

1 General Information

11 What This Handbook Covers

This handbook contains the information and procedures that you as a postmaster or other installation head submitting a statement of account need to fulfill your financial responsibilities.

This chapter contains objectives and guidelines on the following topics:

- Accounting responsibilities.
- Liability for financial losses.
- Protecting accountable papers and/or items.
- Applying financial controls.
- Making the transition from manual to automated preparation of financial documents.

The remaining chapters contain detailed policies and procedures, including references to other publications, on how to meet the objectives discussed in this chapter.

12 Before You Start Reading

To save time and find what you need quickly, ask yourself the following questions before you start reading:

- Is your installation integrated retail terminal (IRT) or non-IRT?
- Is your installation standard field accounting procedures (SFAP) or non-SFAP?
- Is your installation a banking or nonbanking facility?
- Is your installation serviced by the stamp distribution office (SDO) or a stamp services center (SSC)?

The procedures in this handbook are organized under these categories. You can find the sections and procedures that pertain to you most easily by first determining your installation's categories and then looking under the corresponding headings in each section for the procedures you need.

Place an X in each row beside the type of installation that best describes your office in the following table:

	<p>IRT: A post office or reporting station or branch with a computer-based device that automatically calculates postage and fees and helps with the management of the financial operations.</p>		<p>Non-IRT: A post office that uses manual forms and/or documents to manage the financial operations.</p>
	<p>SFAP: A consolidation of several units, by way of data transmission, allowing one office to prepare a statement of account for all units under this concept.</p>		<p>Non-SFAP: A post office where the postmaster or a designee prepares its own statement of account, and a unit reporting to the district accounting office.</p>
	<p>Banking: A post office that manages its own bank account.</p>		<p>Nonbanking: A post office that makes deposits into a consolidated bank account administered by another post office or a district accounting office.</p>
	<p>SDO: A section of a major post office or district that receives and disburses stamps, stationery, and philatelic products. It provides stamps and stamp products for all post offices, stations, and branches within its service area.</p>		<p>SSC: An entity not reporting to a district that has its own finance number and services multiple districts. It provides all accountable paper stock and instructions to each unit (post office, station, branch, or contract) within its service area regardless of size.</p>

13 Accounting Responsibilities

131 Basic Accounting Responsibilities

Postmasters must collect all receipts to which their offices are entitled, account for all funds entrusted to them, and ensure that they meet accounting objectives.

132 Guidelines for Delegation

132.1 Keeping Duties Separate

- 1> Maintain adequate internal control to separate the duties of personnel who handle cash or accountable paper from the duties of personnel who record and establish responsibility for financial transactions.
- 2> Make every practical effort to ensure that supervisory personnel responsible for the main stock do not make sales or handle cash.
- 3> Document all assignments.

132.2 Exception

The provisions of section 132.1 do not apply when you have personal custody of accountable paper and funds, maintain the accountbook, and prepare the statement of account.

133 Guidelines for Verifying Data

133.1 Verifying the Statement of Account

- >> In non-SFAP offices, the postmaster must verify that the statement of account is accurate and complete before signing.
- >> In SFAP offices, the district Finance manager or a designee must verify that the statement of account is accurate and complete before signing.

133.2 Reporting False Entries

- >> Report any indications of false entries to the local inspector in charge (see *Administrative Support Manual 220*). A false entry made by a postmaster or postal employee in an official account to force a balance or show an incorrect condition violates federal law (18 U.S.C. 2073).

14 Liability for Financial Losses

When an accountable financial loss occurs and evidence shows that the postmaster or responsible manager enforced U.S. Postal Service (USPS) policies and procedures in managing the post office, the Postal Service grants relief for the full amount of the loss. When evidence fails to show that the postmaster or responsible manager met those conditions, the Postal Service charges the postmaster or responsible manager with the full amount of the loss.

141 Other Employees' Liability

The postmaster or responsible manager consigns postal funds and accountable paper to other career employees. Employees are held strictly accountable for any loss unless evidence establishes that they followed the postal procedures established when performing their duties.

142 **Demanding Payment for Losses**

All employees must receive written notice of any money demand for any reason.

- >> The postmaster or designee must sign a letter of demand, which does the following:
 - Notifies the employee of a USPS determination of the existence, nature, and amount of the debt.
 - Specifies the options available to the employee to (1) repay the debt or (2) appeal the USPS determination of the debt or the proposed method for repaying.

Regulations detailing the rights of nonbargaining unit employees and the collection and appeal requirements that apply are in *Employee and Labor Relations Manual* (ELM) 450. Requirements for collecting debts from bargaining unit employees are in ELM 460 and the applicable collective bargaining agreement.

15 Protecting Accountable Papers and/or Items

151 **Accountable Paper Security**

151.1 **Postmaster and Station or Branch Manager**

- 1> Ensure that protective equipment is used for maximum security at all locations. Observe the following priorities of protection.

Priority	Item
1	Postal funds (see section 37).
2	Postage stamps, aerogrammes, international reply coupons, migratory-bird hunting and conservation stamps (bird stamps), philatelic, and blank money order forms.
3	Stamped envelopes and postal cards, money order imprinters, nonsalable stamp stock, and nonpostal items.

- 2> Ensure that the descending levels of security in your installation are followed.

Level	Equipment
1	Burglar-resistant chests in fireproof safes or security containers located in walk-in vaults.
2	USPS standard vaults or security containers.
3	Security chests or burglar-resistant chest portion of fireproof safes.
4	Fireproof safes or vaults not built to USPS standards.
5	Lockable metal cabinets and file drawers.

- 3> Order equipment according to the criteria in Handbook AS-701, *Supply Management*, Chapter 2.
- 4> Examine all equipment assigned to an employee used to protect stock or funds to ensure proper safekeeping.
- 5> Ensure that all accountable paper received into and dispensed from the main stock/unit reserve is controlled. The responsibility for the main stock/unit reserve may be assigned only to a supervisory employee having no access to the cashbook. If this procedure is impractical, maintain the stock personally.

151.2 **Postmaster or Supervisor**

- >> Ensure that combinations and locks are uncompromised and changed whenever the equipment or employee is reassigned (see section 372).

151.3 **All Employees Handling Accountable Paper**

- >> Maintain accountable items in the security equipment and advise management in writing of equipment inadequacy or malfunction.

151.4 **Postal Funds**

151.41 **Keeping Custody**

Postal funds (a) must be kept safely without loaning, using, depositing in an unauthorized bank, or exchanging for other funds; (b) must be kept separate from personal funds.

- >> Keep postal funds inaccessible to the public and concealed from view. Make necessary arrangements for advance deposits, in addition to regular deposits, when funds in excess of normal operating needs accumulate early in the day. When funds are not continuously observed, keep them in locked receptacles.

151.42 **POS ONE Cash Drawer**

Retail service employees are required to use the POS ONE cash drawers for all daily retail service transactions as they occur. POS ONE cash drawers provide protection for postal funds collected at window service counters.

Retail service employees are to submit periodic advance remittance of funds when necessary. These remittances are to be entered to AIC 751 on PS Form 1412, *Daily Financial Report*, as delineated in 221.12.

151.43 **Making Deposits**

Postmasters must ensure that all postal funds, except the authorized cash portion of stamp credits and cash reserves, are deposited in the prescribed official bank account.

151.44 **Making Withdrawals**

Postmasters must not withdraw funds once deposited. Funds in the official bank account are transferred by Corporate Treasury.

152 Controlling Accountable Receipts

152.1 Defining

The receipt forms listed in the table below are controlled items. These receipt forms are available at the Material Distribution Center (MDC) in Topeka. Post Offices and postal retail units may order them from the MDC by calling 800-332-0317, Option 2. *Do not reproduce the forms locally.*

Form	Title
3544	<i>USPS Receipt for Money or Service</i>
3602-PO	<i>Postage Collected Through Post Office Meter</i>
3603	<i>Receipt for Postage Meter Setting</i>

152.2 Recording by the Post Offices or Postal Retail Units

Post Offices and postal retail units must record accountable receipts as follows:

- 1> Assign serial numbers in sequential order for each book received from the MDC.
- 2> Verify continuity of the receipt serial number when books are issued.
- 3> Notify the local inspector-in-charge if the recipient reports missing numbers or pages.

152.3 Processing Spoiled or Voided Forms and Partially Used Books

Post Offices and postal retail units must process spoiled or voided forms and partially used books as follows:

- 1> Staple together spoiled or voided forms, and maintain them at the office.
- 2> For partially used books, verify that no receipts are missing and maintain them at the office for 4 years.

16 Applying Financial Controls

The accounting service centers, inspection service, and individual post offices apply the financial controls designed to enforce safeguards and procedures in protecting USPS financial resources, as detailed below.

161 Accounting Service Centers

These centers audit statements of account to ensure that postmasters report and account for financial transactions, following USPS policies and procedures. Prepare a financial exception report for use by the local inspector in charge.

162 Inspection Service

The inspection service has the authority to audit postmaster accounts.

163 Post Offices

The postmaster or responsible manager is required to examine each facet of post office financial controls as outlined in this handbook.

17 Making the Transition From Manual to Automated Preparation of Financial Documents

The Postal Service has invested considerable time and money to provide an orderly transition from manual to automated preparation of many financial procedures. The following statement provides authority and guidelines to installations submitting a statement of account. If this statement does not clearly pertain to the situation at your installation, contact the district Finance manager.

You may substitute for the manually prepared forms described in this handbook any forms, records, and reports produced by Headquarters' approved automation device.

Approved devices are defined as programmable calculators, integrated retail terminals (with some exceptions), and micro- and minicomputers that record information in the device's memory or produce facsimile forms, records, and reports.

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