons and/or entities not referenced in this instruction or on the DOD Military Home Front Web site (www.militaryhomefront.dod.mil) as acceptable resources for PFM.

b. Provide for the FFSC to maintain a library/resource center of current financial information and resources (including current periodicals) to assist servicemembers and their families in successful personal financial readiness.

c. Ensure computer and internet resources are available.

d. Provide support to host and tenant command CFSSs, especially to afloat, deployable, or Marine Expeditionary Unit commands.

e. Ensure that, at a minimum, the FFSC staff includes one member who is assigned, trained, and certified per reference (a), paragraph E3.1.9.

11. CFSs shall:

a. Report directly to the command level (CO/executive officer (XO)) as a special assistant. Enclosure (2) of this instruction lists basic CFS qualifications, functions, and training requirements.

b. Ensure CFS training or any other PFM course completed is documented.

c. Provide financial education, counseling, training, and information and referral. When appropriate, refer to the servicing FFSC FEC.

e. Per references (d) and (g), ensure that client confidentiality and records are maintained.

f. Upon transfer, notify receiving command that you are a trained CFS. Provide a thorough pass down to your CFS relief.

g. Schedule meetings with command leadership per paragraph 10a. (above) to ensure that PFM issues and trends are communicated.

**SAMPLE COMMAND FINANCIAL SPECIALIST LETTER OF DESIGNATION
FOR OFFICIAL USE ONLY - PRIVACY SENSITIVE**

1740
Date

From: Commanding Officer/Officer in Charge
To: Rate/Rank, Name, Last four SSN

Subj: DESIGNATION AS COMMAND FINANCIAL SPECIALIST (CFS)

Ref: (a) OPNAVINST 1740.5B

1. Per reference (a), you are hereby designated as (Command Name) Command Financial Specialist (CFS). You will familiarize yourself with the policies and procedures of reference (a) and other applicable Personal Financial Management program elements in the performance of your duties.

2. In your capacity as CFS, you will report directly to the commanding officer/officer in charge or their representative (e.g., Command Special Assistant for Personal Finances). Complete the information requested below and forward as indicated. This designation remains in effect until rescinded in writing or three years after CFS course completion (unless refresher training is completed and documented), whichever occurs first.

Signature

Name/Rate/SSN of CFS:

Date of Designation:

Date Completed CFS Course:

Global Email Address:

DSN Phone Number:

Location of Servicing Fleet and Family Support Center (FFSC):

I accept the designation of (Command Name) CFS.

Member Signature

Copy to:

Servicing Fleet and Family Support Center
Service Record

Enclosure (8)

OPNAVINST 1740.5B
7 May 07

**SAMPLE COMMAND SPECIAL ASSISTANT FOR PERSONAL FINANCES
LETTER OF DESIGNATION
FOR OFFICIAL USE ONLY - PRIVACY SENSITIVE**

1740
Date

From: Commanding Officer/Officer in Charge
To: Rate/Rank, Name, Last four SSN
Subj: DESIGNATION AS COMMAND SPECIAL ASSISTANT FOR PERSONAL
FINANCES (CSAPF)
Ref: (a) OPNAVINST 1740.5B

1. Per reference (a), you are designated as (Command Name) Command Special Assistant for Personal Finances. You will familiarize yourself with the policies and procedures of reference (a) and other applicable Personal Financial Management program elements in the performance of your duties.

2. In your capacity as CSAPF, you will report directly to the commanding officer/officer in charge or their representative. Complete the information requested below and forward as indicated. This designation remains in effect until rescinded in writing.

Signature

Name/Rate/SSN:

Date of Designation:

Date Completed CFS Course:

Global Email Address:

DSN Phone Number:

Location of Servicing Fleet and Family Support Center (FFSC):

I accept the designation of (Command Name) Command Special Assistant for Personal Finances.

Member Signature

Copy to:

Servicing Fleet and Family Support Center

Service Record

Enclosure (9)

Brief the Bosses

What five talking points would you use for a 5-minute brief to command leadership on the need for PFM?

1. _____

2. _____

3. _____

4. _____

5. _____

OPNAVINST 1740.5B

Instruction Review

Directions: Use OPNAV 1750.5B to answer the questions. Note the location where you find each answer.

1. What is the primary focus of the PFM program? Location:
2. Who has the responsibility to address personal financial obligations? Location:
3. What is the responsibility of all Sailors as outlined in para 7.c.? Location:
4. Which agency is a primary referral and educational resource for the Survivor Benefit Plan? Location:
5. What is the responsibility of the CPO Mess as outlined in the OPNAV? Location:
6. What are the seven minimum requirements to be reviewed in an ISIC's inspection? Location:
7. What are the reporting requirements for the CFS? Location:



Introduction to PFM and the Financial Planning Worksheet

I. INTRODUCTION

- As a Command Financial Specialist, you are expected to assist members in your command in their efforts to help themselves. You will become capable of guiding service members in developing a plan for earnings, spending, saving and achieving their goals. This is a financial plan and is the foundation of your CFS efforts. This chapter introduces the Financial Planning Worksheet, the main tool used by Command Financial Specialists in counseling. By way of introduction, you are given an overview of the financial planning process and the Financial Planning Pyramid. This overview functions as a road map, showing you where this topic fits into the whole of financial planning. The Financial Planning Pyramid is used throughout the course and the PFMSC. It is introduced and used as early as possible so you can become thoroughly familiar with it.
- You also will get hands-on intensive instruction on the Financial Planning Worksheet. The five components are broken down into Net Worth Statement, Budget or Cash Flow, Action Plan, Spending Plan and Expense Tracking. Hands-on practical application of the FPW comes during the Income Case Studies, participation in a group exercise on options to reduce living expenses, and continued course focus on budgeting and on indebtedness through credit-management discussions. A computer demonstration of the Excel version will be provided later.
- The importance of understanding all aspects of the FPW cannot be overstated. After completing this chapter, you will be prepared to complete your own Financial Planning Worksheet, which is to be handed in for review at the beginning of class on Wednesday.
- Chapter correlation to major OPNAVINST task areas:
 1. **Education and Training:** The Developing Your Spending Plan Module of the PFMSC is incorporated into this segment of CFST. Although the PFMSC module is not strictly modeled, students have adequate exposure to the topic to allow them to present this segment. Several training techniques are used in this chapter including active lecture, case studies, and group brainstorming activities.
 2. **Information and Referral:** Through learning about and using the Action Plan page of the FPW, students become familiar with an important referral tool and are exposed to information and referral aspects of reducing living

expenses, increasing income and reducing indebtedness.

3. **Counseling:** You will receive hands-on experience with the major tool used in financial counseling in the PFM program, the Financial Planning Worksheet, and thus the planning and budgeting process, which are major counseling tasks. Training on using the projected column puts students in a “future” orientation, a key element of Solution-Focused Financial Counseling.

II. LEARNING OBJECTIVES

The learner will write one short-term and one long-term goal using the SMART criteria.

Using the criteria in the Financial Planning Worksheet Checklist, the learner will accurately complete a personal Financial Planning Worksheet.

Working in small groups, the learners will identify at least five ways to reduce living expenses in the Housing, Transportation, Food, Clothing, Communication and Entertainment categories.

III. REFERENCES

Personal Financial Management Standardized Curriculum: Developing Your Spending Plan, Military Pay Issues, and Credit Management Modules.

Waddell, Fred. Solution Focused Financial Counseling in the New Millennium. Auburn, Ala.: Genesis Press, 2001.

Garman, E. Thomas, and Fogue, Raymond E. Personal Finance, 5th Ed. Boston, Mass.: Houghton Mifflin Co., 1997.

www.dod.mil/dfas (Defense Finance and Accounting Service)

www.bls.gov (Department of Labor Consumer Expenditure Survey)

www.fns.usda.gov/wic (Women, Infants and Children)

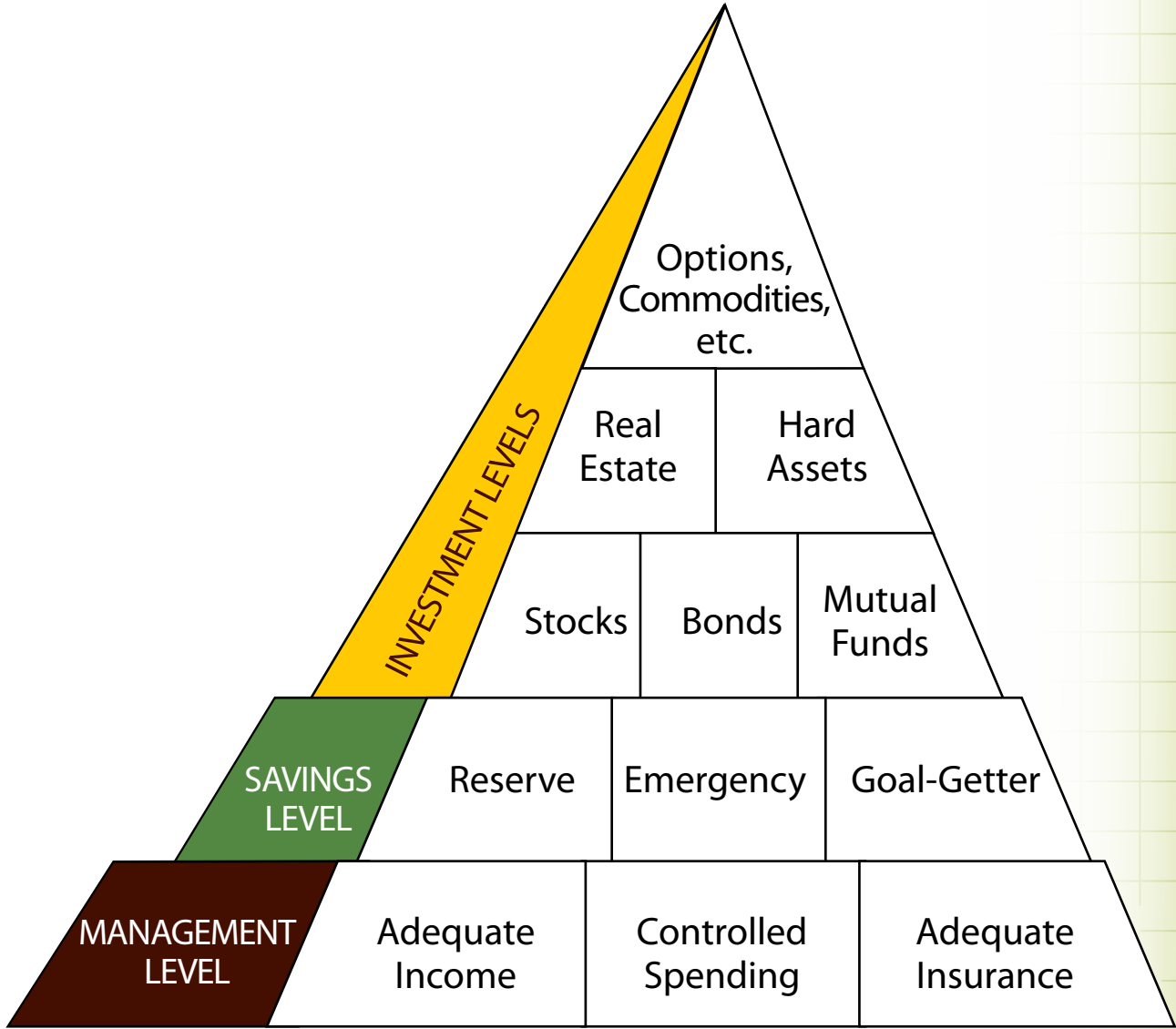
www.irs.gov (Earned Income Tax Credit)

www.usda.gov/cnpp (Official USDA Food Plans: Cost of Food at Home at Four Levels)

www.nffsp.org (Fleet and Family Support Center site with eFPW)

IV. CONTENT

Financial Planning Pyramid



Financial Planning Worksheet

Date _____ SSN _____ Rate _____

Name _____ Age _____

Pay Grade _____ Yrs. in Svc. _____ Date Reported/PRD (Transfer) _____

Marital Status _____ Spouse's Name _____ Age _____

Spouse's Place of Employment _____

Number of Children and Ages _____

Home Address _____

Work Telephone _____ Home Telephone _____

Command & Referred By (Self, CMD, NMCRS, FFSC, etc.) _____

Amount of SGLI Elected _____ Amount of FSGLI Elected _____

TSP Monthly Contribution _____ MGB Monthly Contribution _____

STATEMENT OF NET WORTH

ASSETS

Cash on hand \$ _____
 Checking Accounts \$ _____
 Savings Accounts \$ _____
 Certificates of Deposit \$ _____
 Cash Value of Life Insurance \$ _____
 U.S. Savings Bonds \$ _____
 Mutual Funds/Money Market \$ _____
 Stocks/Bonds \$ _____
 College Funds \$ _____
 401(k)/403(b)/TSP \$ _____
 Other (IRAs, etc.) \$ _____
Real Estate (Market Value)
 Home \$ _____
 Rental Property \$ _____
 Other (Vac Home/Trailer/Time Share) \$ _____
 Personal Property
 Vehicles/Motorcycles/Boats \$ _____
 Furniture \$ _____
 Jewelry \$ _____
 Other (Collectibles, etc.) \$ _____

LIABILITIES

Signature Loans \$ _____
 Auto Loans or Leases \$ _____
 Consolidation Loans \$ _____
 Student Loans \$ _____
 NEX/AAFES (Star Card) \$ _____
 Department Store Credit Cards \$ _____
 Other Credit Cards \$ _____
 NMCRS (Loan) \$ _____
 Other (Friends, Relatives, etc.) \$ _____
 Advance/Over Payments \$ _____
Mortgages-Balances Due
 Home \$ _____
 Rental Property \$ _____
 Other (Vac Home/Trailer/Time Share) \$ _____

TOTAL ASSETS	\$ _____
TOTAL LIABILITIES	\$ _____
NET WORTH (Assets - Liabilities)	\$ _____

Counseling Provided By: _____
 Counselor Phone #: _____
 Appointment Date: _____ Time: _____
 Place: _____

MONTHLY INCOME

ENTITLEMENTS		ACTUAL		PROJECTED		REMARKS
* Base Pay						
Basic Allowance for Housing (BAH I or II)						
Overseas Housing Allowance (OHA)						
Basic Allowance for Subsistence (BAS)						
Family Separation Allowance (FSA)						
* Flight Pay/Diving Pay/Flight Deck Pay						
* Submarine Pay						
* Other Hazardous Duty Pay						
* Sea Pay						
Taxable COLA						
Other (tax exempt/allowance eg. COLA/FSSA)						
TOTAL MILITARY COMPENSATION	(A)					
* Taxable pay ()						Excludes pretax ded for TSP/MGIB
DEDUCTIONS		ACTUAL		PROJECTED		REMARKS
ALLOTMENT						For/ends?
ALLOTMENT						For/ends?
ALLOTMENT						For/ends?
ALLOTMENT						For/ends?
ALLOTMENT						For/ends?
Family SGLI (For Spouses)						
Servicemembers' Group Life Insurance (SGLI)						
Uniform Services TSP						
MGIB						
FITW Filing Status Actual						Proj. Status:
FICA (Social Security)						Base Pay Only, Excludes MGIB
FICA (Medicare)						Base Pay Only, Excludes MGIB
State Income Tax						State Claimed:
AFRH (Armed Forces Retirement Home)						
TRICARE Dental Plan (TDP)						
Advance Payments						Ends:
Overpayments						Ends:
TOTAL DEDUCTIONS	(B)	\$		\$		
CALCULATE NET INCOME		ACTUAL		PROJECTED		REMARKS
Service Member's Take Home Pay	(A-B)	\$		\$		Divide by 2 for Payday Amount
Service Member's Other Earnings (less taxes)						
Spouse's Earnings (less taxes)						
ALLOTMENT						
ALLOTMENT						
ALLOTMENT						
ALLOTMENT						
ALLOTMENT						
Family SGLI (For Spouses)						
Servicemembers' Group Life Insurance (SGLI)						
Uniform Services TSP						
MGIB						
TRIDARE Dental Plan (TDP)						
Advance Payments						
Overpayments						
Child Support/Alimony (Received/Income)						
Other Income (e.g. SSI, Rental Income)						
TOTAL MONTHLY INCOME		\$		\$		

*Note: Pay Entitlements are taxable. Allowance Entitlements are non-taxable.

MONTHLY SAVINGS AND LIVING EXPENSES

Note: Actual or Projected Figures can be carried forward to spending plan.

SAVINGS		ACTUAL	PROJECTED	REMARKS
SAVINGS	Emergency Fund (1-3 months)			Monthly Contribution Amount
Goal: 10% of Net Income	Reserve Fund			
Actual	"Goal-Getter" Fund			
Projected	Investments/IRAs/TSP/etc.			
\$				
TOTAL SAVINGS AND INVESTMENTS (10%)		\$	\$	
LIVING EXPENSES		ACTUAL	PROJECTED	REMARKS
HOUSING	Furnishings			
	Maintenance/Repairs			
	Mortgage/Rent			
	Taxes/Fees			
FOOD	Dining Out			
	Groceries			
	Lunches			Include school and work lunches
	Vending Machines			
	Meal Deductions			
UTILITIES	Cable/Satellite TV			
	Cellular/Pagers/Phone Cards			
	Electricity			
	Internet Service			
	Natural Gas/Propane			
	Telephone			Local=\$ _____ Long Distance=\$ _____
	Water/Garbage/Sewage			
CHILD CARE	Allowances			
	Daycare			
	Support			Include other dependant care
AUTOMOBILE	Gasoline			
	Maintenance/Repairs			
	Other			
CLOTHING	Laundry/Dry Cleaning			
	Purchases (\$50 monthly per person)			
INSURANCE	Automobile			
	Health/Life			
	Homeowners/Renters			
	SGLI/FSGLI			Both service member/Family SGLI
	TRICARE Dental			
HEALTHCARE	Dental			
	Eye Care			
	Hospital/Physician			
	Prescriptions			
EDUCATION	Books			
	Fees (Other/Room & Board)			
	Tuition			
	MGIB			Montgomery GI Bill (MGIB)
CONTRIBUTIONS	Charities (CFC/NMCRS)			
	Club Dues/Association Fees			
	Religious			
LEISURE	Athletic Events/Sporting Goods			Include spectator sports
	Books/Magazines			
	Computer Products (Software/Hardware)			
	DVD/VHS & Video Games Rentals			
	DVD's & CD's			
	Entertainment			
	Lessons			Dance, Music, Self-Defense, Tutor
	Toys & Games			
	Travel/Lodging			
PERSONAL	Beauty Shop/Nails			
	Barber Shop			
	Cigarettes/Other Tobacco			
	Vending Machines			
	Liquor/Beer/Wine			ABC, Package Store, etc.
	Other (Toiletries, Supplements, etc.)			
GIFTS	Holidays			
	Birthdays/Anniversaries			
PET CARE	Food/Supplies			
	Veterinarian/Service (Boarding/Grooming)			
MISCELLANEOUS	ATM Fees/Stamps/etc.			
	Other			Recommend \$50-\$150 Buffer
TOTAL MONTHLY LIVING EXPENSES (70%)		\$	\$	

INDEBTEDNESS 20%

CREDITOR	PURPOSE	MONTHLY PAYMENT	BALANCE	PROJECTED PAYMENT	REMARKS <small>(Mos Behind, Pd by Allotment, etc.)</small>	APR %
1. US Govt.	Advance Pay				Automatic Deduction	
2. US Govt.	Over Payments				Automatic Deduction	
3.						
4.						
5.						
6.						
7.						
8.						
8.						
10.						
11.						
12.						
13.						
14.						
15.						
16.						
17.						
18.						
19.						
20.						
21.						
22.						
23.						
24.						
25.						
TOTAL						

SUMMARY

	ACTUAL	PROJECTED
NET INCOME (Bottom of Page 2)		
SAVINGS & INVESTMENTS (Page 3)	-	
LIVING EXPENSES (Page 3)	-	
AMOUNT LEFT TO PAY DEBTS	=	
TOTAL MONTHLY DEBT PMTS (Page 4)	-	
SURPLUS OR DEFICIT	=	
DEBT TO INCOME RATIO	=	

(Total Monthly Debt Payments ÷ Net Income x 100 = Debt-to-Income Ratio)

ACTION PLAN

INCREASE INCOME

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

DECREASE LIVING EXPENSES

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

DECREASE INDEBTEDNESS

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

REFERRALS/RECOMMENDED TRAINING

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

SETTING YOUR GOALS (Short & Long Term)

GOAL	COST	DATE WANTED	= MONTHLY SAVINGS TO REACH GOAL
1.			
2.			
3.			
4.			
5.			
6.			



DAILY EXPENSES

Keep track of your daily expenses for two weeks

Keep a record of how you spend your money for the next two weeks. The secret is to record it when you spend it. Using a "stickie" note in your wallet or purse will help you track your expenditures. When you go for your money make a note on your "stickie" (write the amount and the item). At the end of the day, transfer the recorded amounts to this record. Be sure to include bills paid, along with sodas, lunches, etc.

Remember this is for tracking your take home pay, don't include allotments.

TAKE HOME PAY FOR TWO WEEKS

Dates

DATE:		DATE:		DATE:		DATE:	
Item:	Amount:	Item:	Amount:	Item:	Amount:	Item:	Amount:
DATE:		DATE:		DATE:		DATE:	
Item:	Amount:	Item:	Amount:	Item:	Amount:	Item:	Amount:
DATE:		DATE:		DATE:		DATE:	
Item:	Amount:	Item:	Amount:	Item:	Amount:	Item:	Amount:
DATE:		DATE:		DATE:		Take Home Pay: \$ _____ Amount Spent: \$ _____ Balance: \$ _____ (+ or -)	
Item:	Amount:	Item:	Amount:	Item:	Amount:		

DAILY EXPENSES

Keep track of your daily expenses for two weeks

Keep a record of how you spend your money for the next two weeks. The secret is to record it when you spend it. Using a "stickie" note in your wallet or purse will help you track your expenditures. When you go for your money make a note on your "stickie" (write the amount and the item). At the end of the day, transfer the recorded amounts to this record. Be sure to include bills paid, along with sodas, lunches, etc.

Remember this is for tracking your take home pay, don't include allotments.

TAKE HOME PAY FOR TWO WEEKS

Dates

DATE:		DATE:		DATE:		DATE:	
Item:	Amount:	Item:	Amount:	Item:	Amount:	Item:	Amount:
DATE:		DATE:		DATE:		DATE:	
Item:	Amount:	Item:	Amount:	Item:	Amount:	Item:	Amount:
DATE:		DATE:		DATE:		DATE:	
Item:	Amount:	Item:	Amount:	Item:	Amount:	Item:	Amount:
DATE:		DATE:		DATE:		DATE:	
Item:	Amount:	Item:	Amount:	Item:	Amount:	Take Home Pay: \$ _____ Amount Spent: \$ _____ Balance: \$ _____ (+ or -)	

Financial Planning Worksheet

Date Today SSN xxx-xx-222 Rate ET

Name Sailor Sample Age 20

Pay Grade E-4 Yrs. in Svc. 2 Date Reported/PRD (Transfer) _____

Marital Status Single Spouse's Name _____ Age _____

Spouse's Place of Employment _____

Number of Children and Ages _____

Home Address _____

Work Telephone _____ Home Telephone _____

Command & Referred By (Self, CMD, NMCRS, FFSC, etc.) _____

Amount of SGLI Elected 400,000 Amount of FSGLI Elected 0

TSP Monthly Contribution 5% MGIB Monthly Contribution 0

STATEMENT OF NET WORTH

ASSETS

Cash on hand \$ 28
 Checking Accounts \$ 75
 Savings Accounts \$ 300
 Certificates of Deposit \$ _____
 Cash Value of Life Insurance \$ _____
 U.S. Savings Bonds \$ _____
 Mutual Funds/Money Market \$ _____
 Stocks/Bonds \$ _____
 College Funds \$ _____
 401(k)/403(b)/TSP \$ 1,200
 Other (IRAs, etc.) \$ _____
Real Estate (Market Value)
 Home \$ _____
 Rental Property \$ _____
 Other (Vac Home/Trailer/Time Share) \$ _____
 Personal Property
 Vehicles/Motorcycles/Boats \$ 22,000
 Furniture \$ _____
 Jewelry \$ _____
 Other (Collectibles, etc.) \$ _____

LIABILITIES

Signature Loans \$ _____
 Auto Loans or Leases \$ 25,000
 Consolidation Loans \$ _____
 Student Loans \$ _____
 NEX/AAFES (Star Card) \$ _____
 Department Store Credit Cards \$ _____
 Other Credit Cards \$ _____
 NMCRS (Loan) \$ _____
 Other (Friends, Relatives, etc.) \$ 2,000
 Advance/Over Payments \$ _____
Mortgages-Balances Due
 Home \$ _____
 Rental Property \$ _____
 Other (Vac Home/Trailer/Time Share) \$ _____

TOTAL ASSETS	\$ <u>23,603</u>
TOTAL LIABILITIES	\$ <u>27,000</u>
NET WORTH (Assets - Liabilities)	\$ <u>-3,397</u>

Counseling Provided By: _____
 Counselor Phone #: _____
 Appointment Date: _____ Time: _____
 Place: _____

MONTHLY INCOME

MONTHLY INCOME					
ENTITLEMENTS	ACTUAL		PROJECTED		REMARKS
* Base Pay	1,920	00	1,920	00	
Basic Allowance for Housing (BAH I or II)	8	10	1,016	00	
Overseas Housing Allowance (OHA)					
Basic Allowance for Subsistence (BAS)	323	87	323	87	
Family Separation Allowance (FSA)					
* Flight Pay/Diving Pay/Flight Deck Pay					
* Submarine Pay					
* Other Hazardous Duty Pay					
* Sea Pay	80	00	80	00	
Taxable COLA					
Other (tax exempt/allowance eg. COLA/FSSA)					
TOTAL MILITARY COMPENSATION (A)	2,332	87	3,340	77	
* Taxable pay ()	1,904	85	1,904	85	Excludes pretax ded for TSP/MGIB
DEDUCTIONS	ACTUAL		PROJECTED		REMARKS
ALLOTMENT	25	00	25	00	For/ends? <i>CFC Charity Allot.</i>
ALLOTMENT			800	00	For/ends? <i>Rent</i>
ALLOTMENT					For/ends?
ALLOTMENT					For/ends?
ALLOTMENT	280	00	280	00	For/ends?
Family SGLI (For Spouses)					
Servicemembers' Group Life Insurance (SGLI)	27	00	27	00	
Uniform Services TSP	96	05	96	05	
MGIB					
FITW Filing Status Actual	220	28	220	28	Proj. Status:
FICA (Social Security)	119	10	119	10	Base Pay Only, Excludes MGIB
FICA (Medicare)	27	85	27	85	Base Pay Only, Excludes MGIB
State Income Tax					State Claimed:
AFRH (Armed Forces Retirement Home)		50		50	
TRICARE Dental Plan (TDP)					
Advance Payments					Ends:
Overpayments					Ends:
TOTAL DEDUCTIONS (B)	\$ 795	78	\$ 1,595	78	
CALCULATE NET INCOME	ACTUAL		PROJECTED		REMARKS
Service Member's Take Home Pay (A-B)	\$ 1,537	09	\$ 1,744	99	Divide by 2 for Payday Amount
Service Member's Other Earnings (less taxes)					
Spouse's Earnings (less taxes)					
ALLOTMENT	25	00	25	00	
ALLOTMENT					
ALLOTMENT					
ALLOTMENT					
ALLOTMENT	280	00	280	00	
Family SGLI (For Spouses)					
Servicemembers' Group Life Insurance (SGLI)	27	00	27	00	
Uniform Services TSP	96	05	96	05	
MGIB					
TRIDARE Dental Plan (TDP)					
Advance Payments					
Overpayments					
Child Support/Alimony (Received/Income)					
Other Income (e.g. SSI, Rental Income)					
TOTAL MONTHLY INCOME	\$ 1,965	14	\$ 2,973	04	

*Note: Pay Entitlements are taxable. Allowance Entitlements are non-taxable.

MONTHLY SAVINGS AND LIVING EXPENSES

Note: Actual or Projected Figures can be carried forward to spending plan.

SAVINGS		ACTUAL		PROJECTED		REMARKS
SAVINGS	Emergency Fund (1-3 months)					Monthly Contribution Amount
Goal: 10% of Net Income	Reserve Fund					
Actual	"Goal-Getter" Fund					
Projected	Investments/IRAs/TSP/etc.	96	05	96	05	
\$		96	05	96	05	
TOTAL SAVINGS AND INVESTMENTS (10%)		\$ 96	05	\$ 96	05	
LIVING EXPENSES		ACTUAL		PROJECTED		REMARKS
HOUSING	Furnishings					
	Maintenance/Repairs					
	Mortgage/Rent			800	00	
	Taxes/Fees					
FOOD	Dining Out	200	00	200	00	
	Groceries					
	Lunches					Include school and work lunches
	Vending Machines					
	Meal Deductions	280	00	280	00	
UTILITIES	Cable/Satellite TV			40	00	<i>1/2 share of Cable/Internet</i>
	Cellular/Pagers/Phone Cards	60	00	60	00	
	Electricity			100	00	<i>1/2 share of electricity</i>
	Internet Service					
	Natural Gas/Propane					
	Telephone					Local=\$ ____ Long Distance=\$ ____
	Water/Garbage/Sewage			20	00	<i>1/2 share</i>
CHILD CARE	Allowances					
	Daycare					
	Support					Include other dependant care
AUTOMOBILE	Gasoline	75	00	75	00	<i>Apartment 25 miles from command</i>
	Maintenance/Repairs	25	00	25	00	
	Other					
CLOTHING	Laundry/Dry Cleaning					
	Purchases (\$50 monthly per person)	50	00	50	00	<i>Estimate</i>
INSURANCE	Automobile	133	00	133	00	
	Health/Life					
	Homeowners/Renters					
	SGLI/FSGLI	27	00	27	00	Both service member/Family SGLI
	TRICARE Dental					
HEALTHCARE	Dental					
	Eye Care					
	Hospital/Physician					
	Prescriptions					
EDUCATION	Books					
	Fees (Other/Room & Board)					
	Tuition					
	MGIB					Montgomery GI Bill (MGIB)
CONTRIBUTIONS	Charities (CFC/NMCRS)	25	00	25	00	<i>CFC (by allot.)</i>
	Club Dues/Association Fees					
	Religious	100	00	100	00	<i>\$25/week to the base chapel</i>
LEISURE	Athletic Events/Sporting Goods	100	00			Include spectator sports
	Books/Magazines	30	00			<i>Frequents the bookstore</i>
	Computer Products (Software/Hardware)					
	DVD/VHS & Video Games Rentals	20	00			
	DVD's & CD's					
	Entertainment					
	Lessons					Dance, Music, Self-Defense, Tutor
	Toys & Games					
	Travel/Lodging					
PERSONAL	Beauty Shop/Nails					
	Barber Shop					
	Cigarettes/Other Tobacco	80	00	80	00	
	Vending Machines					
	Liquor/Beer/Wine					ABC, Package Store, etc.
	Other (Toiletries, Supplements, etc.)					
GIFTS	Holidays					
	Birthdays/Anniversaries					
PET CARE	Food/Supplies					
	Veterinarian/Service (Boarding/Grooming)					
MISCELLANEOUS	ATM Fees/Stamps/etc.	10	00			
	Other					Recommend \$50-\$150 Buffer
TOTAL MONTHLY LIVING EXPENSES (70%)		\$ 1225	00	\$ 2015	00	

INDEBTEDNESS 20%

CREDITOR	PURPOSE	MONTHLY PAYMENT	BALANCE	PROJECTED PAYMENT	REMARKS <small>(Mos Behind, Pd by Allotment, etc.)</small>	APR %
1. US Govt.	Advance Pay				Automatic Deduction	
2. US Govt.	Over Payments				Automatic Deduction	
3. <i>Supreme Credit Union</i>	<i>Auto Loan/lease</i>	<i>\$350.00</i>	<i>\$25,000.00</i>	<i>\$350.00</i>	<i>Stereo Equipment</i>	
4. <i>Supreme Credit Union</i>	<i>Major Credit Card</i>	<i>\$75.00</i>	<i>\$2,000.00</i>	<i>\$75.00</i>	<i>Stereo Equipment</i>	
5.						
6.						
7.						
8.						
8.						
10.						
11.						
12.						
13.						
14.						
15.						
16.						
17.						
18.						
19.						
20.						
21.						
22.						
23.						
24.						
25.						
TOTAL		<i>\$425.00</i>	<i>\$27,000.00</i>	<i>\$425.00</i>		

SUMMARY

	ACTUAL	PROJECTED
NET INCOME (Bottom of Page 2)	<i>\$1,965.11</i>	<i>\$2,973.04</i>
SAVINGS & INVESTMENTS (Page 3)	<i>\$96.05</i>	<i>\$96.05</i>
LIVING EXPENSES (Page 3)	<i>\$1,225.00</i>	<i>\$2,015.00</i>
AMOUNT LEFT TO PAY DEBTS	<i>\$644.09</i>	<i>\$861.99</i>
TOTAL MONTHLY DEBT PMTS (Page 4)	<i>\$425.00</i>	<i>\$425.00</i>
SURPLUS OR DEFICIT	<i>\$219.09</i>	<i>\$436.99</i>
DEBT TO INCOME RATIO	<i>21.63%</i>	<i>14.60%</i>

(Total Monthly Debt Payments ÷ Net Income x 100 = Debt-to-Income Ratio)

ACTION PLAN

INCREASE INCOME

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

DECREASE LIVING EXPENSES

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

DECREASE INDEBTEDNESS

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

REFERRALS/RECOMMENDED TRAINING

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

SETTING YOUR GOALS (Short & Long Term)

GOAL	COST	DATE WANTED	= MONTHLY SAVINGS TO REACH GOAL
1.			
2.			
3.			
4.			
5.			
6.			

MONTHLY SPENDING PLAN

<input type="checkbox"/> TOTAL NET INCOME	MONTH		\$2,973.00		MONTH		\$2,973.00		MONTH		\$2,973.00	
<input type="checkbox"/> TOTAL TAKE HOME PAY	MONTH		\$2,973.00		MONTH		\$2,973.00		MONTH		\$2,973.00	
BY PAYDAY	1st	\$2,100.55	15th	\$872.50	1st	\$2,100.55	15th	\$872.50	1st	\$2,100.55	15th	\$872.50

*If using take-home pay amount, do not include any savings, expenses, or debt payments that are deducted from pay or paid by allotment.

P = Planned Expenses A = Actual Expenses	Budgeted Amount	P	A	P	A	P	A	P	A	P	A	P	A
Savings & Investments	96.05	96.05				96.05				96.05			
Housing	800.00	400		400.00		400	400.00		400		400.00		
Food	480.00	380		100.00		380	100.00		380		100.00		
Utilities	220.00	110.00		110.00		110.00	110.00		110.00		110.00		
Transportation	100.00	50.00		50.00		50.00	50.00		50.00		50.00		
Clothes	50.00	25.00		25.00		25.00	25.00		25.00		25.00		
Insurance	160.00	93.50		66.50		93.50	66.50		93.50		66.50		
Health													
Education													
Contributions	125.00	62.50		62.50		62.50	62.50		62.50		62.50		
Subscriptions													
Personal	80.00	40.00		40.00		40.00	40.00		40.00		40.00		
Entertainment													
Dependent Care													
Miscellaneous													
Creditors													
<i>Supreme Credit Union</i>	<i>\$350.00</i>	<i>350.00</i>				<i>350.00</i>			<i>350.00</i>				
<i>Supreme Credit Union</i>	<i>75.00</i>	<i>75.00</i>				<i>75.00</i>			<i>75.00</i>				
TOTALS	<i>\$ 2,536.05</i>	<i>1,682.05</i>		<i>854.00</i>		<i>1,682.05</i>	<i>854.00</i>		<i>1,682.05</i>		<i>854.00</i>		

Budgeting Tip Sheet

1. General Budgeting Guidelines:

- ▶ Living Expenses = 70 percent of net monthly income
- ▶ Indebtedness (minimum credit payments, not including mortgage) = 20 percent of net monthly income
- ▶ Savings Expenses = 10 percent of net monthly income

2. Debt-to-Income Ratio: Total of monthly debt payments divided by net income x 100. Example: Total Monthly Debt Payment = \$300; Total Net Income = \$1500 $\$300 / 1500 = .20$ $.20 \times 100 = 20$ percent.

- ▶ Less than 15 percent: Use caution when taking on more debt.
- ▶ 15 percent to 20 percent: Fully extended; refrain from taking on more debt.
- ▶ 20 percent to 30 percent: Overextended; do not take on more debt; pay down existing debt.
- ▶ 30 percent or more: Seek help from professional debt-management experts.

3. Change Federal Income Tax Withholding: Help the client check their LES and verify how much income tax is being withheld from their paycheck. Many members overpay taxes, when they could use the money on a monthly basis. If they are over-withholding, suggest they change their W-4 FITW with their PSD or via the MyPay system. Ask the client what their income tax refund was last year. As a general guideline, if only one spouse works, a client can claim two exemptions for each child under 17 due to the Child Tax Credit. Refer clients to www.irs.gov. Calculators on the IRS Web site can be used to determine withholdings, exemptions, and the impact of changes on cash flow.

4. State Income Tax Withholding: Must be changed separately from the change in FITW.

5. Earned Income Tax Credit (EITC): Is your client eligible for this refundable federal income tax credit for low-income and working individuals and families? The credit reduces the amount of federal tax owed and can result in a refund check. When the EITC exceeds the amount of taxes owed, it results in a tax refund to those who claim and qualify for the credit. Income and family size determine the amount of the EITC. For more detailed information, see the IRS Web site, www.irs.gov, or IRS Publication 596, The Earned Income Tax Credit and/or IRS Publication 3, Tax Issues for the Armed Forces.

6. Food Stamps/FSSA: Depending on your client's income and family size, they may qualify for food stamps, which would tie in with the military's Family Subsistence Supplemental Allowance.

Financial Planning Worksheet Checklist

NET WORTH

- Is the worksheet dated?
- Are the spouse and children listed?
- Is the spouse working?
- Is cash value listed for insurance? (not death benefit)
- Did they use fair-market value of personal property (not what it cost originally)?
- Are debts owed to the government (APA, etc.) listed?
- Is there a net worth shown?
- Do total liabilities match the debt page?

INCOME

- Are the entitlement amounts correct? Verify with LES or payable.
- Check federal and state tax withholding status; amend if necessary using W-4
- What are allotments for and when will they end? When will advance/overpayments end?
- Are other income sources listed as after-tax figures?
- Are the allotments and other deductions from pay (except taxes, Social Security and Medicare) added back in at the bottom to arrive at true net monthly income?

SAVINGS AND LIVING EXPENSES

- Are there any savings or investments listed? Pay yourself first and aim for 10 percent.
- Is there a cushion?
- Is there enough planned for insurance? Auto, life, health, personal property
- Is there money being set aside for holidays, anniversaries and birthdays?
- For those with children, even in public school, are any expenses listed under education?
- Are deduction and allotment items from the Income page carried forward as savings or expenses? Are they really used to contribute to savings and investments or pay monthly living expenses?
- Are food expenses realistic? Check USDA estimates.
- Are personal expenses realistic? Have expenditures for all family members been included?

INDEBTEDNESS

- Are the liabilities (debts) listed on Net Worth page carried over to the Indebtedness page?
- Are the APRs and minimum monthly payments listed on the Indebtedness page?
- Has the debt-to-income ratio been calculated? Is it correct?
- What's the bottom line? Surplus or deficit? Has the summary been completed correctly?

ACTION PLAN

- Are options listed on the action plan?
- Is there at least one goal listed along with the plan for achieving it?

SPENDING PLAN

- Has the spending plan been completed?
- Do the numbers for the "planned" amount to spend by payday match the totals for the categories from the Living Expense page and the Indebtedness page?

GENERAL

- Is the FPW done in pencil?
- Is any information counted twice?
- Has a Monthly Spending Record been completed?
- How do savings, expenses and indebtedness totals compare to 70-20-10 guidelines?
- Are Remarks columns utilized?
- Has the projected column been used and are options listed on the Action Plan page?

Women, Infants and Children

WIC AT A GLANCE

Population Served: The WIC target population are low-income, nutritionally at-risk:

- Pregnant women (through pregnancy and up to six weeks after birth or after pregnancy ends). One in four new mothers participate in WIC.
- Breastfeeding women (up to infant's 1st birthday)
- Nonbreastfeeding postpartum women (up to six months after the birth of an infant or after pregnancy ends).
- Infants (up to 1st birthday). WIC serves 45 percent of all infants born in the United States.
- Children up to their 5th birthday.
- WIC participants must meet income guidelines, a state residency requirement, and be individually determined to be at "nutrition risk" by a health professional.

Benefits: The following benefits are provided to WIC participants:

- Supplemental nutritious foods
- Nutrition education and counseling at WIC clinics
- Screening and referrals to other health, welfare and social services

Who Gets WIC? To be eligible for the WIC program, applicants must meet all of the following eligibility requirements:

- Categorical
- Residential
- Income
- Nutrition Risk

Contact the WIC state or local agency serving your area, to schedule an appointment. Applicants will be advised about what to bring to the WIC appointment to help determine eligibility.

Length of Participation: WIC is a short-term program. Therefore, a participant will "graduate" at the end of one or more certification periods. A certification period is the length of time a WIC participant is eligible to receive benefits. Depending on whether the individual is pregnant, postpartum, breastfeeding, an infant, or a child, an eligible individual usually receives WIC benefits for six months to a year, at which time he/she must reapply.

Waiting List/Priority System: Sometimes WIC agencies do not have enough money to serve everyone who needs WIC or calls to apply. When this happens, WIC agencies must keep a waiting list of individuals who want to apply and are likely to be served. WIC agencies then use a special system, called a Priority System, to determine who will get WIC benefits first when more people can be served. The purpose of the Priority System is to make sure that WIC services and benefits are provided first to participants with the most serious health conditions such as having anemia (low blood levels), being underweight, or having a history of problems during pregnancy.

Moving: WIC participants who move from one area or state to another are placed at the top of a waiting list when they move and also are served first when the WIC agency can serve more individuals. WIC participants who move can continue to receive WIC benefits until their certification period expires as long as there is proof that the individual received WIC benefits in another area or state. Before a participant moves, they should notify the WIC office.

Eligibility Guidelines: For current income eligibility guidelines for each state and overseas, refer to the Web site below.

Web site: www.fns.usda.gov/wic.

Group Activity

What Are My Options?

What Are My Options? A group activity in ways to reduce living expenses.

You will be assigned one of the following six categories of expenses. Brainstorm with your group to determine ways in which your future clients could reduce their living expenses to free up dollars for use elsewhere in their spending plan.

Expenses Categories:

1. Housing
2. Transportation
3. Food
4. Entertainment
5. Communication
6. Clothing

Use this space to record responses on ways to reduce living expenses.

HOUSING:

Referral Resources:

TRANSPORTATION:

Referral Resources:

FOOD:

Referral Resources:

ENTERTAINMENT:

Referral Resources:

COMMUNICATION:

Referral Resources:

CLOTHING:

Referral Resources:





Military Pay Issues

I. INTRODUCTION

- This chapter reviews the Leave and Earnings Statement (LES), military pays and allowances, common allotments and deductions from pay, how the Navy pay system works, tax issues of concern to military personnel, and problem resolution. It is assumed that you already are familiar with many of the basic aspects of Pay and Allowances. It is critical that the CFS know about the elements of military compensation in order to know what the client may be entitled to now and in the future. Mistakes can happen, and knowledge of pay issues will help you to correct them quickly when they do, ensuring clients are getting what they are entitled to – no more, no less.
- Although some of this information changes regularly (e.g., the dollar amount of compensation), most of the information remains constant from year to year (i.e., base pay is based on pay grade and years of service). It is essential that you keep current on changes occurring in this area.
- The Leave and Earnings Statement is the basis for discussion on pay issues. All counseling sessions should include a review of the member's current LES as a first step in analyzing a client's financial situation. In this chapter, you will start using the pay and allowance and tax tables as well as the Monthly Income page of the FPW. Three "Income" case studies are to be completed after the information has been presented.
- Chapter correlation to major OPNAVINST task areas:
 1. **Education and Training:** The Military Pay Issues Module of the PFMSC is incorporated into this chapter. The majority of the PFMSC module is modeled, and income case studies are added. You will have adequate exposure to the topic to allow you to present this training at the command level. Case study work provides exposure to an additional instructional technique.
 2. **Information and Referral:** If an expert in the subject matter presents the brief, you will be exposed to an important referral resource.
 3. **Counseling:** Through the Income Case Studies, you will continue to develop counseling skills in completing the FPW.

II. LEARNING OBJECTIVES

The learner will identify correctly seven key sections of the LES.

The learner will differentiate between monetary and non-monetary compensation by correctly completing a sorting activity.

The learner will demonstrate the difference in income tax withholding by correctly completing three case study scenarios.

The learner will demonstrate an understanding of military pay components and the Income page of the Financial Planning Worksheet by correctly completing three income case studies.

III. REFERENCES

Personal Financial Management Standardized Curriculum: Military Pay Issues Module (2007).

Uniformed Services Almanac. (current edition) Washington, D.C.: Uniform Services Almanac Inc.

www.dfas.mil (DFAS Web site for pay tables)

www.defenselink.mil/militarypay (OSD Military Compensation)

<http://www.defenselink.mil/comptroller/fmr/07a/> (Financial Management Regulations Chapter 7a.)

www.npc.navy.mil/CareerInfo/StayNavyTools/CareerTools (StayNAVY Web site and Pay and Allowance Calculator)

www.irs.gov (Pubs 3, 15, 17 and 596 and Armed Forces Tax Benefits Section)

www.va.gov (Department of Veterans Affairs — VA Insurance Home Page)

<https://mypay.dfas.mil> (Defense Finance Accounting Service — MyPay)

<http://perdiem.hqda.pentagon.mil/perdiem/bah/html> (BAH Rates)

IV. CONTENT

A Summary of Your Military Compensation

It's Probably More Than You Think...

- § **PAY (Taxable):** Base, Sea, Sub, Flight, HDIP, Diving, Special, Proficiency, etc.
- § **ALLOWANCE (Non-Taxable):** BAH, BAS, Clothing, FSA, FSSA, DLA, TLE, TLA, COLA, MMA, OHA, MALT
- § **BONUS and SPECIAL PAYS:** Reenlistment, Nuclear, Professional (Doctors, Dentists, etc.), Accession, VSI/SSB
- § **Base Facilities:** Theaters, gyms, pools, recreation areas, RV parks, beaches, picnic areas, theaters, gas stations, mini-marts, package stores, laundry and dry cleaning, libraries, chapels, transient quarters, military hotels, and clothing stores.
- § **Casualty Assistance**
- § **College Education Benefits:** GI Bill, Tuition Assistance
- § **Commissary Privileges for Members and Family Members:** Save up to 27%
- § **Dental Program**
- § **Disability (Member)**
- § **DoD Schools at Overseas Base**
- § **Employee Assistance Program:** Fleet and Family Support Centers — Deployment, Relocation, Transition, Financial, Career Development, Retiree, Ombudsman and Counseling Programs
- § **Entertainment:** Theaters, single service member programs, MWR recreation services, travel and ticket offices, open messes (clubs)
- § **Exchange Privileges:** Tax-free Purchases Save up to 19%
- § **Group Term Life Insurance:** for Member, Spouse and children (SGLI and FSGLI)
- § **Healthcare after Retirement**
- § **Healthcare for Members and Family Members**
- § **Housing Services:** Education on Buying, Renting and Managing Property; Home-buying benefits (VA Loans); military quarters
- § **Legal Services:** Wills, Power of Attorney, general legal services and advice
- § **Military Discounts:** available all over the world
- § **Navy-Marine Corps Relief Society**
- § **Paid Disability Leave**
- § **Paid Holidays**
- § **Paid Maternity Leave**
- § **Paid Sick Leave**
- § **Paid Vacations**
- § **Defined-Benefit Pension Plan**
- § **Defined-Contribution Retirement Plan:** Thrift Savings Plan
- § **Professional Education and Training**
- § **Religious Programs**
- § **Service Academies**
- § **Space-A Travel**
- § **Subsidized Childcare**
- § **Survivor Benefits**
- § **Tax Preparation Services**
- § **Veteran's Programs**

Understanding Your LES

This handout is published as a guide to inform you about your DFAS Leave and Earnings Statement (LES) and what it means to you. Every month, you will receive, or find on myPay, an LES showing entitlements, deductions and allotments. If, after reading this pamphlet, you have any questions concerning your pay, check with your Disbursing Office.

DEFENSE FINANCE AND ACCOUNTING SERVICE MILITARY LEAVE AND EARNINGS STATEMENT																			
ID	NAME (Last, First, MI)			SOC. SEC. NO.	GRADE	PAY DATE	YRS SVC	ETS	BRANCH	ADSN/DSSN	PERIOD COVERED								
	DOUGH, JOHN M.			000-55-5555	E6	910101	18	041122	NAVY	4015	THIS MONTH								
ENTITLEMENTS				DEDUCTIONS				ALLOTMENTS				SUMMARY							
Type	Amount			Type	Amount			Type	Amount			+ Amt Fwd							
A	BASE PAY	3369.90			FEDERAL TAXES	410.99			DISCRETIONARY ALT	100.00			+ Tot Ent						
B	BAH	1235.00			FICA-SOC SECURITY	208.93			DISCRETIONARY ALT	100.00			- Tot Ded						
C	CSP	480.00			FICA-MEDICARE	48.86			AFAP ALLOT	10.00			- Tot Almt						
D	BAS	323.87			SGLI FOR 250,000	27.00			TRICARE DENTAL	30.27			= Net Amt						
E	CRA	55.20			AFRH	.50													
F				MEAL DEDUCTION	286.75														
G				MID-MONTH-PAY	2120.32														
H										- Cr Fwd									
I										= EOM Pay									
J										52120.33									
K										DIEMS			RETPLAN						
L										XXXXXX			REDUX						
TOTAL				5463.97				3103.35				240.29							
F	LEAVE	BF Bal	Emd	Used	Cr Bal	ETS Bal	LV Lost	LvPd	Use/Lose	FED TAXES	Wage Period	Wage YTD	M/S	Ex	Add Tax	Tax YTD			
		15.0	3.0	.0	18.0	68.0	.0	0.0	.0		3849.90	11549.70	M	00	.00	1232.97			
H	FICA TAXES	Wage Period	Soc Wage YTD	Soc Tax YTD	Med Wage YTD	Med Tax YTD	STATE	St	Wage Period	Wage YTD	M/S	Ex	Tax YTD						
		3369.90	10109.70	626.79	10109.70	146.58	FL	3849.90	11549.70	M	00	.00							
J	PAY DATA	BAQ Type	BAQ Depn	VHA Zip	Rent Amt	Share	Stat	JFTR	Depns	2d JFTR	BAS Type	Charity YTD	TPC	PACIDN					
		W/DEP	SPOUSE	23511	1200.00	1	A		4			30.00							
K	THRIFT SAVINGS PLAN (TSP)	Base Pay Rate	Base Pay Current	Spec Pay Rate	Spec Pay Current	Inc Pay Rate	Inc Pay Current	Bonus Pay Rate	Bonus Pay Current										
		.00	.00	.00	.00	.00	.00	.00	.00										
		TSP YTD Deductions				Deferred		Exempt											
		.00				.00		.00											
REMARKS: YTD ENTITLEMENTS: 16391.91 YTD Deductions: 2727.84																			
L BAH BASED ON W/DEP, ZIP 23511																			
SEA DUTY TIME 12/01/15																			
BANK NAME																			
ACCOUNT #																			

Key to Sections

- A** Shows period covered by this LES. This LES will reflect any changes to Petty Officer Dough's pay that the Defense Finance Accounting Service Cleveland (DFAS) has processed. There may have been other changes to his entitlements, but due to mail or processing delays, they are not reflected on this LES. In most cases, these changes will be reflected on the next LES.
- B** Displays all entitlements for the period covered. Any entitlements that were earned in previous months will be added to like entitlements or allowances.
- C** Displays all deductions from pay for the period covered. Any retroactive deductions will be added to like deductions.
- D** Displays all allotments deducted from pay for the period covered.

- Summarizes entitlements, deductions and allotments to provide the actual amount of money to be paid to the member on payday. Amount shown is the amount to be paid on the end-of-the-month payday.

“DIEMS” is the date John Dough signed up for military service.

“RETPLAN” is the retirement plan under which John Dough entered service.

- Provides the current status of Petty Officer Dough’s leave account.

“BF Bal” (brought forward leave balance) shows the days leave carried forward from the previous fiscal year ending 30 Sep.

“Ernd” is the cumulative amount of leave earned this fiscal year or current term of enlistment if service member re-enlisted/extended since the beginning of the fiscal year.

“Used” is the cumulative amount of leave used this fiscal year.

“Cr Fwd” is the current leave balance as of the end of the period covered by the LES.

“ETS Bal” shows the projected leave balance to the Expiration Term of Service (ETS).

“Lv Pd” periodically will display any leave sold back to the Navy.

“Use/Lose” is the projected number of days of leave that will be lost if not taken in the current fiscal year.

- Shows current federal tax information.

- Shows FICA information (Social Security tax plus Medicare tax).

- Shows current state tax information, including marital status and number of exemptions.

- Provides information for local disbursing use.

- Provides information on TSP contributions for the current year.

“Rate” boxes indicate the percentage of pay elected for contribution.

“Current” boxes indicate the contribution for this pay period.

- Provides information about changes in allotments, deductions or entitlements. Indicates career sea service counter.

Web sites:

www.npc.navy.mil/CareerInfo/StayNavyTools

www.militaryonsecource.com

www.dfas.mil/militarypay.html

www.nko.navy.mil

www.dod.mil/militarypay

www.lifelines.navy.mil

REMEMBER

Your pay is your responsibility. Verify and keep your LES each month. If your pay varies significantly and you don’t understand why, visit your Disbursing Office or mypay.dfas.mil

Military Pay Breakdown

WHAT GOES IN

1. Taxable Pays

- a. Base Pay
- b. Special and Incentive Pays
- c. List of Pays
 - Base Pay
 - Sea Pay
 - Submarine Pay
 - CEFIP and ACIP
 - HDIP
 - Hostile Fire Pay/Imminent Danger Pay/Combat Pay
 - Diving Duty Pay
 - Special Assigned Duty Pay
 - Foreign Language Pay
 - Various Pays for Doctors, Dentists, Nurses, etc.
 - Wounded Warrior Pay

2. Non-taxable Allowances

- a. Housing
 - BAH
 - COLA
 - MIHA — Overseas
 - OHA — Overseas
- b. Living Expenses
 - BAS
 - FSA
 - CRA
 - FSSA
- c. Moving/Travel
 - Mileage/Transportation
 - Per Diem
 - TLE
 - TLA
 - DLA

WHAT GOES OUT

1. Allotments

- a. Discretionary and Non-discretionary
- b. Examples
 - Savings
 - Savings Bond Purchases
 - Commercial Insurance Premiums
 - Charitable Contributions
 - Commercial Loan Repayments
 - Home Mortgage and Rent Payments
 - Government Indebtedness
 - Garnishment/Bankruptcy Payments
 - Education
 - TRICARE Dental
 - Dependent Allotments
 - SDIP Deposits
 - Relief Repayments
 - Child and Spouse Support Payments

2. Deductions

- a. Taxes
 - Federal
 - FICA
 - State
- b. Insurance
 - SGLI
 - FSGLI
- c. Garnishments
- d. Other
 - Meal Collection
 - Advance Pay
 - Advance BAH or OHA
 - MGIB
 - AFRH
 - Overpayment Repays
- e. TSP

Income Tax Withholding— Get It Right!

Use the tax tables on the following pages to calculate the differences in withholding.

Monthly Taxable Income	Current Withholding	Projected Withholding	Change
\$2,980	M02	M03	
\$2,775	S00	M03	
\$3,190	M04	S02	

I've Got a Problem

In the chart below, list possible solutions and referrals for the common pay problems listed.

Common Pay Problems	Possible Solutions and Referrals
Overpayments and underpayments Unexpected repays (garnishments, overpayments) Pay problems related to PCS and deployments Changes in dependent status (marriages, children, etc.), exemptions incorrect Allotments not stopping or starting on time Too many allotments being used at once Government travel card	

SINGLE Persons—MONTHLY Payroll Period
(For Wages Paid Through December 2009)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
600	640	2	0	0	0	0	0	0	0	0	0	0
640	680	6	0	0	0	0	0	0	0	0	0	0
680	720	10	0	0	0	0	0	0	0	0	0	0
720	760	14	0	0	0	0	0	0	0	0	0	0
760	800	18	0	0	0	0	0	0	0	0	0	0
800	840	22	0	0	0	0	0	0	0	0	0	0
840	880	26	0	0	0	0	0	0	0	0	0	0
880	920	32	0	0	0	0	0	0	0	0	0	0
920	960	38	4	0	0	0	0	0	0	0	0	0
960	1,000	44	8	0	0	0	0	0	0	0	0	0
1,000	1,040	50	12	0	0	0	0	0	0	0	0	0
1,040	1,080	56	16	0	0	0	0	0	0	0	0	0
1,080	1,120	62	20	0	0	0	0	0	0	0	0	0
1,120	1,160	68	24	0	0	0	0	0	0	0	0	0
1,160	1,200	74	28	0	0	0	0	0	0	0	0	0
1,200	1,240	80	34	1	0	0	0	0	0	0	0	0
1,240	1,280	86	40	5	0	0	0	0	0	0	0	0
1,280	1,320	92	46	9	0	0	0	0	0	0	0	0
1,320	1,360	98	52	13	0	0	0	0	0	0	0	0
1,360	1,400	104	58	17	0	0	0	0	0	0	0	0
1,400	1,440	110	64	21	0	0	0	0	0	0	0	0
1,440	1,480	116	70	25	0	0	0	0	0	0	0	0
1,480	1,520	122	76	31	0	0	0	0	0	0	0	0
1,520	1,560	128	82	37	3	0	0	0	0	0	0	0
1,560	1,600	134	88	43	7	0	0	0	0	0	0	0
1,600	1,640	140	94	49	11	0	0	0	0	0	0	0
1,640	1,680	146	100	55	15	0	0	0	0	0	0	0
1,680	1,720	152	106	61	19	0	0	0	0	0	0	0
1,720	1,760	158	112	67	23	0	0	0	0	0	0	0
1,760	1,800	164	118	73	27	0	0	0	0	0	0	0
1,800	1,840	170	124	79	33	1	0	0	0	0	0	0
1,840	1,880	176	130	85	39	5	0	0	0	0	0	0
1,880	1,920	182	136	91	45	9	0	0	0	0	0	0
1,920	1,960	188	142	97	51	13	0	0	0	0	0	0
1,960	2,000	194	148	103	57	17	0	0	0	0	0	0
2,000	2,040	200	154	109	63	21	0	0	0	0	0	0
2,040	2,080	206	160	115	69	25	0	0	0	0	0	0
2,080	2,120	212	166	121	75	29	0	0	0	0	0	0
2,120	2,160	218	172	127	81	35	2	0	0	0	0	0
2,160	2,200	224	178	133	87	41	6	0	0	0	0	0
2,200	2,240	230	184	139	93	47	10	0	0	0	0	0
2,240	2,280	236	190	145	99	53	14	0	0	0	0	0
2,280	2,320	242	196	151	105	59	18	0	0	0	0	0
2,320	2,360	248	202	157	111	65	22	0	0	0	0	0
2,360	2,400	254	208	163	117	71	26	0	0	0	0	0
2,400	2,440	260	214	169	123	77	32	0	0	0	0	0
2,440	2,480	266	220	175	129	83	38	4	0	0	0	0
2,480	2,520	272	226	181	135	89	44	8	0	0	0	0
2,520	2,560	278	232	187	141	95	50	12	0	0	0	0
2,560	2,600	284	238	193	147	101	56	16	0	0	0	0
2,600	2,640	290	244	199	153	107	62	20	0	0	0	0
2,640	2,680	296	250	205	159	113	68	24	0	0	0	0
2,680	2,720	302	256	211	165	119	74	28	0	0	0	0
2,720	2,760	308	262	217	171	125	80	34	1	0	0	0
2,760	2,800	314	268	223	177	131	86	40	5	0	0	0
2,800	2,840	320	274	229	183	137	92	46	9	0	0	0
2,840	2,880	326	280	235	189	143	98	52	13	0	0	0
2,880	2,920	332	286	241	195	149	104	58	17	0	0	0
2,920	2,960	338	292	247	201	155	110	64	21	0	0	0
2,960	3,000	344	298	253	207	161	116	70	25	0	0	0
3,000	3,040	350	304	259	213	167	122	76	30	0	0	0
3,040	3,080	360	310	265	219	173	128	82	36	3	0	0
3,080	3,120	370	316	271	225	179	134	88	42	7	0	0
3,120	3,160	380	322	277	231	185	140	94	48	11	0	0
3,160	3,200	390	328	283	237	191	146	100	54	15	0	0
3,200	3,240	400	334	289	243	197	152	106	60	19	0	0
3,240	3,280	410	340	295	249	203	158	112	66	23	0	0
3,280	3,320	420	346	301	255	209	164	118	72	27	0	0
3,320	3,360	430	354	307	261	215	170	124	78	33	0	0

MARRIED Persons—MONTHLY Payroll Period
(For Wages Paid Through December 2009)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$1,320	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1,320	1,360	3	0	0	0	0	0	0	0	0	0	0
1,360	1,400	7	0	0	0	0	0	0	0	0	0	0
1,400	1,440	11	0	0	0	0	0	0	0	0	0	0
1,440	1,480	15	0	0	0	0	0	0	0	0	0	0
1,480	1,520	19	0	0	0	0	0	0	0	0	0	0
1,520	1,560	23	0	0	0	0	0	0	0	0	0	0
1,560	1,600	27	0	0	0	0	0	0	0	0	0	0
1,600	1,640	31	0	0	0	0	0	0	0	0	0	0
1,640	1,680	35	4	0	0	0	0	0	0	0	0	0
1,680	1,720	39	8	0	0	0	0	0	0	0	0	0
1,720	1,760	43	12	0	0	0	0	0	0	0	0	0
1,760	1,800	47	16	0	0	0	0	0	0	0	0	0
1,800	1,840	51	20	0	0	0	0	0	0	0	0	0
1,840	1,880	55	24	0	0	0	0	0	0	0	0	0
1,880	1,920	59	28	0	0	0	0	0	0	0	0	0
1,920	1,960	63	32	2	0	0	0	0	0	0	0	0
1,960	2,000	67	36	6	0	0	0	0	0	0	0	0
2,000	2,040	71	40	10	0	0	0	0	0	0	0	0
2,040	2,080	76	44	14	0	0	0	0	0	0	0	0
2,080	2,120	82	48	18	0	0	0	0	0	0	0	0
2,120	2,160	88	52	22	0	0	0	0	0	0	0	0
2,160	2,200	94	56	26	0	0	0	0	0	0	0	0
2,200	2,240	100	60	30	0	0	0	0	0	0	0	0
2,240	2,280	106	64	34	4	0	0	0	0	0	0	0
2,280	2,320	112	68	38	8	0	0	0	0	0	0	0
2,320	2,360	118	72	42	12	0	0	0	0	0	0	0
2,360	2,400	124	78	46	16	0	0	0	0	0	0	0
2,400	2,440	130	84	50	20	0	0	0	0	0	0	0
2,440	2,480	136	90	54	24	0	0	0	0	0	0	0
2,480	2,520	142	96	58	28	0	0	0	0	0	0	0
2,520	2,560	148	102	62	32	1	0	0	0	0	0	0
2,560	2,600	154	108	66	36	5	0	0	0	0	0	0
2,600	2,640	160	114	70	40	9	0	0	0	0	0	0
2,640	2,680	166	120	75	44	13	0	0	0	0	0	0
2,680	2,720	172	126	81	48	17	0	0	0	0	0	0
2,720	2,760	178	132	87	52	21	0	0	0	0	0	0
2,760	2,800	184	138	93	56	25	0	0	0	0	0	0
2,800	2,840	190	144	99	60	29	0	0	0	0	0	0
2,840	2,880	196	150	105	64	33	3	0	0	0	0	0
2,880	2,920	202	156	111	68	37	7	0	0	0	0	0
2,920	2,960	208	162	117	72	41	11	0	0	0	0	0
2,960	3,000	214	168	123	77	45	15	0	0	0	0	0
3,000	3,040	220	174	129	83	49	19	0	0	0	0	0
3,040	3,080	226	180	135	89	53	23	0	0	0	0	0
3,080	3,120	232	186	141	95	57	27	0	0	0	0	0
3,120	3,160	238	192	147	101	61	31	0	0	0	0	0
3,160	3,200	244	198	153	107	65	35	4	0	0	0	0
3,200	3,240	250	204	159	113	69	39	8	0	0	0	0
3,240	3,280	256	210	165	119	73	43	12	0	0	0	0
3,280	3,320	262	216	171	125	79	47	16	0	0	0	0
3,320	3,360	268	222	177	131	85	51	20	0	0	0	0
3,360	3,400	274	228	183	137	91	55	24	0	0	0	0
3,400	3,440	280	234	189	143	97	59	28	0	0	0	0
3,440	3,480	286	240	195	149	103	63	32	2	0	0	0
3,480	3,520	292	246	201	155	109	67	36	6	0	0	0
3,520	3,560	298	252	207	161	115	71	40	10	0	0	0
3,560	3,600	304	258	213	167	121	76	44	14	0	0	0
3,600	3,640	310	264	219	173	127	82	48	18	0	0	0
3,640	3,680	316	270	225	179	133	88	52	22	0	0	0
3,680	3,720	322	276	231	185	139	94	56	26	0	0	0
3,720	3,760	328	282	237	191	145	100	60	30	0	0	0
3,760	3,800	334	288	243	197	151	106	64	34	3	0	0
3,800	3,840	340	294	249	203	157	112	68	38	7	0	0
3,840	3,880	346	300	255	209	163	118	72	42	11	0	0
3,880	3,920	352	306	261	215	169	124	78	46	15	0	0
3,920	3,960	358	312	267	221	175	130	84	50	19	0	0
3,960	4,000	364	318	273	227	181	136	90	54	23	0	0
4,000	4,040	370	324	279	233	187	142	96	58	27	0	0
4,040	4,080	376	330	285	239	193	148	102	62	31	1	0

Activity: Income Case Studies

These are case studies in computing military pay and allowances in situations that are similar to those with which you will be working as a Command Financial Specialist. Please determine the NET INCOME for each case study. Worksheets are provided for your answers.

Instructor Note

- Prepare solutions to each case study using the excel FPW, current version.
 - ▶ Use current BAS meal entitlement and deduction.
- ▶ If using tax tables in the class, you will need to overwrite the tax amount computed by your Excel FPW solution to reflect the round number in the tax tables that the learners will be using.
- ▶ Use local BAH rate for A and B.

CASE STUDY A

Name: Seaman John Paul Jones — E-3

Command: USS Seagoing (not deployed at this time)

Whole years of creditable service: over two years
(11 months of accumulated sea duty)

Housing: renting civilian housing

Dependents: two

Tax-filing status (exemptions): S00

Other deductions: SGLI — full coverage, member only; dental — family coverage; AFRH

Allotments: wife — \$300

Advance pay — \$162.24 (ends in 12 months)

Navy-Marine Corps Relief Society — \$3

Other income: none; wife not employed (seeking a position at the present time)

CASE STUDY B

Name: TM2 Bill Dolphin — E-5

Command: USS Blue Fish (SSN 46) (has been deployed for two months)
Seven (six years sub-qualified)

Whole years of creditable service: three years of accumulated sea duty (two years of consecutive sea duty)

Housing: owns home

Dependents: four

Tax-filing status (exemptions): M05

Other deductions: SGLI — full coverage, member only; dental — family coverage; AFRH

Allotments:

Wife — \$600

Whole-life insurance — \$53.75

Combined Federal Campaign — \$2

Navy Federal Credit Union — \$50 (savings account)

Any Bank (mortgage) — \$643 (ends in 28 years)

Advance pay — \$243.35 (ends in three months)

Other income: wife employed — \$225 semi-monthly

CASE STUDY C

Name: ATI Rachel Bird — E-6

Command: VAW-110, flight crew member (not deployed at present time)

Whole years of creditable service: nine

Housing: base housing

Dependents: five

Tax-filing status (exemptions): M03

Other deductions: SGLI — full coverage, member only; dental — family coverage; AFRH

TSP — 4 percent of base pay

Allotments: whole-life insurance — \$23 (ongoing)

Navy-Marine Corps Relief Society — \$53 (ends in 10 months)

XYZ Bank — \$66 (collateral loan for furniture, ends in six months)

Overpayment — \$143 (ends in eight months)

Other income: child support received — \$150; husband not employed outside the home

MONTHLY INCOME

ENTITLEMENTS		ACTUAL		PROJECTED		REMARKS
* Base Pay						
Basic Allowance for Housing (BAH I or II)						
Overseas Housing Allowance (OHA)						
Basic Allowance for Subsistence (BAS)						
Family Separation Allowance (FSA)						
* Flight Pay/Diving Pay/Flight Deck Pay						
* Submarine Pay						
* Other Hazardous Duty Pay						
* Sea Pay						
Taxable COLA						
Other (tax exempt/allowance eg. COLA/FSSA)						
TOTAL MILITARY COMPENSATION	(A)					
* Taxable pay ()						Excludes pretax ded for TSP/MGIB
DEDUCTIONS		ACTUAL		PROJECTED		REMARKS
ALLOTMENT						For/ends?
ALLOTMENT						For/ends?
ALLOTMENT						For/ends?
ALLOTMENT						For/ends?
ALLOTMENT						For/ends?
Family SGLI (For Spouses)						
Servicemembers' Group Life Insurance (SGLI)						
Uniform Services TSP						
MGIB						
FITW Filing Status Actual						Proj. Status:
FICA (Social Security)						Base Pay Only, Excludes MGIB
FICA (Medicare)						Base Pay Only, Excludes MGIB
State Income Tax						State Claimed:
AFRH (Armed Forces Retirement Home)						
TRICARE Dental Plan (TDP)						
Advance Payments						Ends:
Overpayments						Ends:
TOTAL DEDUCTIONS	(B)	\$		\$		
CALCULATE NET INCOME		ACTUAL		PROJECTED		REMARKS
Service Member's Take Home Pay	(A-B)	\$		\$		Divide by 2 for Payday Amount
Service Member's Other Earnings (less taxes)						
Spouse's Earnings (less taxes)						
ALLOTMENT						
ALLOTMENT						
ALLOTMENT						
ALLOTMENT						
ALLOTMENT						
Family SGLI (For Spouses)						
Servicemembers' Group Life Insurance (SGLI)						
Uniform Services TSP						
MGIB						
TRIDARE Dental Plan (TDP)						
Advance Payments						
Overpayments						
Child Support/Alimony (Received/Income)						
Other Income (e.g. SSI, Rental Income)						
TOTAL MONTHLY INCOME		\$		\$		

***Note:** Pay Entitlements are taxable. Allowance Entitlements are non-taxable.

MONTHLY INCOME

ENTITLEMENTS	ACTUAL	PROJECTED	REMARKS
* Base Pay			
Basic Allowance for Housing (BAH I or II)			
Overseas Housing Allowance (OHA)			
Basic Allowance for Subsistence (BAS)			
Family Separation Allowance (FSA)			
* Flight Pay/Diving Pay/Flight Deck Pay			
* Submarine Pay			
* Other Hazardous Duty Pay			
* Sea Pay			
Taxable COLA			
Other (tax exempt/allowance eg. COLA/FSSA)			
TOTAL MILITARY COMPENSATION (A)			
* Taxable pay ()			Excludes pretax ded for TSP/MGIB
DEDUCTIONS	ACTUAL	PROJECTED	REMARKS
ALLOTMENT			For/ends?
ALLOTMENT			For/ends?
ALLOTMENT			For/ends?
ALLOTMENT			For/ends?
ALLOTMENT			For/ends?
Family SGLI (For Spouses)			
Servicemembers' Group Life Insurance (SGLI)			
Uniform Services TSP			
MGIB			
FITW Filing Status Actual			Proj. Status:
FICA (Social Security)			Base Pay Only, Excludes MGIB
FICA (Medicare)			Base Pay Only, Excludes MGIB
State Income Tax			State Claimed:
AFRH (Armed Forces Retirement Home)			
TRICARE Dental Plan (TDP)			
Advance Payments			Ends:
Overpayments			Ends:
TOTAL DEDUCTIONS (B)	\$	\$	
CALCULATE NET INCOME	ACTUAL	PROJECTED	REMARKS
Service Member's Take Home Pay (A-B)	\$	\$	Divide by 2 for Payday Amount
Service Member's Other Earnings (less taxes)			
Spouse's Earnings (less taxes)			
ALLOTMENT			
ALLOTMENT			
ALLOTMENT			
ALLOTMENT			
ALLOTMENT			
Family SGLI (For Spouses)			
Servicemembers' Group Life Insurance (SGLI)			
Uniform Services TSP			
MGIB			
TRIDARE Dental Plan (TDP)			
Advance Payments			
Overpayments			
Child Support/Alimony (Received/Income)			
Other Income (e.g. SSI, Rental Income)			
TOTAL MONTHLY INCOME	\$	\$	

*Note: Pay Entitlements are taxable. Allowance Entitlements are non-taxable.



MONTHLY INCOME

MONTHLY INCOME					
ENTITLEMENTS	ACTUAL		PROJECTED		REMARKS
* Base Pay					
Basic Allowance for Housing (BAH I or II)					
Overseas Housing Allowance (OHA)					
Basic Allowance for Subsistence (BAS)					
Family Separation Allowance (FSA)					
* Flight Pay/Diving Pay/Flight Deck Pay					
* Submarine Pay					
* Other Hazardous Duty Pay					
* Sea Pay					
Taxable COLA					
Other (tax exempt/allowance eg. COLA/FSSA)					
TOTAL MILITARY COMPENSATION (A)					
* Taxable pay ()					Excludes pretax ded for TSP/MGIB
DEDUCTIONS	ACTUAL		PROJECTED		REMARKS
ALLOTMENT					For/ends?
ALLOTMENT					For/ends?
ALLOTMENT					For/ends?
ALLOTMENT					For/ends?
ALLOTMENT					For/ends?
Family SGLI (For Spouses)					
Servicemembers' Group Life Insurance (SGLI)					
Uniform Services TSP					
MGIB					
FITW Filing Status Actual					Proj. Status:
FICA (Social Security)					Base Pay Only, Excludes MGIB
FICA (Medicare)					Base Pay Only, Excludes MGIB
State Income Tax					State Claimed:
AFRH (Armed Forces Retirement Home)					
TRICARE Dental Plan (TDP)					
Advance Payments					Ends:
Overpayments					Ends:
TOTAL DEDUCTIONS (B)	\$		\$		
CALCULATE NET INCOME	ACTUAL		PROJECTED		REMARKS
Service Member's Take Home Pay (A-B)	\$		\$		Divide by 2 for Payday Amount
Service Member's Other Earnings (less taxes)					
Spouse's Earnings (less taxes)					
ALLOTMENT					
ALLOTMENT					
ALLOTMENT					
ALLOTMENT					
ALLOTMENT					
Family SGLI (For Spouses)					
Servicemembers' Group Life Insurance (SGLI)					
Uniform Services TSP					
MGIB					
TRIDARE Dental Plan (TDP)					
Advance Payments					
Overpayments					
Child Support/Alimony (Received/Income)					
Other Income (e.g. SSI, Rental Income)					
TOTAL MONTHLY INCOME	\$		\$		

***Note:** Pay Entitlements are taxable. Allowance Entitlements are non-taxable.



Introduction to Financial Counseling

I. INTRODUCTION

- As a CFS, you will be called upon to provide financial counseling to members and possibly their family members. You likely have received previous training on how to counsel and so have a basic knowledge of what counseling entails. This chapter provides a general introduction to a specific type of counseling called Solution-Focused Financial Counseling and to an eight-step counseling cycle. This is an introductory segment that will be explored in further detail during the week and put into practice through practical application during counseling role-play. Communication skills and the art of listening are important CFS abilities that will be demonstrated and discussed here and throughout the week.
- The last few hours of training focused on the Financial Planning Worksheet and related concepts, such as the “science” of being a CFS. Here, we begin to show how “science” merges with “art” in the counseling arena. This training will introduce a number of counseling tools at your disposal and explain how to use them.
- Chapter correlation to major OPNAVINST task areas:
 1. **Education and Training:** This chapter has no direct correlation to PFMSC modules. Some of the forms (tools) introduced have educational application.
 2. **Information and Referral:** The process of making referrals is presented in the context of the counseling cycle.
 3. **Counseling: Solution-Focused** Financial Counseling is introduced. A practical eight-step counseling cycle is introduced. Counseling tools are introduced. Counseling session structure and procedures are discussed.

II. LEARNING OBJECTIVES

Using a multiple-choice exercise, learners will identify correctly the appropriate application of solution-focused financial counseling principles.

Learners will demonstrate a basic understanding of the eight-step counseling cycle by developing at least one appropriate question for each stage.

Working in pairs, learners will demonstrate appropriate counseling communication skills.

Learners will demonstrate knowledge and appropriate uses of key counseling tools by completing them for homework.

III. REFERENCES

Waddell, Fred. Solution Focused Financial Counseling in the New Millennium. Auburn, Ala.: Genesis Press, 2001.

Pulvino, Charles, and Lee, James. Financial Counseling: A Strategic Approach. Madison, Wis.: Instructional Enterprises, 1991.

Credit Counseling Centers Inc. Credit Counselor Training Handbook. Southfield, Mich.: Credit Counseling Centers Inc., 1990.

VI. CONTENT

Applying SFFC: The Best Response

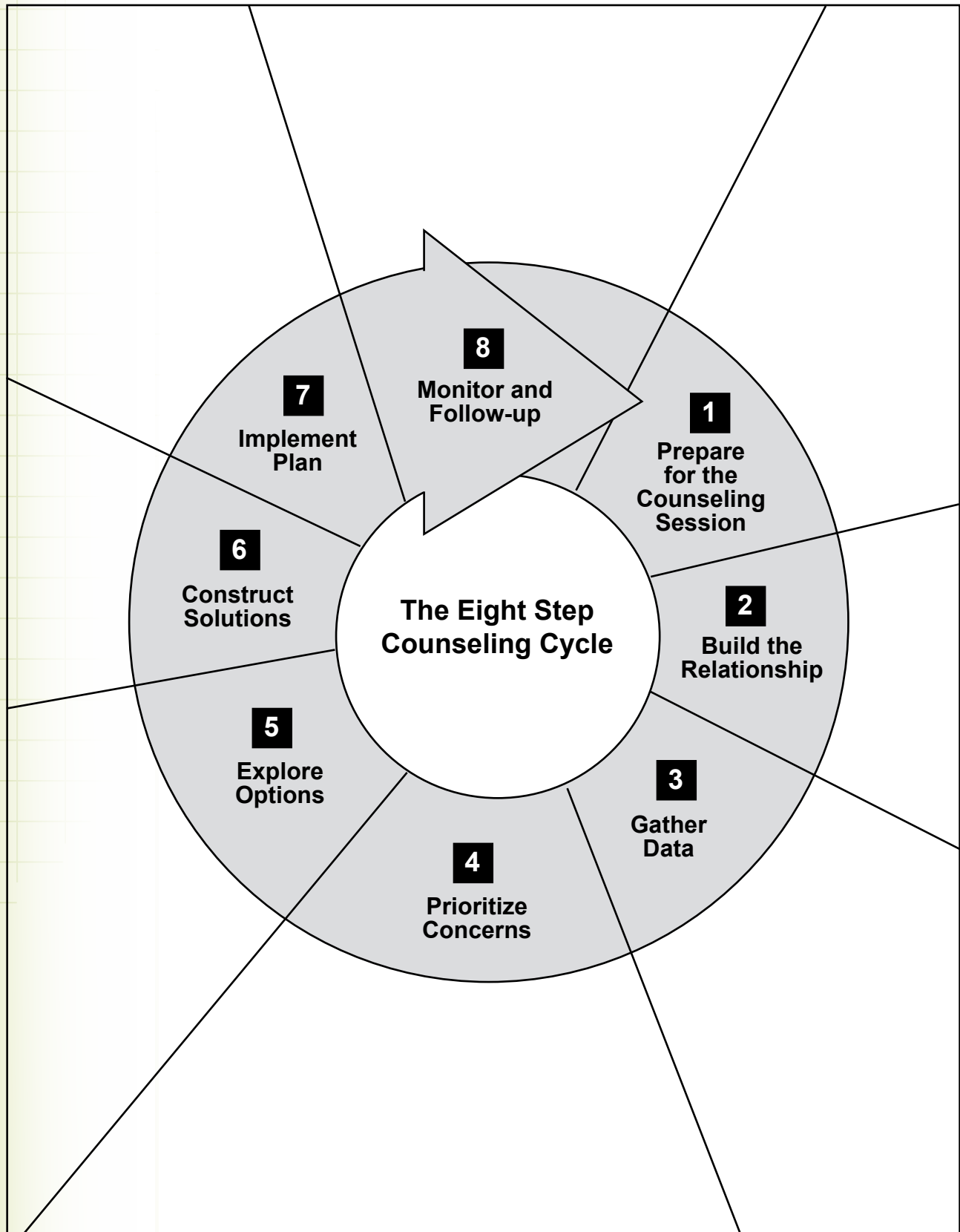
Circle the response that you think best fits the client statement. Consider the principles of solution-focused financial counseling when choosing the best response, and be prepared to justify your choice.

Client Statement	The Best Response
1. I always run short of money at the end of the month. Managing my money is a problem.	a. That sounds really tough. b. Are you spending all the money, or is it your wife? c. Can you think of a time when this doesn't happen? d. How long has this been going on? *Best response helps client find exceptions to problem.
2. I can't track my spending.	a. What would happen if you did track your spending? b. Why can't you track it? c. Most people find that hard to do. d. It isn't critical at this time. *Best response has a future orientation.



<p>3. I've never been able to budget my money.</p>	<p>a. That is a common problem. b. Have you ever stuck to a diet? c. Maybe you just don't have the right help. d. What would you need in order to begin budgeting? *Best response helps client develop solution.</p>
<p>4. I worry about money and my financial future.</p>	<p>a. Yes, worrying will cause you significant stress. b. When do you not worry? c. Do you know anyone who doesn't worry about that? d. I can take care of that. *Best response helps the client find exceptions to the problem.</p>
<p>5. I always screw up with my money.</p>	<p>a. You're in good company. b. What typically happens when you screw up? c. What is one good thing you've done for your situation? d. Most people feel the way you do. *Best response looks for something positive on which to build.</p>

The Eight-Step Counseling Cycle



Financial Counseling Checklist

Your next meeting is _____ (day/date) at _____ hrs, at _____ (location)

Please bring the following items to assist in our meeting:

Item	Remarks
_____ Most recent LES	_____
_____ Bills (past/anticipated)	_____
_____ Correspondence from creditors	_____
_____ Contracts	_____
_____ Your budget OR _____	_____
_____ Completed Financial Planning Worksheet	_____
_____ Checkbook and register	_____
_____ Letters of Indebtedness	_____
_____ Most recent credit report	_____
_____ Other	_____

Financial counselor: _____
Telephone: _____

Your Financial Counseling Book

Compiling a financial counseling notebook with just the essential forms and reference materials you will need for most counseling sessions will help you be better prepared and organized for the interview. Materials to include in your financial counseling notebook:

Privacy Act Statement

Financial Planning Worksheets

Debt-to-Income Ratio Sheet

Pay Tables

Tax Tables

IRS Form W-4

State Income Tax Tables

Sample Letter to a Creditor

MILPERSMAN ARTICLE 7000-020, Indebtedness
and Financial Responsibility of Members

Guide for Writing a Case Narrative

Financial Referral Resources

Privacy Act Statement

1. **LEGAL AUTHORITY:** The authority for soliciting and maintaining this information is found in 5 U.S.C. Sect. 301, in addition to 10 U.S.C. 6161 and 10 U.S.C. 2774 as added by Public Law 92-453.
2. **PRINCIPAL PURPOSE:** The information you provide will help the Command Financial Specialist assist you and your dependents in planning your personal financial affairs.
3. **ROUTINE USES:** The information collected on this form by the Command Financial Specialist will be used as a chronological consultation sheet to provide aid and insight for future financial counseling sessions, to monitor the progress achieved, and to prepare periodic statistical reports on the financial case load of the Command Financial Education Program. In addition to using the information you provide for the “principal purpose” given above, the blanket routine uses of all Navy Privacy Act systems of records are applicable.
4. **OTHER DISCLOSURE OF YOUR INFORMATION:** In addition to using the information you give the Command Financial Specialist for the “principal purpose” and “routine uses” given above, your information may be disclosed in certain other situations, as permitted by exceptions to the Privacy Act. These could include disclosures to a commanding officer and other DoD officials in connection with certain security clearances, personnel reliability programs, and family-abuse situations.
5. **DISCLOSURE IS VOLUNTARY:** The information you provide is strictly voluntary; however, failure to provide this information may result in inadequate facts and hinder or prevent the Command Financial Specialist from being able to assist you.

I have read and understand the above important information and Privacy Act statement. My Command Financial Specialist has explained the contents of the Privacy Act statement to me.

Date _____

Signature

Spouse

Witness/Counselor

Hierarchy of Concerns

Immediate critical financial concerns

Emergency issues that must be addressed right away.

- Housing: immediate eviction or no housing
- No food
- No Transportation
- Clothing: inappropriate for current weather
- Immediate medical attention
- Utility disconnects: shut-offs

Long-term concerns

Issues that are neither immediate and critical, nor pressing, but require assistance.

- Developing a savings plan
- Investment options
- College savings
- Tax issues
- Debt-management plans

Pressing financial concerns

Concerns that are imminent but not an emergency; address within the 10 days.

- Involuntary allotments
- Threat of legal actions, repossession or bankruptcy
- Loans placed for collections by creditors
- Letters of Indebtedness to the command
- Utility disconnects
- Repairs on an essential automobile
- Eviction notices
- Lack of food
- No gasoline for the car
- No diapers for infants
- Pay problems resulting in reduced paycheck
- Emergency leave
- Bounced checks

Guide to Writing a Case Narrative

1. If client was referred to the Command Financial Specialist Program, who made the referral (name of person, organization, etc.)?
2. Who attended the counseling session (service member, spouse or both)?
3. What are the main concerns of the client regarding his/her financial situation (having problems between paydays, establishing a spending plan, delinquent accounts, Letters of Indebtedness to the command, etc.)?
4. What circumstances in the past have contributed to the present financial situation (transfer, emergency, loss of income, etc.)?
5. Does the client have any emergency needs (food, eviction, loss of electricity, summons to appear in court for judgment, etc.)?
6. What is the “bottom line” after working up the monthly budget (surplus or deficit)?
7. Was a “break down” by paydays and projected budget prepared?
8. What options and/or assistance were given to the client (how to economize on living expenses, how to establish a budget and record-keeping system, how to contact creditors and make repayment arrangements, etc.)?
9. What referrals were made?
10. Were other people or agencies contacted in regard to the client’s case (name, agency, address, phone number, information shared, agreements made, etc.)?
11. What tasks were assigned to the client (keep record of all spending, contact creditors to establish a repayment plan, etc.)?
12. Was a follow-up session scheduled (date and time)?
13. What was discussed and accomplished at the follow-up session (what has happened since last session, what tasks were accomplished and assigned, what still needs to be addressed, etc.)?
14. When is case closed (date and status of the client)?

How Do You Rate as a Money Manager

Answer the questions according to your PRESENT financial experiences.

	A	B	C
1. I have managed the bulk of my own expenses since I was:	16 to 18	18 to 21	over 21
2. I have my own checking account.	now	at one time	never
3. I have my own savings account	now	at one time	never
4. I have trouble balancing my checkbook.	never	sometimes	usually
5. I run out of money before I run out of month.	never	sometimes	usually
6. I am bothered by a creditor demanding payment on an overdue bill.	never	sometimes	usually
7. I worry about money.	never	sometimes	usually
8. I have been refused credit.	never	once	more than once
9. I am in debt.	never	sometimes	usually
10. I spend more than I planned.	never	sometimes	usually
11. I can afford what I want.	never	sometimes	usually
12. I regret what I buy.	never	sometimes	usually
13. I save regularly.	never	sometimes	usually
14. I enjoy spending money.	never	sometimes	usually
15. I feel as if I've thrown my money away.	never	sometimes	usually
16. My wife/husband thinks I'm a _____.	penny pincher	prudent spender	spendthrift
17. I think I'm a _____.	penny pincher	prudent spender	spendthrift
18. I like extravagances.	never	sometimes	usually
19. Lack of money is my biggest problem.	never	sometimes	usually
20. I buy on impulse.	never	sometimes	usually
21. I buy ahead.	never	sometimes	usually
22. I have to juggle my creditors.	never	sometimes	usually
23. There are important things I want that I will _____ get.	probably	possibly	never
24. I would go into debt to take a vacation.	never	sometimes	usually
25. I review my net worth.	each year	sometimes	never
26. I count on future raises or bonuses to pay some of my bills.	never	sometimes	always
27. I write checks and then have to cover them.	never	sometimes	usually
28. I have had checks bounce.	never	sometimes	often
29. I estimate my expenses well.	usually	sometimes	never
30. My monthly rent or mortgage payments are _____ of my monthly after-tax income.	less than 25%	25%	more than 25%

Scoring: A=1 B=3 C=5

Total: _____

Financial Values Clarification

This exercise is designed to start you thinking and talking about your financial values in terms of goods and services that are important to you. Spending your money is a very personal thing — what you consider to be a luxury, your spouse or “significant other” may consider a necessity. If necessary, what items could you eliminate from your possessions or goals? Do your work individually—do not consult with your partner. Respond in accordance with your feelings and not as you “think” you should respond.

Beside each of the items listed below, indicate how you would rate each one:

1 Necessary	2 Very Useful	3 Merely Desirable	4 Luxury	5 Not Desirable
--------------------	----------------------	---------------------------	-----------------	------------------------

- | | | | |
|---|-------|---|-------|
| 1. Annual vacation | _____ | 22. Health club membership for spouse | _____ |
| 2. Dinner out once a week..... | _____ | 23. College education for children | _____ |
| 3. Washing machine..... | _____ | 24. Extra money for liberty while deployed | _____ |
| 4. Long-distance calls to spouse's family | _____ | 25. Dinner out once a month | _____ |
| 5. Savings account | _____ | 26. Investments (stocks, bonds) | _____ |
| 6. Own a home..... | _____ | 27. Department store credit cards | _____ |
| 7. Surround-sound system | _____ | 28. VISA and Mastercard credit cards | _____ |
| 8. Health club membership for yourself..... | _____ | 29. Health insurance for family | _____ |
| 9. Hairdresser once a week..... | _____ | 30. Second car | _____ |
| 10. Motorcycle..... | _____ | 31. Additional education for yourself | _____ |
| 11. Movie once a week | _____ | 32. Dishwasher | _____ |
| 12. Life insurance..... | _____ | 33. Long-distance calls to your family | _____ |
| 13. Family car or station wagon..... | _____ | 34. Hairdresser once a month | _____ |
| 14. Family van | _____ | 35. Visits with your family | _____ |
| 15. Additional education for spouse | _____ | 36. Extra baby-sitting money when spouse
is deployed | _____ |
| 16. Visits to spouse's family | _____ | 37. Sporting events tickets | _____ |
| 17. Air-conditioning in home..... | _____ | 38. HD TV | _____ |
| 18. Gasoline credit card | _____ | 39. Movie once a month | _____ |
| 19. New outfit once a month..... | _____ | 40. Swim club membership for family | _____ |
| 20. Swimming pool in backyard..... | _____ | 41. Clothes dryer | _____ |
| 21. Checking account..... | _____ | 42. Boat | _____ |

