

AMERICAN POSTAL WORKERS UNION
AFL-CIO
MOE BILLER, PRESIDENT

ARTICLE 28

POSTAL INSPECTION SERVICE
BURDEN OF PROOF
INVESTIGATION
DEBT COLLECTION ACT

APWU

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UPDATED - APRIL 2000 - BY

AMERICAN POSTAL WORKERS UNION
ARTICLE 28 COMMITTEE
MARY HOGARTY, BEN LYONS, WILLIE MELLEN,
JOHN PALMER AND BOB STUTTS

FOR

NATIONAL CLERK DIVISION

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IF THERE ARE ANY QUESTIONS IN REFERENCE TO THIS MANUAL, PLEASE CONTACT YOUR RESPECTIVE NATIONAL BUSINESS AGENT AND/OR REGIONAL COORDINATOR.

THE INSPECTION SERVICE

The Inspectors spend ungodly sums of money each year just in trying to set up or test window clerks. The main problem is, they feel they have to “get” people, to justify their continued expenditures in this area.

When, and if, you are approached by the Inspectors, as to being interviewed, remember one word, *Weingarten*. This is your right to union representation before you answer any questions. The Supreme court and the NLRB have repeatedly reinforced your rights in this regard. You not only have the right to have a steward present, but you have the right to confer with your steward ahead of time.

When you invoke Weingarten, the courts have said, management or the Inspectors have to either go forward without your input, get you a representative immediately, or delay your questioning until such union representation can be provided.

The Inspectors depend on scared and frightened people to make their case for them. They also pounce on any revelations that may have nothing to do with what they are after, but rather, what they can make a case from. If they need to get information from you, it means they do not have all the proof they need.

Following is a letter (A17) that explains your right to a steward and the steward's rights while in the interview. **There is no iron clad rule but usually the less you say the better.**

NEVER SIGN A WAIVER OF YOUR RIGHT!!!

Bob Stutts
Special Assistant to the President
Southern Region

APPENDIX A



American Postal Workers Union, AFL-CIO

1300 L Street, NW, Washington, DC 20005

INTRODUCTION:

The American Postal Workers Union, AFL-CIO, recognizes the necessity of a law enforcement agency within the U.S. Postal Service to ensure compliance with Federal Laws and Postal Regulations; to protect postal employees, postal revenue, and postal property.

This guide is not to be construed as an attempt to obstruct, impede, or delay the legitimate discharge of the duties of the Postal Inspection Service.

All too often, postal workers resort to hushed voices and constrained intimidation whenever it becomes necessary to meet with a postal inspector. This attitude in itself is totally alien to open, democratic society in the United States of America.

The intent of these guidelines is to define, in worker's terms, the rights of the postal employee who is represented by the American Postal Workers Union.

Yours In Union Solidarity,

MOE BILLER
PRESIDENT

Part I

Article 17 Section 3

“If an employee requests a steward or Union representative to be present during the course of an interrogation by the inspection service, such request will be granted.” All polygraph tests will continue to be on a “voluntary basis”.

The foregoing is an excerpt from the National Agreement and it raises some questions of significant importance to the craft employees represented by the American Postal Workers Union.

Some of the most frequent asked questions are:

1. Q. When should I request a union representative?
A. As soon as an individual identifies themselves to you as a Postal Inspector and they advise you they would like to ask you some questions. This request should include incidents (for window clerks) in which inspectors count your stamp stock, where you could become the subject of an investigation.

2. Q. Are inspectors required by contract language to advise you that you are entitled to have a union steward present during an interrogation?
A. No. They are not required to inform the employee, nor will they inform the employee. The responsibility rests with the employee to know specifically what their rights are.

3. Q. What are your rights during an interrogation by the inspection service in which you could possibly be the subject of a criminal investigation?

A. The best possible advice to an employee during this type of situation is to remain silent. Advise the inspector that you intend to seek legal counsel. Then when you have engaged the services of an attorney you will cooperate with their investigation. One rule to remember is that if enough evidence had been gathered to establish criminal culpability, they will advise you of your rights under law and proceed with formal criminal arraignment. If, on the other hand, they continue the interrogation, in general terms, they probably are still fishing for evidence.

4. Q. What is PS1067, U. S. Postal Inspection Service warning and waiver of rights, and should I sign this form if requested?

A. The PS1067 is commonly referred to as the Miranda warning; essentially it is an official warning before you are asked any questions and it is a waiver by the employee of their rights. [A copy of PS1067 Numbered Addendum #1 is part of this Guide]. Under no circumstances should an employee sign this form until they have engaged legal counsel.

Usually the PS1067 becomes part of criminal investigation when the investigation focuses on an employee who has become the prime suspect.

5. Q. If a craft employee is temporarily assigned to a management position (e.g. Officer in Charge or Acting Supervisor) is he/she covered by the provisions of the National agreement with respect to union representation during an interrogation.

A. Yes. An employee on a temporary assignment to a management position has all the rights applicable to his/her regular position, not those applicable to the temporary position.

6. Q. What is an Investigative Memorandum?

A. After the completion of an investigation criminal or otherwise an investigative memorandum is furnished to local management. It serves as a formal record of given attention and the inspector's findings. Also, they serve to present evidence in support of charges that may be issued by the Postmaster or other administrative official against an employee. The union has every right to request copies and review all material relied upon to support the reasons for an advance notice from the Postmaster or other administrative official of a proposed suspension or discharge and that all facts, including affidavits or other exhibits must be made available in connection with any grievance appeal or arbitration proceeding. See a copy of An Official Investigative Memorandum Addendum #2.

7. Q. Are there any situations in which an employee should agree to a polygraph test?

A. In accordance with the National Agreement, polygraph tests are voluntary. It is not a good idea to volunteer for a polygraph examination until the employee obtains the advice of legal counsel.

8. Q. What is the role of a union steward/representative during an investigatory interview?

A. This is perhaps one of the most important functions that a union steward/representative is confronted with. Refer to Addendum #3 and #4. The union steward/representative should not remain a passive observer. Although the union steward/representative has every right to participate in investigative interview, representing a craft employee, the facts of life are that the inspection service uses intimidating tactics in an attempt to reduce

any input the union person might have during the investigative interview. The union has an obligation as the collective bargaining representative to take an active part on behalf of the employee being interviewed. Bear in mind not to become argumentative or engage in legal discussions with the inspection service. If the situation becomes entangled in interpretations of law or in legal opinions, the best advice to give to an employee is to seek legal counsel.

9. Q. Are all Postal Service employees required to cooperate in Postal investigations?

A. Yes. All Postal Service employees are required to cooperate in a Postal Service investigation. When an employee has been arrested for violation of criminal law, or when the investigation of a violation of criminal law has reached the accusatory state, e.g. the investigation had begun to focus on the employee as a suspect in the investigation, the employee must be informed of his Constitutional rights against self-incrimination. He/she is entitled to remain silent there after or to refuse to answer questions except in the presence of his/her attorney. [see addendum #1] This warning is based upon the United States Supreme Court decision of *Miranda V. Arizona*, 384 U.S. 436. All law enforcement officers are required to give persons under investigation an explanation of their constitutional rights.

10. Q. Can an employee request the presence of a union steward and an attorney during questioning?

A. Yes, the employee is not required to make an election between having an attorney or a union steward/representative present; he/she is entitled to the presence of both.

11. Q. Are Postal Inspectors authorized to issue letters of charges or recommend disciplinary action against an employee?

A. No. Inspectors are not authorized to issue letters of charges or recommend disciplinary action in any manner. Inspectors similarly must not make recommendations or give opinions to management personnel with respect to the disciplinary action to be taken against an employee.

12. Q. Is an employee required to make a written statement when requested by the Postal Inspection Service?

A. No. It is the position of the union that there is no requirement legal or contractual to submit a written statement to the Postal Inspection Service when they should make this request. Any statement written or recorded is voluntary. It should be of extreme importance for the employee to consult an attorney if this situation should arise. Consult an attorney before giving a statement, written or oral.

Part II Analysis and Interpretation for the Union Steward

In **Part I** we discussed some of the more frequently asked questions with respect to the rights of an employee during an investigative interview with the Postal Inspection Service. In **Part II** we will analyze and discuss some of the more technical aspects of representation. For example:

- A. Obligation of representation
- B. Investigation of Non Postal Offenses
- C. Analysis of charges and evidence

Under the terms of the National Agreement, the union has an obligation to represent the craft employees for which we have exclusive representation. This includes not only contract enforcement with postal management, but also should the occasion arise to represent craft employees in contacts with the Postal Inspection Service.

As Postal employees we are subject to investigation by Postal Inspection Service for off duty as well as on duty. Generally, off duty non-postal offenses subject to investigation will include, but are not limited to:

- a. Serious acts of criminal violence
- b. Use of fire arms or other dangerous weapons in the commission of a crime
- c. Grand larceny, burglary, embezzlement, or robbery
- d. Sale or possession of narcotics or dangerous drugs
- e. Any offense that may be directly job related, such as, but not limited to, reckless driving when the employee is a motor vehicle operator.

Frequently as a result of off duty arrest [non postal offenses] the employee will receive disciplinary action from the Postal Service, based on the investigative memorandum from the Postal Inspection Service. In particular, if the incident in question generates adverse publicity for the Postal Service. Many instances of disciplinary action against an employee is initiated before the employee has had his/her case adjudicated in a court of law.

The legal aspects are outside of the union steward's concern in this situation. However, particular attention to the time limits in processing the grievance should be the primary concern of the steward. Many times an employee is exonerated of the charges, and a properly processed grievance results in reinstatement for the employee.

In appealing the grievance the steward should request all evidence, exhibits, statements including a copy of the investigative memorandum in connection with the grievance. Careful attention should be directed to this material noting any conflicts in statements or procedural errors in the advanced notices of disciplinary action.

Example:

- a. Conflicting dates or times or conflicting witness' statements
- b. An expression by management in the disciplinary action that they relied solely on the Inspector's memorandum in issuing this advanced notice of disciplinary action. Postal inspectors are prohibited from formulating charges against an employee.

This is supported by Arbitrator Dash in case EIC-2B-D-855 & 856.

"But for local management to have done nothing else, to have drawn no conclusions from the quotations of the investigative memorandum, and to have failed to express such conclusions in the form of "charges" against the

grievant, left a void in the December 7, 1981 "Notice of Removal" that could not be filled by some later written conclusions of local or higher levels of postal management.

- c. The discipline must meet the "test of a just cause" as defined in Article 16, Section 1.
- d. Management must be specific in their disciplinary charges article 16, Section 5. "Suspension of more than 14 days or discharge."

Often union stewards become panicky when they process a grievance in which the Postal Inspection Service is involved. Remember, they are not cloaked with a mantle of infallibility. Investigate the grievance, collect the facts involved in the case, and ask yourself the six success questions:

1. Who?
2. What?
3. When?
4. Where?
5. Why?
6. How?

Stewards should give special attention when craft employees with responsibility for financial accountability receive suspension or removal notices for alleged wrongdoing. The burden of proof falls upon management to support these charges. There is significant arbitral reference established in this area, for example:

1. No. AB-N-10855 Arbitrator Gamser stated "In such an instance, in the opinion of the undersigned, the 'Beyond a reasonable doubt' standard, must be met by the employer. The grievant's reputation cannot be shattered by employing a lesser standard."
2. N8C-IE-D Arbitrator Zumas; "While the standard of proof in a discharge case (preponderance of evidence) is a lesser standard than required than that required in a criminal prosecution (beyond a reasonable doubt), the burden is nonetheless, a heavy one." Surmise, speculation, or conjecture is not allowed.
3. No. E8C-2D-D 7381 2 Arbitrator Dash; "The charges against Grievant (M.) include that of 'misappropriation of Postal Service Funds.' If this charge is sustained by the arbitrator he would in effect, be labeling the Grievant as a 'thief' who helped himself directly by taking Postal Service Funds for his own use, or indirectly by purposely, knowingly and intentionally setting up a "Buffer" against future shortages in such a fashion as to enable him to profit thereby. For the arbitrator to place such a label upon an employee, which can affect his employability for his entire lifetime, the arbitrator is of the conviction that such a charge must be supported not simply by a 'preponderance of the evidence'. But by evidence which prove such charges 'beyond a reasonable doubt'.

When management issues charges which include, misappropriation of Postal funds, mishandling of postage due funds, theft of postal funds ect. against an employee it is as a result of a postal inspection investigation and the issuance of a memorandum of investigation by the inspection service. The above referenced arbitrator's positions clearly show that the burden of proof falls upon management. An important point for the steward to remember, always treat all steps in the grievance procedure as if the case will eventually be settled by an arbitrator. Additionally, do not speculate whether the grievant is guilty or not guilty, have your facts organized, document carefully, call a state officer or national officer if you need assistance, stay cool and act professionally.

ADDENDUMS

1. PS Form 1067
2. Sample of Investigative Memorandum
3. Letter requesting clarification to Postal Service from APWU
4. Postal Service's response to clarification request
5. Copy CBR 80-2
6. Copy of letter from Chief Inspector
7. The Miranda Rights
8. The Weingarten Rights
9. PS Form 7020

ADDENDUM #1

UNITED STATES POSTAL INSPECTION SERVICE WARNING AND WAIVER OF RIGHTS

Place: Shiokenville Pa

Date: Sept 8, 1981 Time: 1 PM

WARNING

BEFORE YOU ARE ASKED ANY QUESTIONS, YOU MUST UNDERSTAND YOUR RIGHTS.

- You have a right to remain silent.
- Anything you say can be used against you in court.
- You have the right to talk to a lawyer for advice before we ask you any questions and to have him with you during questioning.
- If you cannot afford a lawyer, one will be appointed for you before any questioning if you wish.
- If you decide to answer questions now without a lawyer present, you will still have the right to stop answering at any time. You also have the right to stop answering at any time until you talk to a lawyer.

(Date) (Time)

WAIVER

(Signature)

I have read this statement of my rights (This statement of my rights has been read to me) and I understand what my rights are. I am willing to discuss subjects presented and answer questions. I do not want a lawyer at this time. I understand and know what I am doing. No promises or threats have been made to me and no pressure or coercion of any kind has been used against me.

(Signature)

(Time)

(Date)

Witnessed by: R. Gonzalez

Title: Postal Inspector

Witnessed by: A. P. Ward

Title: Postal Inspector

Understands his rights but refuses to sign any portion of the form

ADDENDUM #2

IV-4-8 Exhibit A (Investigative
Memorandums)

Confidential Field Manual

(For transmittal of complete Investigative Memorandums in cases in which the Postmaster or other administrative official is requested to inform you of the action taken.) (See IV-4-8.12 and 8.14)

OUR REF:

DATE:

SUBJECT: (Name of employee, title, and place of employment)

TO: Mr. (Postmaster, Installation Head or District Manager/Postmaster)
(Address)

Herewith is an Investigative Memorandum (and exhibits) relating to the conduct of (Subject). The information is submitted for your consideration and decision as to whether disciplinary action is warranted.

Please advise me, in writing, of your decision in this matter. If you decide to initiate disciplinary action please furnish me a copy of the letter to the employee and your final decision letter. Additionally, if your original decision is subsequently modified in any way as the result of a grievance, appeal or arbitration proceeding, please advise me of the final results of the action taken.

Postal Inspector

Enclosure: Investigative Memorandum

April 1977

ADDENDUM #3

CBR 82-4
6/15/82

Addendum No. 21

File Under: Article 17, 3.



American Postal Workers Union, APWU-CIO

817 14TH STREET, N.W., WASHINGTON, D. C. 20008

May 10, 1982

Joseph Morris
Senior Assistant Postmaster General
Employee and Labor Relations Group
U.S. Postal Service Headquarters
Washington, D.C. 20260

Dear Mr. Morris:

The United States Postal Service Inspection Service has adopted policy that stewards or union representatives under the Collective Bargaining Agreement are prohibited from participating in investigative interviews of bargaining unit employees. Stewards or union representatives are instructed to remain silent, participating as passive observers throughout the interview.

This issue has been resolved in several court decisions, including Weingarten and Tezaco. In the Tezaco decision the Court stated:

A single employee confronted by an employer investigating whether certain conduct deserves discipline may be too fearful or too inarticulate to relate accurately the incident being investigated, or too ignorant to raise extenuating factors. A knowledgeable union representative could assist the employer by eliciting favorable facts, and save the employer production time by getting to the bottom of the incident occasioning the interview.

In refusing to permit the representative to speak, and relegating him to the role of a passive observer, the respondent did not afford the employee the representation to which he is entitled, (NLRB v. Tezaco, Inc., 108 LRM 2850 (October 16, 1981)).

Please notify the appropriate postal officials that stewards or union representatives may not be relegated to a role of passive observers in investigative interviews, however if there is disagreement as to the interpretation or application of the above stated provisions, please respond

Joseph Morris
Senior Assistant Postmaster General
Employee and Labor Relations Group

May 10, 1982

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in writing that we may invoke applicable procedures to resolve such dispute.

I am available to discuss this issue and may be reached at
842-4250.

Sincerely,

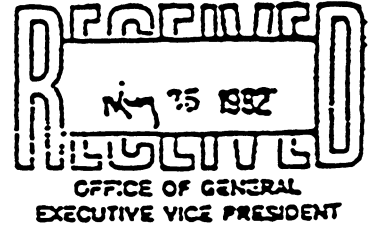
William Burns,
General Executive Vice President

WB:mc

ADDENDUM #4



CHIEF POSTAL INSPECTOR
Washington, DC 20260



May 24, 1982

Mr. William Burrus
General Executive Vice President
American Postal Workers Union, AFL-CIO
817 14th Street, N.W.
Washington, DC 20005

Dear Mr. Burrus:

This replies to your May 10, 1982, letter to Senior Assistant Postmaster General Joseph Morris concerning the role of stewards or union representatives in investigatory interviews. Specifically, you expressed concern that the Inspection Service has adopted a policy that union representatives be limited to the role of a passive observer in such interviews.

Please be assured that it is not Inspection Service policy that union representatives may only participate as passive observers. We fully recognize that the representative's role or purpose in investigatory interviews is to safeguard the interests of the individual employee as well as the entire bargaining unit and that the role of passive observer may serve neither purpose. Indeed, we believe that a union representative may properly attempt to clarify the facts, suggest other sources or information, and generally assist the employee in articulating an explanation. At the same time, as was recognized in the Texaco opinion you quoted, an Inspector has no duty to bargain with a union representative and may properly insist on hearing only the employee's own account of the incident under investigation.

We are not unmindful of your rights and obligations as a collective bargaining representative and trust that you, in turn, appreciate the obligations and responsibilities of the Inspection Service as the law enforcement arm of the U. S. Postal Service. In our view, the interests of all can be protected and furthered if both union representative and Inspector approach investigatory interviews in a good faith effort to deal fairly and reasonably with each other.

Sincerely,


K. H. Fletcher



UNITED STATES POSTAL SERVICE
475 L'Enfant Plaza, SW
Washington, DC 20260

April 24, 1980

Mr. Kenneth D. Wilson
Administrative Aide, Clerk Craft
American Postal Workers Union, AFL-CIO
817 - 14th Street, N. W.
Washington, D. C. 20005

Re: K. Schroff
Jacksonville, FL
A8-8-0595/S8C3WC11331
APWU 0595

Dear Mr. Wilson:

On April 3, 1980, we met on the above-captioned case at the fourth step of the contractual grievance procedure set forth in the 1978 National Agreement.

During our discussion, we concluded that at issue in this grievance is a steward's right to represent an employee who is being questioned by the Inspection Service.

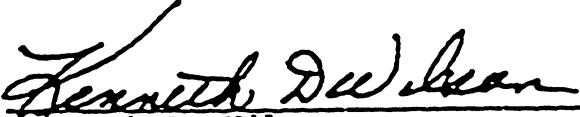
After reviewing the information provided, it is our mutual position to consider this grievance closed with the understanding that management must comply with the April 5, 1979 memorandum signed by the Chief Inspector, copy attached.

Please sign the attached copy of this letter as your acknowledgment of the final disposition of this case.

Sincerely,



Daniel A. Kahn
Labor Relations Department



Kenneth D. Wilson
Administrative Aide, Clerk
Craft
American Postal Workers Union,
AFL-CIO

APR 28 1980

CBR 80-2 Addendum No. 28
6/1/80

File Under: Article XVII, Sec. 3.
4th Paragraph

I N T E R P R E T A T I O N
Article XVII, Section 3

Page 51

A8-S-0595

(H8C-3W-C-11331)

Jacksonville, Florida

STEWARD HAS RIGHT TO REPRESENT EMPLOYEE DURING
POSTAL INSPECTOR INTERROGATION

Article XVII, Section 3., 4th Paragraph:

"If an employee requests a steward or Union representative to be present during the course of an interrogation by the Inspection Service, such request will be granted. All polygraph tests will continue to be on a voluntary basis."

The issue involved in this grievance concerns the denial of a steward or Union official who is designated to represent an employee during an interrogation is entitled to actively represent the individual, not merely sitting silently and passively during the course of the interrogation.

Management contended the new language in Article XVII, Section 3 only gives a steward the right to be "present", if requested, by an employee during an interrogation by the Inspection Service.

Step 4 disposition April 24, 1980:

After reviewing the information provided, it is our mutual position to consider this grievance closed with the understanding that management must comply with the April 5, 1979 memorandum signed by the Chief Inspector, copy attached."

NOTE: Letter from Chief Postal Inspector Benson, April 5, 1979 was contained in CBR 79-1, 4/17/79, Addendum No. 2.

FMN
5/80

ADDENDUM #6

CBR 79-1
4/17/79

Addendum No. 2

File Under: XVII 3, Par. 4



CHIEF POSTAL INSPECTOR
Washington, D.C. 20260

April 5, 1979

Mr. Emmet Andrews
General President
American Postal Workers Union, AFL-CIO
817 Fourteenth Street, N.W.
Washington, D.C. 20005

Dear Mr. Andrews:

Reference is made to the telephone conversation between you and Deputy Chief Inspector, Kenneth H. Fletcher, on March 30, 1979, regarding the role of union representatives in Inspection Service interrogations.

The Inspection Service recognizes that a bargaining unit employee has a right to have a union representative present during the course of an Inspection Service interrogation if the employee so requests. In our view, the union representative's purpose, or role, in such interrogations is to safeguard the interest of the individual employee who perceives a threat to job security and to protect the interests of the entire bargaining unit. With respect to the individual employee, we believe that a union representative may attempt to clarify the facts, suggest other sources of information, and generally assist the employee to articulate his/her explanation. At the same time, exercise of the employee's right may not interfere with legitimate Inspection Service prerogatives, and the Inspector has no duty to bargain with any union representative. An Inspector may properly insist upon hearing only the employee's own account of the matter under investigation and need not listen to the representative's version of what has transpired.

In criminal matters, employees are entitled to exercise their Constitutional rights against self-incrimination by remaining silent or refusing to answer questions except in the presence of their attorney. Before conducting a custodial interrogation of an employee during a criminal investigation, the Inspector must

advise the employee of the procedural safeguards articulated in the Miranda case to secure the employee's privilege against self-incrimination. Included is his/her right to the presence of an attorney, either retained or appointed. The presence of a union representative does not discharge the Inspection Service's obligation required under Miranda. Thus, a union representative should not and cannot properly assume an attorney's role. The employee is entitled to the presence of both.

In sum, the interests of all can be protected and furthered if both union representatives and Inspectors approach such interrogations in a good faith effort to deal fairly and reasonably with each other. In this regard, please be assured that the Inspection Service requires that Inspectors comply fully with the letter and spirit of the National Agreement, including the provision pertaining to union representation. And I am confident that union representatives will likewise comply fully with the Agreement.

We are not unmindful of your obligations as a collective bargaining representative and trust that you appreciate the obligations and responsibilities of the Inspection Service as the law enforcement arm of the Postal Service. If you have any suggestions as to how the Inspection Service and your Union may foster a better understanding of each other's responsibilities and a more cooperative relationship in this area, I would welcome hearing from you.

Sincerely,

W. H. Fitch

JN
C. Neil Benson
Chief Postal Inspector

THE MIRANDA RIGHTS

The Miranda decision grew out of a criminal case where the following question was decided.

Can a law enforcement officer interview a citizen and use the result of the interview against him in a criminal prosecution without providing the person with

(a) The opportunity to remain silent

(b) The opportunity to consult with counsel and

(c) Informing him of the rights of a and b

These rights are articulated in the following statement, which must be given to any subject of a criminal investigation:

Before you are asked any question you must understand your rights. You have a right to remain silent. Anything you say can be used against you in court. You have the right to talk to a lawyer for advice before we ask you any questions and to have him with you during questioning. If you cannot afford a lawyer, one will be appointed for you before any questioning, if you wish. If you decide to answer questions now, without a lawyer present, you will still have the right to stop answering at any time until you talk to a lawyer.

Failure to give the above warning, and rights set forth in the warning, renders inadmissible any information gathered through or as the result of such interview. The evidence is considered "tainted."

The Postal Inspection Service is a criminal investigatory unit and employees subjected to criminal investigations conducted by Postal Inspectors are entitled to Miranda rights, if the employee interviewed is to be prosecuted.

However, there are questions as to whether failure by the Inspection Service to give Miranda warning is

grounds for excluding evidence in a non-criminal proceeding, such as an arbitration or labor Board hearing. The Labor Board and most arbitrators have side-stepped the issue.

The rationale of the Miranda decision, according to the Supreme Court, is that "a lone individual is subjected to unfair pressures when he is compelled without being given the right to informed assistance, to submit to an interview about alleged shortcomings with trained interrogators empowered to cause him to suffer adverse consequences." Accordingly, Miranda rights exist only after a person has been taken into custody or otherwise deprived of his freedom of action in any significant way or where special circumstances exist which render the law enforcement official's behavior such as to overbear the person's will to resist and bring about a confession not freely self-determined. Stewards consulted by employees under investigation for suspected criminal activity should advise such employees to invoke their right to remain silent until they have received advice from legal counsel.

Notably, under Miranda, an individual being interrogated by the Postal Inspection Service or other law enforcement agents may terminate their participation in the interview at anytime, even when the interview is attended by the counsel when he/she requested.

Miranda rights do not extend to inquiries conducted by supervisors in regard to unacceptable behavior, attendance, deficiencies or job performance or other actions which are not grounds for criminal penalties.

ADDENDUM #7

THE WEINGARTEN RIGHTS

Weingarten

The Supreme Court's decision in Weingarten gives employees the right to union representation when a management representative attempts to commence an investigatory interview.

The fundamental distinction between the two categories of rights is that Miranda is primarily an exclusionary rule. Failure to abide by this rule is grounds for excluding evidence in a subsequent criminal proceeding.

Weingarten rights, by contrast, exist without regard to whether there is a subsequent proceeding of any sort.

Further, Miranda vindicates the right of a defendant not to incriminate himself.

Weingarten exists not so much to prevent self-incrimination, but to allow a union to represent the employee in any decision or procedure which might impact on the terms and conditions of employment.

The Weingarten case sets forth the Union's right to represent employees in investigatory interviews. It allows employees the right of pre-interview consultation and the right to make requests of the union representative for clarification or information during the interview. Postal Inspectors interviewing employees are not obligated to bargain or discuss the issues with the union representative. However, if the employee's rights under Weingarten are denied, no information gathered during the interview can be used as the basis of any disciplinary action.

Weingarten rights attach to any interview which the employee reasonably believes may result in disciplinary action. The employee must assert the right for union representation. If he/she is silent the employer is allowed to proceed with the interview without a

union representative present. In the event that no representative is available, under most circumstances, the employer is allowed to proceed with the interview.

Once an employee does make a request for union representation, the employer is permitted one of the three options:

The employer may:

1. Grant the request
2. Discontinue the interview
3. Offer the employee the choice between continuing the interview unaccompanied by a union representative or having no interview at all.

Under no circumstances may the employer continue the interview without granting the employee union representation, unless the employee voluntarily agrees to remain unrepresented after having been presented with the options set forth above.

While an employee may at first refuse to request Weingarten rights, he or she may reassert them at any stage of the interview. Any time the employee asserts Weingarten rights, the employer must present the options set forth above and abide by the employee's choice.

If such request for union representation is granted, the employee must proceed with the interview.

There have been limitations placed on Weingarten rights since the case was decided. An employee's right to union representation does not extend to the representative of his or her choice.

The right relates to investigatory interviews—that is, interviews arranged to elicit facts which may form the basis for discipline. No Weingarten rights attach to a meeting called for that purpose of merely announcing a disciplinary measure that the employer has already decided to take. Weingarten rights may, however, attach to so-called

"counselling" interviews if during the course of such discussion, the employer gathers information which may become the grounds for later discipline.

Members should be aware that mere satisfaction of an employee's Miranda rights does not satisfy Weingarten rights in those instances where information derived from a criminal investigation is used to support disciplinary action.

Significantly, the activities of stewards or union representatives while representing employees in investigative interviews are also protected under the Act against interference or threats of reprisal. No union representative can be disciplined for responding to an employee request under Weingarten.

In reviewing Weingarten and Miranda, it must be understood that they relate to different rights under the law. Both cases vindicate the right to pre-interview consultation. Weingarten, however, relates to possible adverse action concerning employment, discharge, suspension, etc. Miranda pertains to criminal investigations and proceedings.

An employer is only obligated to inform the employee of the Weingarten rights upon request.

The subject of a criminal investigation must be informed of his/her Miranda rights regardless of whether they are asserted, prior to the initiation of an interview with a prospective defendant.

ADDENDUM #8

ADDENDUM #9

NAME OF EMPLOYEE OR NO. OF EMPLOYEES		DATE
SOCIAL SECURITY NUMBER	SUPERVISOR'S INITIALS	TIME
LEAVE UNIT _____ ➔		
ARRIVE _____ ➔		
LEAVE _____ ➔		
RETURN TO UNIT _____ ➔		
<input type="checkbox"/> STEWARD'S DUTY TIME	<input type="checkbox"/> MEETING TIME	<input type="checkbox"/> OTHER TIME
REASON FOR ABSENCE		
SEE REVERSE SIDE FOR INSTRUCTIONS.		

PS Form 7020
Jan. 1978

AUTHORIZED ABSENCE FROM WORKROOM FLOOR

INSTRUCTIONS

Use this form when employees leave for scheme examinations, medical unit, guide duty, civil defense, time devoted to grievances, consultations with personnel section and consultation with administrative officials.

The tour supervisor will insure the collection of this form from work center supervisors for transmittal to the timekeeper where appropriate and/or to the Manager of Finance who will total time recorded on Forms 7020 and charge to appropriate operation number.

☆ U. S. GPO: 1977-0-752-175

EXERCISE AND REVIEW

A GUIDE FOR THE CRAFT EMPLOYEE IN DEALING WITH THE POSTAL INSPECTION SERVICE

1. Are Inspectors required to advise employees during an interrogation that they are entitled to representation by a union steward. YES — NO
2. When presented with Forms PS1067, the Miranda Warning, during an investigative interview, an employee should readily sign this form. YES — NO — EXPLAIN
3. What are considered the rules of survival during an interrogation by the Postal Inspection Service?
4. If an employee is assigned to a higher level assignment out of the bargaining unit, do they have only the rights applicable to the higher level assignment. YES — NO
5. Explain the term "Investigative Memorandum."
6. Is the union restricted in certain circumstances from requesting a copy of the Investigative Memorandum while processing a grievance appeal? YES — NO
7. Are there some times during an investigation when it is a good idea to volunteer for a polygraph examination. YES — NO
8. Should a union steward remain passive while representing an employee during a investigatory interview. YES — NO
9. Doesn't a postal employee have to cooperate with the Inspection Service during an investigation. YES — NO
10. Is the Postal Inspection Service required to give persons under investigation an explanation of their constitutional rights. YES — NO
11. Can the Postal Inspection Service restrict an employee under investigation to an attorney or a union steward. YES — NO — EXPLAIN
12. Are Postal Inspectors authorized to issue letters of charges as a result of their investigation. YES — NO — EXPLAIN
13. In an effort to show cooperation, should an employee under investigation make an oral and written statement. YES — NO
14. Aren't we subject to investigation by the Postal Inspection Service for off duty non Postal offenses. YES — NO
15. If an employee receives disciplinary action from the Postal Service as a result of a criminal indictment involving his/her personal activity, shouldn't the union become involved. YES — NO — EXPLAIN
16. Does the union have a right to request all evidence including a copy of the investigative memorandum when processing a grievance appeal for an employee disciplined for off duty activity. YES — NO — EXPLAIN
17. Weingarten Rights and Miranda Warning are similar. YES — NO — EXPLAIN
18. Does the Postal Service satisfy an employee's rights under the Weingarten by issuance of Miranda Warning? YES — NO
19. Explain the term "Just Cause."
20. In issuing letter of charges, can management rely entirely on the investigative memorandum? YES — NO — EXPLAIN

Module 24 Union Module

Terminal Objective:

Upon the completion of this module, participants will be able to understand their contractual rights under the current contract regarding employer's claims and the handbooks and manuals that govern window clerk issues.

Enabling Objectives:

Upon the completion of this module future Associates will be able to:

- Recognize improper security practices
- Ensure proper training with the OJI is conducted
- Explain Article 28 (Protection of each employee's rights)

B1

Presentation

Employee must exercise reasonable care in protecting their stamp stock and cash while performing their duties.

Audit or Count Drawers

An audit of each employees fixed credit must be conducted no less frequently than every four (4) months.

Audit must take place away from the window.

The F-1 handbook states that the count should be conducted in a "quiet area".

Audits should not be conducted at the window.

Do not perform any transactions while an audit is being conducted.

Count your own drawer. Do not watch your supervisor count your drawer. Both the employee and the supervisor conduct counts. The F-1 states that the employee must be given the opportunity to be present at the count.

If you are out of tolerance (short or over), do not sign the audit sheet. Request a re-count of your stock. The F-1 states that a recount is only taken at the request of the employee, not of management. By signing the audit sheet, the audit is over.

If there is a shortage, management must issue a letter of demand. The F-1 states that all employees must receive written notice of money demand. Your supervisor must give you written notice and provide you with your rights to file a grievance. Do not pay just because a manager says you have to. You should request to talk with a steward. Any overage or shortage should immediately be placed in trust or suspense.

If a grievance is initiated, regardless of the amount of the debt, collection of the debt will be delayed until the grievance is settled.

1. Upon completion of the classroom portion of the training, each employee will be assigned to an On the Job Instructor (OJI). The OJI will work with employee to cover 32 core items that are necessary in order to take the exam. The employee has the right to decline to sign and/or take the exam if he/she feels that the training was not adequate. Employees will be graded by the OJI, upon completion of the 32 core items. If there is time allowed, employees will be trained in additional items until completion of the work week.

Security Violations

Adequate Security- Management is responsible to provide you with adequate security. Locked drawers can be opened without a key. These types of violations, should be written up on the APWU, Report of Security Problem or Poor Financial Practice. Make a Copy and submit to your supervisor for answer. It does not need to be the APWU form, but it must be in writing.

A. Locks must be changed on your drawer prior to it being issued to you.

The F-1, section 426.67 requires locks to be changed whenever an employee relinquishes control, for any reason, usually when they bid out.

B. Duplicate Keys Envelope (Form 3977)

Envelopes must be checked every six (6) months to assure no one has tampered with it.

C. Annual Lock and Key Examination

The F-1 requires that a unit's supervisor must take an annual lock and key exam of all locks and keys in the unit, except for duplicate keys.

D. Does or did anyone have access to your drawer?

The F-1 states no employee, supervisor, or Postmaster may have access to the stamp credit of another employee.

E. Stamp Orders

The F-1 states that stamp orders are filled on a weekly basis.

F. Count all Stamp Stock that is received.

Stamp stock should not be given to clerks unless there is time available for the clerk to count the stamp stock. This should not be conducted between customers.

No one else may work out of your drawer. Save all Form 1412, 1908, 17 and 3294's. Anything that will assist in helping trace the accountability.

Take the time to do things properly. If you are being pressured by a supervisor or postmaster into making errors or if you have any questions about financial accountability, see a Union Steward. Do not take risks that could lead to discipline.

- Were all of your postage stock and accountable items counted?
- Were you given an opportunity for rechecks of computations and a recount?
- Did you sign Form 3294 that you agreed to the count?
- Was the result of the count entered on Form 3368?
- Was your Step-1 grievance filed within 14 days of the date of the Letter of Demand?
- Are you provided with a locking drawer?
- Do you always lock your drawer if away for any reason?
- Have you exchanged stock without a Form 17?
- Was a Letter of Demand issued?
- Were you audited within four (4) months?
- Have you designated someone to count in your absence?
- Were you or your designee present at the count?
- Have you permitted anyone to work from your drawer?
- Do you get a receipt for all money turned in?
- Do you count all requisitions upon receipt?
- Have you reported faulty equipment as soon as it was discovered?
- Do you show all transactions of Form 1412?
- At the end of a day, do you run adding machine tape(s) of money orders and fees in numerical sequence?
- Do you enter money order numbers at beginning and end of tapes(s)?
- Do you verify that all vouchers are accounted for?
- If you have missing voucher(s), is drawer counted immediately and overages entered into trust?
- Do you enter money orders and fees on Form 1412?
- Accepting checks. Was check accepted for money order or food stamps?
- Was check made to Postmaster in the exact amount of transaction?
- Is a bad check list posted?

Take the time to do things properly. If you are being pressured by a supervisor or postmaster into making errors or if you have any questions about financial accountability, see a Union Steward. Do not take risks that could lead to discipline.

- If check was cashed for a person you know, was this noted on the check?
- If unknown, was a form of identification submitted?
- Was the form of identification one of the following; driver's license, military I.D. card, passport, or state issued I.D. Other credentials showing the signature and having serial number or other information which can be traced?
- Did you compare the signature on the check with the identification.
- Did the signature match?
- Upon leaving unit such as transfer, separation, etc., were the locks on the employee's stamp credit changed?
- Are master keys kept in Form 3977 and signed by Postmaster or designee and employer?
- Is safe combination changed when a person knowing the combination is separated, transferred, etc.?
- Is overage in your trust fund?
- If another employee has an overage, has permission been given to use?
- Do you have legal financial transactions with other employees? If so, please document.
- Have you attached other information that would show an appearance of relationship between shortage and another's overage.

B5

Article 28 Employer Claims

The parties agree that continued public confidence in the Postal Service requires the proper care and handling of the USPS property, postal funds and the mails. In advance of any money demand upon an employee for any reason, the employee must be informed in writing and the demand must include the reasons therefor.

Section 1. Shortages in Fixed Credits

Employees who are assigned fixed credits or vending credits shall be strictly accountable for the amount of the credit. If any shortage occurs, the employee shall be financially liable unless the employee exercises reasonable care in the performance of his duties. In this regard, the Employer agrees to:

- A. Continue to provide adequate security for all employees responsible for postal funds;
- B. Prohibit an employee from using the fixed credit or other financial accountability of any other employee without permission;
- C. Grant the opportunity to an employee to be present whenever that employee's fixed credit is being audited and if the employee is not available to have a witness of the employee's choice present;
- D. Absolve an employee of any liability for loss from cashing checks if the employee follows established procedures; and
- E. Audit each employee's fixed credit no less frequently than every four months.

UNITED STATES POSTAL SERVICE
Labor Relations Department
475 L'Enfant Plaza SW
Washington, DC 20260-4100

June 17, 1987

Mr. Kenneth D. Wilson
Director, Clerk Craft Division
American Postal Workers
Union, AFL-CIO
1300 L Street, N.W.
Washington, D.C. 20005-3399

Dear Mr. Wilson:

This is in response to Mr. Tunstall's June 2 letter regarding the use of union-furnished Forms to report financial accountability problems as called for at part 141 .2 of the F-1 handbook.

The intent of the language at part 141 .2 is to require that employees notify their Supervisor in writing if they find a deficiency in the security of the equipment provided for the protection of accountable items. The language was written specifically not to require a certain form for such notice and, at this time, there is no plan to create such a form. Accordingly, the written notice may be provided in any reasonable format, including the form that has been developed by the APWU. The acceptance of the form, as with any other written notice, does not necessarily acknowledge that a security deficiency exists but does acknowledge that appropriate notice has been provided to management by the employee.

If you have any questions regarding the foregoing, please contact me at your convenience.

Sincerely,

Frank X. Jacquette, III
Labor Relations Executive
Programs and Policies Division
Office of Contract Administration
(202) 268-3823

B7

BURDEN OF PROOF

Article 28, Section 1, has been interpreted by arbitrators to allow management to hold any employee accountable for a shortage or loss, unless the union shows the employee has exercised reasonable care or established one of the enumerated defenses discussed in the following sections. However, even in cases involving one of the enumerated defenses, conservative arbitrators' decisions almost always turn on whether the grievant is negligent, the union must generally show that something else, such as a particular failure by management, caused the loss, and that the grievant's negligence was not a contributing factor.

The responsibility of the union filling in possible gaps in evidence frequently leads to the denial of grievances, because in many cases, the specific transaction causing the loss is not known. Sometimes, however, an arbitrator will modify a grievance where proof of causation is lacking, if there seems to be some injustice in holding the grievant liable – for example, where physical security or work procedures are very poor, or the grievant's work record is very good or long. When an arbitrator is moved by those factors, he/she will generally either: (1) split the loss on grounds of fairness; (2) Adopt a comparative negligence approach; or (3) shift the burden of proof to management to show for example, that a proven lack of security did not cause the loss, or that the grievant's negligence was actually a contributing factor.

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
AMERICAN POSTAL WORKERS UNION,
AFL-CIO**

Re: Stamp Stock Tolerances

The Financial Handbook for Postal Offices (F-1) shall be revised to reflect the following:

Amount of Stamp Stock	Tolerance
Up to \$30,000.00	\$50.00
\$30,000.01 to \$60,000.00	\$100.00
Above \$60,000.00	\$150.00

B9



March 29, 2000

AREA MANAGERS, HUMAN RESOURCES
AREA MANAGERS, LABOR RELATIONS
AREA MANAGERS, FINANCE
AREA MANAGERS, RETAIL

SUBJECT: Letters of Demand POS ONE

This is in reference to the September 20, 1999 correspondence regarding Letters of Demand related to POS ONE software problems.

In order to ensure a consistent approach to addressing this issue, Headquarters Finance, Retail and Labor Relations have agreed to the following procedures.

- It is no longer necessary to forward letters of demand, which exceed \$1000, to Headquarters for review as previously instructed. They can be processed along with those for less than \$1000. Any letters of demand currently at Headquarters for review will be returned.
- This procedure will not apply to non-bargaining employee overages/shortages. Instructions for non-bargaining employee overage/shortages will be sent in a separate memo.
- This process will only apply to Retail Window Clerk POS-related overages/shortages at POS ONE sites that were online for the period of January 1998 through August 1999 ("the period").
- All overages and shortages that were incurred at POS ONE sites between January 1998 and August 1999, must be identified by site and unit ID number.
- Each site will submit any additional documentation to the POS ONE District Coordinator pertinent to overages/shortages incurred during "the period" and related to POS ONE software problems.
- POS ONE District Coordinator will coordinate with DAO to determine if these overages/shortages incurred during "the period" (1/98 - 8/99) are POS ONE related.
- POS ONE District Coordinator must coordinate efforts with Labor to provide documentation on shortages currently in the grievance status.

For AP-10, FY00, the District Accounting Office will follow specific instructions to clear all clerk overages/shortages dated 1/98 - 8/99 that were determined to be related to the POS ONE software problems.

The following are the instructions for DAO:

1. Clear all POS ONE system related overages/shortages for \$25 and less using the tolerance accounts, AICs 306 and 406.
2. Coordinate with POS ONE unit, to determine if POS ONE related shortages could be offset with POS ONE related overages incurred during "the period". If so, offset the shortage with the overages.
3. Calculate the remaining amounts of POS ONE system related shortages submitted.

4. Each DAO will prepare one Form 1902, Justification for Billing Accounts Receivable, for finance numbers reporting to the DAO.
5. On top of Form 1902, type the following: **"POS ONE Early Implementation Software Problems"**.
6. On Form 1902, fill in the following boxes:
 - Date: prepared
 - From: District Name
 - Boxes 1 to 4: leave blank
 - Box #5: Provide total of shortage amount
 - Box #6a: Name of District Finance Office
 - Box #6.b: leave blank
 - Box #6.c: Finance number of District holding the suspense balance
 - Certification Box: Signature of District Finance Manager
7. Attach to Form 1902, a list of the sites with unit ID, finance numbers and shortage amounts.
8. Accounting entry must be made in AP-10, FY00. Clear suspense and offset to AIC 636.
9. Fax Forms 1902 during the first three weeks of AP-10, FY00, no later than June 9, 2000, to: **Eagan Accounting Center**
Fax: (651) 406-1259
Attention: Jeff Weber
General Accounting voice Tel # (651) 406-1590

Note: No special Forms 1902 will be accepted after the third week of AP-10, FY00.


10. File supporting documentation at the DAO. This documentation is subject to review.
11. Overages, over 1-year old, related to POS ONE software problems dated 1/98 – 8/99 which are not related to any shortages (i.e., money order shortages), will be posted to AIC 126.

Post Office Accounting at Headquarters has performed an analysis of our expected total write-off and will initiate a review of DAOs that substantially exceed its anticipated loss. With that in mind and to minimize our losses, it is imperative that related overages are used to offset shortages.

The cut-off date for implementing the above procedures is June 9 (third week of AP-10, FY00).

Note: Special instruction will be given to Eagan ASC.


Peter A. Sgro
Manager
Contract Administration


Gladys E. Zamora
Manager,
Post Office Accounting

cc: Steve Monteith
Dean Rodman



September 20, 1999

AREA MANAGERS, HUMAN RESOURCES
AREA MANAGERS, LABOR RELATIONS
AREA MANAGERS, FINANCE
AREA MANAGERS, RETAIL

SUBJECT: Letters of Demand—POS ONE

During the deployment and activation of the new Point of Service (POS) ONE terminals, we have implemented several software upgrades. Some of the software upgrades corrected problems that could possibly have been directly related to shortages experienced by our window clerks.

As a result, we need to review those window clerks who have experienced shortages during this deployment; if the shortages could have been directly caused by the equipment, we will need to take action to ensure employees are not held responsible through issuance of letters of demand (LOD).

We ask your assistance in determining whether employees in your area have been inappropriately held responsible for shortages caused by the POS equipment. Therefore, if a retail employee falls under the following criteria, please follow the ensuing instructions. If a retail employee has been identified to have a shortage, and

1. The shortage cannot be directly related to a non-POS ONE issue, such as a money order shortage or improper acceptance of a check.
2. Was on-line with POS ONE equipment during the period January 1998 through August 1999.
3. Was issued a letter of demand for a shortage related to POS ONE, and the letter of demand (LOD) does not exceed \$1,000.

If a retail window clerk falls under the criteria above, a careful review and consideration should be given to waiving/forgiving the LOD. If a retail employee meets all of the above criteria and the amount of the LOD exceeds \$1,000, the LOD must be forwarded to headquarters for review. Attached is a list of problems identified by IBM and NCR that could possibly be related to accountability. Also, a decision tree is attached to assist local analysis in determining whether to issue an LOD.

Thank you in advance for your assistance in this matter. If there are any questions, please contact Curtis Warren of my staff at (202) 268-5359.

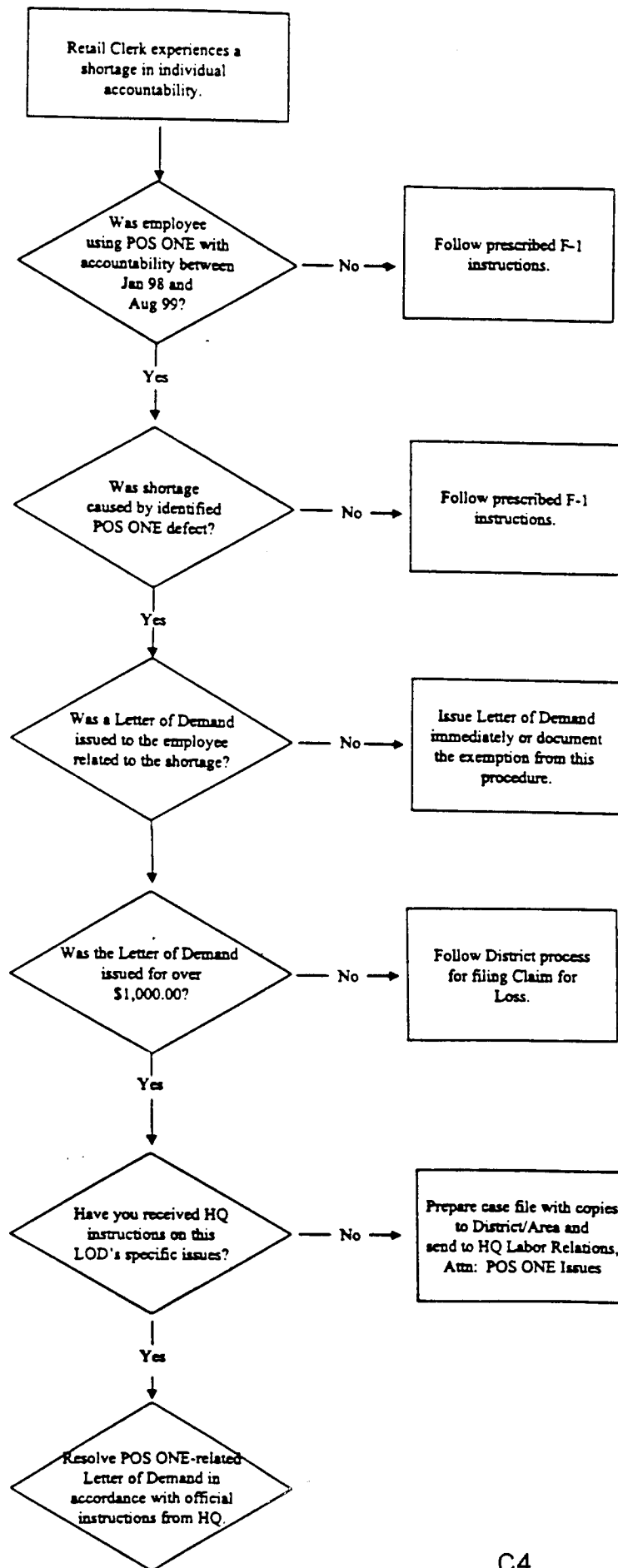
A handwritten signature in black ink, appearing to read "Peter A. Sgro".

Peter A. Sgro
Manager
Contract Administration

Attachments

C3

Decision Tree



Defect #	Description	Fixed in Release	Date of Release
24191	If the Data Distribution System (DDS) does not properly distribute a stock units' files at closeout, then the stock units' transactions in the new accounting period will be discarded, resulting in discrepancies between the 1412 data and the stock unit data at the clerk's next closeout. Accounting code was modified to ensure that the transaction data is never discarded.	4.0	22-March-99
20727	A clerk will lose all transaction data if they close out while the Store Activity Log (SAL) is down. A new item was added to the closeout process so that the workstation validates the consistency of data with the primary.	4.0	22-March-99
24387	If a clerk performs a final 1412 when the Consolidator is acknowledging the clerk's remit, the Consolidator's 1412 will not be in balance. The system now ensures that the remits are properly recorded before allowing the clerk to Closeout.	4.1	24-May-99
24429	If the system hangs during a clerk's final 1412 (Closeout), then the clerk's opening cash balance the next day will be less than what they had at their previous Closeout. The system now prevents this by recognizing that the prior closeout did not complete and recovers from this condition	4.1	24-May-99
25553	If an Error Correction is completed and the total is not \$0.00, the stock unit's 1412 will be out of balance. The system now requires the Error Correction total to be \$0.00 before the transaction can be completed.	5.0	24-Aug-99
25285	The 1412 can be out of balance when PVIs are sold but the system crashes between tendering and transaction completion. The system now recognizes this condition and recovers from it.	5.0	24-Aug-99
22712	In a Retail Products ONLY audit, the system creates a shortage for all non Retail Products in the stock unit. The system now excludes non Retail products from a Retail only audit.	5.0	24-Aug-99
22670	The PVI activity report will reflect erroneous values if a hardware error condition causes the PVI to temporarily report a blank serial number. The system now handles this transient error condition	5.0	24-Aug-99
23917	Redundant value stock data fields can lead to inaccurate stamp accountabilities for revalued stock items. The system was modified to eliminate the redundant data values	5.0	24-Aug-99
24455	The system will crash if the breast cancer research stamp receipt message is inadvertently deleted. The system will no longer crash if an item is sold with its associated suggestion message deleted	5.0	24-Aug-99
25788	If the system is shutdown while processing a stock unit loan, transfer, or remit transaction, it could cause the inventory or tender values to double, which in turn could lead to discrepancies between the 1412 and stock unit checks, cash, or stock values. The system	5.1	28-Oct-99

	now recognizes when duplicate transaction data has previously been recorded		
25984	If the unit price of an item is mistakenly changed during the correction process, the total stock (from the inventory report) will not match the 0853 from the 1412. The system now prevents the user from editing unit prices while performing an error correction and adjusting or reversing the sale of an item code	5.1	28-Oct-99
18764	The system allows 2 users to perform COD closeout at the same time. The system will now only permit one COD closeout at a time	5.1	28-Oct-99
25183	Stock was allowed to be shipped to or ordered from the consolidator stock unit. The consolidator's stock unit was removed from the list of destination stock units for all admin/inventory transfers	5.1	28-Oct-99
24667	The system crashes when processing corrupted GIPC spool file. This could potentially lead to lost data. The system will no longer crash when processing corrupted GIPC spool files	5.1	28-Oct-99
26221	Postplace is not ignoring bad requests to closeout the office resulting in an apparent successful closeout. However, the current day's activities will also be included in next day's 1412 report resulting in an Inaccurate 1412 Report	6.0	March 2000
25554	A unit's final 1412 was allowed although there was an active clerk stock unit that had not been balanced. This resulted in an Inaccurate 1412 Report.	6.0	March 2000
20835	In Stand Alone Mode, the system allows sale of Money Orders with duplicate serial numbers. This leads to an inaccurate 1412 report.	6.0	March 2000
24895	Closeout of a stock unit will fail if there is a power failure while the Consolidator is acknowledging remits made by that stock unit.	6.0	March 2000
24888	Stock unit closeout files on subordinate workstation not synchronized with closeout files on the primary, thereby preventing clerks from closing out. The system will allow all Closeout checks and financial data calculations to be performed on the primary, using files that reside on the primary hard drive.	6.0	March 2000
19768	Data is lost and Money Orders cannot be printed if the system is shutdown during a passport/COD Closeout	6.0	March 2000

NCR Defects That Cause Accountability Scripts to be Run

Description	Fixed in Release	Date of Release
Unit and clerk bank deposits do not match – Two conditions caused this: a) When a unit advanced deposit was performed at the same time a clerk was performing their final bank deposit and b) When standalone mode replicated during a clerk's End of Day	R199	March 99
Clerk Negative Accountability – Five conditions caused this: a) When a clerk opens in standalone mode with a zero opening balance then they will close with a negative balance; b) When a clerk has previously opened and performed transactions, then one of their accountability roles is removed, then reapplied, the system will open the new role with a zero opening balance and close with a negative balance; c) If the clerk's Start of Day transaction is lost (not recorded), then the clerk will close negative; d) When the system goes into standalone mode during the clerk's End of Day and e) When two End of Days are performed for the same clerk.	R199	March 99
Unit Doubling – this was caused by a defect which allowed the unit to be closed twice	R199	March 99
Stamp Stock Accountability Error after a Rate Change – This was caused by a defect which permitted stock to be shipped at one rate and received at a different rate	R299	July 99

ARTICLE 28 EMPLOYER CLAIMS

The parties agree that continued public confidence in the Postal Service requires the proper care and handling of the USPS property, postal funds and the mails. In advance of any money demand upon an employee for any reason, the employee must be informed in writing and the demand must include the reasons therefor.

• SECTION 1. SHORTAGES IN FIXED CREDITS

Employees who are assigned fixed credits or vending credits shall be strictly accountable for the amount of the credit. If any shortage occurs, the employee shall be financially liable unless the employee exercises reasonable care in the performance of his duties. In this regard, the Employer agrees to:

A. Continue to provide adequate security for all employees responsible for postal funds;

B. Prohibit an employee from using the fixed credit or other financial accountability of any other employee without permission;

C. Grant the opportunity to an employee to be present whenever that employee's fixed credit is being audited and if the employee is not available, to have a witness of the employee's choice present;

D. Absolve an employee of any liability for loss from cashing checks if the employee follows established procedures; and

E. Audit each employee's fixed credit no less frequently than once every four months.

• SECTION 4. COLLECTION PROCEDURE

A. If a grievance is initiated and advanced through the grievance-arbitration procedure or a petition has been filed pursuant to the Debt Collection Act, regardless of the amount and type of debt, collection of the debt will be delayed until disposition of the grievance and/or petition has (have) been had, either through settlement or exhaustion of contractual and/or administrative remedies.

B. No more than 15 percent of an employee's disposable pay or 20 percent of the employee's biweekly gross pay whichever is lower, may be deducted each pay period to satisfy a postal debt, unless the parties agree, in writing, to a different amount.

ARTICLE 28 SHALL APPLY TO TRANSITIONAL EMPLOYEES

BURDEN OF PROOF

ARTICLE 28, SECTION 1, HAS BEEN INTERPRETED BY ARBITRATORS TO ALLOW MANAGEMENT TO HOLD ANY EMPLOYEE ACCOUNTABLE FOR A SHORTAGE OR LOSS, UNLESS THE UNION SHOWS THE EMPLOYEE HAS EXERCISED REASONABLE CARE OR ESTABLISHED ONE OF THE ENUMERATED DEFENSES DISCUSSED IN THE FOLLOWING SECTIONS. HOWEVER, EVEN IN CASES INVOLVING ONE OF THE ENUMERATED DEFENSES, CONSERVATIVE ARBITRATORS' DECISIONS ALMOST ALWAYS TURN ON WHETHER THE GRIEVANT EXERCISED REASONABLE CARE. IN CASES WHERE A GRIEVANT IS NEGLIGENT, THE UNION MUST GENERALLY SHOW THAT SOMETHING ELSE, SUCH AS A PARTICULAR FAILURE BY MANAGEMENT, CAUSED THE LOSS, AND THAT THE GRIEVANT'S NEGLIGENCE WAS NOT A CONTRIBUTING FACTOR.

THE RESPONSIBILITY OF THE UNION FILLING IN POSSIBLE GAPS IN EVIDENCE FREQUENTLY LEADS TO THE DENIAL OF GRIEVANCES, BECAUSE IN MANY CASES, THE SPECIFIC TRANSACTION CAUSING THE LOSS IS NOT KNOWN. SOMETIMES, HOWEVER, AN ARBITRATOR WILL MODIFY A GRIEVANCE WHERE PROOF OF CAUSATION IS LACKING, IF THERE SEEMS TO BE SOME INJUSTICE IN HOLDING THE GRIEVANT LIABLE — FOR EXAMPLE, WHERE PHYSICAL SECURITY OR WORK PROCEDURES ARE VERY POOR, OR THE GRIEVANT'S WORK RECORD IS VERY GOOD OR LONG. WHEN AN ARBITRATOR IS MOVED BY THOSE FACTORS, HE/SHE WILL GENERALLY EITHER: (1) SPLIT THE LOSS ON GROUNDS OF FAIRNESS; (2) ADOPT A COMPARATIVE NEGLIGENCE APPROACH; OR (3) SHIFT THE BURDEN OF PROOF TO MANAGEMENT (TO SHOW FOR EXAMPLE, THAT A PROVEN LACK OF SECURITY DID NOT CAUSE THE LOSS, OR THAT THE GRIEVANT'S NEGLIGENCE WAS ACTUALLY A CONTRIBUTING FACTOR.

LETTERS OF DEMAND FOR \$2000.00 OR LESS HAVE MOVED FROM THE REGIONAL ARBITRATION REGULAR PANEL TO THE EXPEDITED PANEL. THEREFORE, IT IS MORE IMPORTANT NOW, THAN EVER, TO FULLY DEVELOP AND DOCUMENT OUR ARGUMENTS.

F-1 Handbook

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.

INVESTIGATION



Was the audit within four (4) months of previous audit?

F-1 Handbook, Section 429.1:

429.1 Examining bargaining unit stamp credits is covered by Article 28, Employer Claims, Section 1E of the Agreement between the Postal Service and the Employee organizations. Stamp credits maintained by bargaining unit employees must be examined by supervisory personnel at least once every four months.

Comments: _____



Was a Form 3368, Stamp Credit Examination Record, (Exhibit 1), maintained for the employee? and Does the employee's Form 3368 reflect a good or poor audit record?

F-1 Handbook, Sections 429.18 & 429.12:

429.18 After completing the examination of an employee's stamp credit, enter the results to Form 3368. Enter the last date for completion of the next examination as required by the National Agreement to the appropriate column.

429.12 Form 3368, Stamp Credit Examination Record, is designed to contain the history of stamp credit examinations for use in scheduling examinations; for reporting overages and shortages; and as a source of information when necessary for Form 571, Discrepancy of \$100 or more in Financial Responsibility. Form 3368 is to be kept for 3 years after the last entry.

Comments: _____



Was the audit performed away from the window operation, preferably in a quiet area? If not, did the employee complain and/or request a different area?

F-1 Handbook, Section 429.13:

429.13 Selecting the Site: For the count of an employee credit, select a site away from the window operation, preferably in a quiet area. There should be adequate space for both the supervisor and the employee to count.

Comments: _____



Was the stamp credit examination performed at the beginning of the employee's tour and/or before the clerk had made any transaction? If not, why?

F-1 Handbook, Section 429.11:

- 1> Do not announce stamp credit examinations.
- 2> Stagger the dates for examinations so that a pattern will not be evident to the employees to be counted.
- 3> Count stamp credits, to the extent practicable, at the beginning of the clerk's tour of duty or at least before the clerk has made any transactions.
- 4> Limit examination of stamp credits generally to one per day per available supervisor.
- 5> If possible, conduct examinations on days when business is light and most of the workforce is present.

NOTE: For clerks with multiple credit, count all credits at the same time to the maximum extent possible.

Comments: _____



Was the independent count completed by a supervisor and/or postal inspector and the employee and/or designated witness?

Article 28.1.C

Grant the opportunity to an employee to be present whenever that employee's fixed credit is being audited and if the employee is not available, to have a witness of the employee's choice present.

F-1 Handbook, Section 429.1 & 429.12 & 426.2:

429.1 Examining stamp accountabilities is an integral part of the overall internal control system over Postal Service assets... **Postmaster** - Ensure that examinations of bargaining unit employee stamp credits are conducted as described above. In offices that do not have supervisors, personally examine stamp credits: **Supervisory Personnel** - Conduct examinations of stamp credits at stations, branches, and main office window units: **Inspection Service** - Count stamp credits as part of audits and investigations conducted by the Inspection Service.

429.12 Form 3294, Cash and Stamp Credit Count Summary, is a four-page form designed to contain a complete record of the examination of a stamp credit. One copy must be completed by the supervisor and one by the employee or the employee's representative. The postmaster must file the form centrally and keep it for two years.

426.2 3> Grant an employee the opportunity to be present whenever his or her financial accountability is inventoried or audited. If the employee is not available, a witness of the employee's choice must be present. Each employee assigned a stamp credit must furnish the installation head two names of postal employees (in order of precedence) whom the employee chooses to witness the audit or inventory when he or she is absent. Enter the names of the selected witnesses on Form 3977.

4> Select chosen witnesses from employees who work at the same installation unit as the selecting employee. In their absence, the union steward may serve as a witness.

Comments: _____



Were independent counts made? Is the employee sure all disbursements were recorded correctly on the Form 3294? (Exhibit 2)

F-1 Handbook, Section 429.14:

429.14 Making Independent Counts: The Supervisor must enter the count to one Form 3294, and the employee must enter an independent count to a separate Form 3294. Both must verify count item by item and resolve discrepancies after each stamp credit container assigned the employee has been counted. After each stamp credit container count, make the appropriate entries to the inventory of stamp credit containers section on page 4 of the Form 3294.

Comments: _____



Are all necessary signatures on the Form 3294?

F-1 Handbook, Section 429.17:

429.17 The supervisor and the employee must sign both copies of the Form 3294. (Check Dates Also.)

Comments: _____



ESTABLISHING THE TOLERANCE

<u>Amount of Stamp Stock</u>	<u>Tolerance</u>
Up to \$30,000.00	\$50.00
\$30,000.01 to \$60,000.00	\$100.00
Above \$60,000.00	\$150.00



Did the audit exceed tolerance?

F-1 Handbook, Section 429.16:

429.16 The tolerance is based on the credit amount entered on the employee's Form 3369 or the highest balance in * AIC 853 of the Form 1412 since the previous examination, whichever is higher. Compare the amount in.....with the tolerance amount established for the size of the stamp credit. If the difference does not exceed tolerance, the examination is complete. Do not recount a stamp credit. Note on Form 3368 and carry forward without further action.

***AIC - Account Identifier Code**

853 - Stamp accountability closing balance, ending accountability of stamp stock

Comments: _____



If the shortage exceeded \$100.00, was a PS Form 571 (Exhibit 3) prepared and sent to the postal inspectors? Has there been any response?

F-1 Handbook, Section 429.16:

429.16 **Differences of \$100 or More:** Prepare a Form 571, Discrepancy of \$100 or More in Financial Responsibility, at the time of the examination, if applicable. When you initiate Form 571, indicate on line 19 of Form 3294.

Comments: _____



Did the employee request a recount?

F-1 Handbook, Section 429.16:

429.16 If the difference amount exceeds tolerance and the parties involved cannot agree to the count, recount the credit at the request of the employee.....

Comments: _____



Was the employee's current audit adjusted correctly? Was his/her previous audit adjusted correctly? If not, this may have caused or contributed to the current audit discrepancy. (Exhibits 4 and 5 show examples of the adjustment of a \$500 shortage and overage on a manual Form 1412).

F-1 Handbook, Section 429.16:

429.16 **Handling Overages:** If the difference amount does not exceed tolerance, the examination is complete.....**For an overage amount exceeding tolerance, enter the amount on the employee's Form 1412 to AIC 057, Employee Overage, in the trust funds received section.** **Handling Shortages:** For shortage amounts exceeding tolerance, record in AIC 767, Stamp Credit Shortage Issued, on employee's Form 1412.

Comments: _____



Can a reasonable relationship be established between monies in the employee's trust or an overage in another credit of the employee?

Can a reasonable relationship be established between the employee's shortage and the overage in another employee's credit?

F-1 Handbook, Section 429.16:

429.16 Handling Overages

4> If the overage is related to a shortage in another accountability of the same employee or to a current shortage in another employee's accountability, withdraw funds from trust to clear related shortages.

5> Hold an overage in an employee's accountability that is related to the loss of a money order voucher in trust until notification of amount on Form 6401, Money Order Inquiry.....

6> At the expiration of 1 year from the count date, enter the amount of the overage or any portion remaining after offsetting related shortages.....

429.16 Handling Shortages

2> If the shortage is related to an overage in another accountability of the same employee or to a current overage in another employee's accountability, require the employee to replace the missing amount.

3> When there is a balance for that employee from a previous overage within 1 year and a relationship is established, use this balance to offset part or all of the shortage.

Comments: _____



OFFSETTING DIFFERENCES

The postmaster or designee must decide whether to adjust shortages and overages found in the audit of stamp credits and other cash accountability. If a postmaster believes that an overage in one employee's credit should be offset against a shortage in another employee's credit because a relationship between the differences exists, secure the written agreement of the employee from whom the overage is to be withdrawn.



Did the employee accept his/her stamp credit by signing Form 3369 - Consigned Credit Receipt? (Exhibit 6)

F-1 Handbook, Section 426.45:

2> The employee receiving the postage stamps must sign Form 3369 for the total postage stamp amount received. Any change in the amount of stamps credit level will require a new Form 3369 to be completed and signed.

Comments: _____



Prior to the employee being assigned his/her security containers, were the locks changed? As a Union, instruct the employees to request a check of their keys when they are initially assigned their containers.

F-1 Handbook, Section 426.2:

7> Whenever an employee relinquishes control of an assigned stamp credit for any reason, change the locks on the employee's stamp and cash drawers.

Comments: _____



Did the postmaster, supervisor or employees have access to the stamp credit of the grievant?

F-1 Handbook, Section 426.2

2> Do not allow any employee, supervisor, or postmaster to have access to the stamp credit of another employee.

Comments: _____



Were safe/vault combinations changed when they became comprised and/or a person knowing the combination was separated or transferred to a new position?

F-1 Handbook, Section 372.5:

1> Post the manufacturer's instructions for changing the combination on the back of the safe or vault door.

2> Place the key for changing the combination in the special container provided or tape it alongside the instructions.

3> Change combinations when (1) a new or different safe is placed in service; (2) a person knowing a combination of a safe or vault is separated or transferred to a new position; or (3) the combination becomes compromised due to the opening of Form 3977 in an emergency or by unauthorized people.

Failure to change a combination under the circumstances noted in step 3 above is considered contributory negligence by the responsible employee if property is stolen from a safe or vault without force.

Comments: _____



Was the equipment assigned to the employee examined by the supervisor and employee to determine that it provides proper safekeeping? If it was determined that it did not provide proper safekeeping, was the employee's supervisor notified in writing? (Exhibit 7)

F-1 Handbook, Section 151.1:

151.1 4> Examine all equipment assigned to an employee used to protect stock or funds to ensure proper safekeeping.

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

151.1 1> Ensure that protective equipment is used for maximum security at all locations. Observe the following priorities of protection.

<u>Priority</u>	<u>Item</u>
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.

151.1 2> Ensure that the descending levels of security in your installation are followed.

<u>Level</u>	<u>Equipment</u>
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.

Comments: _____



Were the grievant's duplicate keys sealed in a Form 3977 - Duplicate Key Envelope (Exhibit 8), and was he/she allowed to designate two (2) witnesses?

F-1 Handbook, Section 372.1 & 426.2:

372.1 2> Ensure that each responsible employee and a witness to the enclosure of the combination or keys signs the envelope. Postmark as instructed on the form.

426.2 3> Each employee assigned a stamp credit must furnish the installation head two names of postal employees (in order of precedence) whom the employee chooses to witness the audit or inventory when he or she is absent. Enter the names of the selected witnesses on Form 3977.

4> Select chosen witnesses from employees who work at the same installation unit as the selecting employee. In their absence, the union steward may serve as a witness.

Comments: _____



Has an annual examination been made of all locks and keys in the unit to ensure that individual clerks' keys will not open locked drawers, safe compartments or stamp cabinets of other employees. Was a record kept? If not, request an examination of all keys.

F-1 Handbook, Section 426.2:

8> To safeguard each clerk's stamp credit, a unit supervisor must make an annual examination of all locks and keys in the unit except duplicate keys on file in Forms 3977. This ensures that individual clerks' keys will not open locked drawers, safe compartments, or stamp cabinets of other employees. The supervisor will keep a record for financial examination purposes.

Comments: _____



Were all duplicate key envelopes stored in the main safe or vault in a compartment under the exclusive control of the superintendent or designated subordinate?

F-1 Handbook, Section 372.21:

372.21 Hold duplicate keys to stamp credits in the main safe or vault of the station or branch in a compartment under the exclusive control of the manager or a designated subordinate. Send the combinations for the main safe or vault and the duplicate compartment keys in a sealed Form 3977 via registered mail to the postmaster. Store these Forms 3977 in the most secure place under the exclusive control of the postmaster or designated subordinate.

Comments: _____



Is an inventory of Forms 3977 kept? Were all Forms 3977 physically examined every six (6) months? Can the USPS produce a written record?

F-1 Handbook, Section 372.3:

Each person with custody of Forms 3977 must maintain a list showing each envelope, the date received, the source, and the location of the safe or vault it relates to.

At least once each 6 months, physically examine each Form 3977 to be certain it is on hand and intact. Place a written, dated and signed report of this inventory in the file with the list.

Comments: _____



Were any Forms 3977 missing or opened? If so, was this reported to the postal inspectors? Is there evidence of tampering (e.g., scotch tape, glue, staples, etc.)?

F-1 Handbook, Section 372.4:

1> When any Form 3977 is discovered to be missing, destroyed, or opened by an unauthorized person, the person having custody must immediately notify the person having jurisdiction over the safe, vault or stamp credit. Perform an examination of inventory. Change combinations or locks, and prepare a new Form 3977.

2> When a Form 3977 is missing or possibly opened as a result of burglary or other criminal act, notify the local inspector in charge immediately.

Comments: _____



Did the grievant lock his security containers when they could not be continuously observed? If not, why?

F-1 Handbook, Section 151.41:

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.

Comments: _____



Are all building keys accurately inventoried and accounted for? Have all employees returned keys when their duties were no longer required?

ASM Handbook, Section 273.461 & 273.462:

461 Postmasters must keep an accurate inventory (including serial number and brand name of lock, total number of keys available, location of lock by door and/or room number, how and when disposed of) of all building keys and signed receipts for all assigned keys. Signed receipts are obtained using Form 1628, Individual Key Record, when keys are assigned.

462 When an employee's duties no longer require the use of an assigned key, or the employee leaves the service, the key must be returned immediately. The date of return is then entered on Form 1628 as the release of accountability. If keys used to operate exterior doors to the facility are not returned, the locks must be replaced or rekeyed.

Comments: _____



Who is in possession of building master keys? Does their possession of master keys violate Section 273.48 of the ASM?

ASM Handbook, Section 273.48:

Only postmasters, installation heads, or their designees may carry a master key. At installations having a Postal Service security force, one or more master keys are issued to the ranking postal police supervisor for use by postal police in emergencies. Master keys are issued to maintenance employees only during their tours of duty and may not be carried from the building. No other occupants of the building are issued master keys, and any such keys in the possession of other occupants must be recalled. Master keying is not permitted for locks opening stamped envelope rooms or other locations requiring individual accountability of contents.

Comments: _____



Did you experience any machine malfunctions (meter, programmable calculators, IRT, etc.), during the audit period? Was management notified? Is there any physical evidence? Did the employee cease using the malfunctioning equipment?

Article 28

Report of Security Problem or Poor Financial Practice Form

Comments: _____



Was the value of the employee's stamp credit adjusted consistent with the protection afforded so as to facilitate requisition for full units of stock?

F-1 Handbook, Section 426.1:

A stamp credit is the value of the stamp stock consigned to an employee from the main or unit reserve stock in an office. A window clerk stamp credit consists of the supply of each stock item necessary to meet normal customer demand. As customer demand is inconsistent with weekly replenishment, give some latitude. Hold stamp credits to a reasonable multiple of the weekly sales amount. Adjust the value of stamp credits consistent with the protection afforded to facilitate requisitions for full units of stock. You may exceed stock limits to permit filling of orders in full sheets, boxes, or packaged lots. During Christmas and other high-volume periods, determine stock limits by local office standard operating procedures without individual authorizations.

Comments: _____



Were the filling of window clerks' requisitions scheduled weekly?

F-1 Handbook, Section 425.38:

1> Schedule the filling of window clerk requisitions weekly. Report window clerks who fail to follow the schedule to the station manager.

Comments: _____



When requisitions were received, was all stamp stock counted and recorded on the reverse side of the Form 17? Was the grievant given enough time to do a proper count of the stock received on PS Form 17? (Exhibit 9)

F-1 Handbook, Section 425.1:

5> When the stamp stock arrives, list stock counted on the reverse of the copy of Form 17. Ensure that the amounts on the front agree and sign on the received line on the original. Initial any changes or corrections and verify they are identical on each form. Keep the copy of Form 17 until the next stamp credit count.

Comments: _____



Did the grievant sell or trade stamp stock with another employee? If so, was a Form 17 used?

F-1 Handbook, Section 422.22:

Employees should not trade or purchase from one another in order to maintain individual accountability. When it is necessary to trade or purchase stock from another window clerk, a Form 17 should be completed in duplicate. Enter "trade" or "purchase," stock involved, and names of both employees on Form 17. Each employee must keep a copy until the next stamp credit examination.

Comments: _____



Did the grievant verify the continuity of the serial numbers when he/she were issued money orders?

F-1 Handbook, Section 742.22:

Do not split a package of 100 domestic money order form sets between window clerks. Money orders must be issued in ascending serial number sequence. Acknowledge the receipt of blank money order sets by signing a control register (Item 0-137a). Verify the continuity of serial numbers of broken packages upon receipt and unbroken packages when opened.

Comments: _____



Were the clerk's turn ins of cash and checks all verified in his/her presence and signed for on his/her Form 1412? (Manual-Exhibit 10 & IRT-Exhibit 11)

F-1 Handbook, Section 221.12 & 221.13:

221.12 8> Sign the final Form 1412.

9> Submit documents. (a) Submit final Form 1412, all supporting documents, and funds to the designated closeout employee, making sure the designated employee initials the AIC 752 entry for the funds on the clerk's copy of the final Form 1412. (b) Keep a copy of final Form 1412 through the next stamp credit examination.

221.13 1> Clear each clerk. Count funds remitted in the presence of the remitting clerk. Initial the AIC 752 entry on the clerk's copy of Form 1412.

2> Verify supporting documents. For each clerk's Form 1412, verify that amounts on adding machine tapes and IRT lists agree with AIC entries on Form 1412. Determine the cause of any difference and adjust totals shown on the Form 1412 to agree with supporting documents.....

Comments: _____



Should a separate Form 3977 be maintained for IRT passwords and/or credit or debit card passwords?

F-1 Handbook, Section 372.1:

Note: Maintain a separate Form 3977 for IRT passwords and for credit/debit card passwords for individual clerks if the two passwords are different.....



Did the employee use his/her credit at least once each accounting period?

F-1 Handbook, Section 426.6:

3> Cancel stamp credits not used at least once in an AP.

Comments: _____



Was a Form 3602-PO, Meter Receipt (Exhibit 12) completed each time an employee relinquished control of the meter even if the meter was not assigned to another clerk during his/her absence? Was an informal meter receipt made out anytime the clerk was out of sight of his/her meter? (See also Exhibit 12-A, Postage Validation Imprinter (PVI))

F-1 Handbook, Section 714.1:

1> Each day, the meter operator must record the meter number, unit or station name, date, and beginning ascending and descending register reading on Form 3602-PO. The supervisor must verify the register readings before initial operation. At the end of the tour, the operator must record the ending, ascending and descending register readings. The difference between the beginning and ending readings represents the postage for which the operator is accountable. When a window clerk is relieved, he or she should complete Form 3602-PO, and another relief clerk should begin Form 3602-PO. Use this procedure even if the postage meter will not be assigned to another window clerk during the clerk's absence. A supervisor must verify all readings and initial them. When a window clerk must leave the window area to retrieve a parcel or other mail for a customer, the clerk must record the descending register reading on a piece of paper or lock to ensure that no one tampers with the postage meter.

Comments: _____



Did the grievant receive the standard training?

_____ m _____
 199 . _____

Comments: _____



Was a second independent tape of the grievant's individual money order vouchers run by a member or designated employee?

E-1 Handbook, Section 743.2:

The manager or designated employee must do the following:

1> Prepare a second independent adding machine tape of the individual vouchers to verify that the adding machine tape or money order listing totals agree with the Forms 1412 received from each issuing clerk. For IRT offices, run a unit Form 1412 IRT listing and verify with the individual vouchers.

2> Verify the following:

- That all vouchers have the same date of issue.**
- That clerks use money orders in serial number sequence (first 10 digits).**
- That each clerk is identified on the adding machine tape or listing.**
- That each clerk has identified and submitted the spoiled money orders as a separate group.**

3> Make sure any customer receipt copies for no fee money orders represent proper issues for this purpose.

4> Where COD money order business is involved, continue to use appropriate procedures in DMM Module S921.

5> Make sure unit Form 1412 totals of amounts and fees equal the amounts and fees from issuing clerk Forms 1412.

6> Fasten all Forms 8105 together and submit daily along with the unit Form 1412 to the accountbook unit.

Comments: _____



Did the grievant have sales of discounted envelopes during the audit period? Were these discounts recorded and turned in on Form 3220? (Exhibit 13) If not, can the employee recreate and prove such sales?

F-1 Handbook, Section 426.8:

1> See that the window clerk reports the sale of full boxes as "Postage Sales" on Form 1412 at the discounted. Apply the discounted amount to the employee's stamp accountability by submitting Form 3220, Claim for Stamped Envelope Discount. (Exhibit 10)

2> Enter the discount amount to AIC 846 and support with Form 3220.

3> Make entries in ink.

4> Enter the purchaser's name (firm name, if applicable). If a cash purchaser is unwilling to provide the name, indicate this on the form and notify a supervisor who will initial the entry.

Comments: _____



Has your office complied with Postal Regulations requiring certain locks be replaced immediately?

ASM Handbook, Section 273.471:

Immediately report a lost or stolen key or access control card to the inspector in charge. Describe in detail the key or access control card, case, or key chain. If the key is lost to an outside door, immediately exchange the lock cylinder on the entrance door with one from the interior of the building that is not operable by the building master key.

Comments: _____



Was a Letter of Demand issued? What options was the employee given for payment of the shortage? Did the Letter of Demand include the employees contractual rights to grieve the demand letter?

F-1 Handbook, Section 142 & 361.1:

Article 28.4.A & B, ELM 460: (Exhibit 14)

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.

F-1 Handbook, Section 361.1:

When in accordance with the conditions and standards set forth in Article 28 of the employee's respective collective bargaining agreement and Employee and Labor Relations Manual (ELM) 460, it is determined that a bargaining unit employee is financially liable to the Postal Service, any demand for payment must be in writing and signed by the postmaster or designee. In addition to notifying the employee of a USPS determination of the existence, nature, and amount of the debt, the demand letter must include the employee's right to challenge the USPS claim. Care must be taken to ensure that any letter of demand served on an employee provides notice of the employee's right to challenge the demand under the applicable collective bargaining agreement. If an employee files a grievance over a money demand, collection will be delayed until after disposition of the grievance either by settlement with the union or through the grievance-arbitration procedure.

Comments: _____



Can the Inspection Service withhold employees' salary checks when issued letters of demand?

See Mahon to Burrus Letter dated June 5, 1989 (Exhibit 15)



Administrative Services

Security container Cabinet Locks

A potential security deficiency exists with some cabinet locks. These locks are inside fireproof safes and security containers used to store the clerk's accountability drawers and bulk stamp stock. The cabinet locks in security containers manufactured after 1988 use the United States Postal Service 933L lock and should not be a problem.

The locks in question are similar to locker locks, and in some cases are locker locks used to replace original equipment.

Take the following corrective action immediately and include it in all future key checks or lock replacements.

1. Compare locker keys provided to any employee with access to stamp stock or to the retail storage space to determine if these keys open the cabinet door locks inside fireproof safes or security containers.
2. Replace locks that can be opened by the locker keys by either of the following locks: Illinois Lock Company, cabinet model lock No. 25002Y11, or Master Lock company, model lock No. 1710KD.

Note: These locks should not be master-keyed.

Before changing a locker lock, check the key to determine if it meets the criteria described above. In addition to fulfilling the requirements of Handbook F-1, Post Office Accounting Procedures, section 426.2 (8), conduct a yearly check of the locker locks and keys to ensure that container cabinet locks cannot be comprised.

—Inspection Service, 11-25-93

CHECK ACCEPTANCE



1. Did the procedures the employee used to accept a bad check conform to the F-1 Handbook regulations and/or a local written or verbal modification of these requirements?

F-1 Handbook, Section 323:

If checks are returned and are determined to be part of a scam to pass bad checks, retain the original check(s) for use by the U.S. Postal Inspection Service. In such cases, the postal inspectors need the original check to prosecute offenders. The value of this type of check should be written off as a claim for loss immediately.

If the clerk did not follow proper acceptance procedures, send the check to CSC. If collection cannot be made from the customer within a reasonable time, request the check from CSC and collect the amount from the clerk.



2. Was the customer's name on the bad check list? If so, did the employee have that information available to him/her at the day and time the check was accepted?

F-1 Handbook, Section 324.2:

6> Enter the name of the customer on the bad check list. The customer name should remain on the list unless the postmaster on the list unless the postmaster or district Finance manager approves a customer's request to be removed from the list for a valid reason. The bad check list should be distributed to retail units no less frequently than once an accounting period.

Note: DAOs may establish a local policy that specifies the time period that customers should remain on the bad check list. Such policies should take into account local economic conditions relative to the volume of returned checks. Customers who write a check that is never collected, however, should remain on the bad check list at least one year.



Did management attempt to collect from the customer?

F-1 Handbook, Section 321:

The US Postal Service has a contract with CSC Services, a check collection agency, to collect on checks returned by the bank. You must use CSC unless previously authorized by Headquarters to use another service.

You may attempt to collect locally: however, checks should be sent to CSC as soon as possible if local check collection efforts are not successful.

Special Note: DAOs and banking post office postmasters must make arrangements with their banks to have nonsufficient funds checks redeposited (presented for payment a second time) automatically.



Did management send the check to the collection agency?

F-1 Handbook, Section 324:

In a non-SFAP banking post office, the postmaster is responsible. The DAO is responsible for all of its SFAP.

1> Complete Form 2131, Uncollectible Check Report, for each check by entering the information in the appropriate blocks.

3> Send the original Form 2131 along with the original check to CSC Services at the address preprinted on Form 2131.

Managing Postal Funds F-1 Handbook, Section 311 - 324

(See Exhibits 16, 17 & 18)



November 20, 1995

MEMORANDUM FOR POSTMASTERS

080 - 084

197 - 199

SUBJECT: IRT WORKSTATIONS LOCKS - CORRECT USAGE

Since the early 1990s, IRT workstations (Item 7400-B) have become the standard acceptable counterline and cabinet configuration used by the USPS. These workstations were designed with specific ergonomic and security features. Recent visits to the field and conversations with some postmasters indicate that some offices are currently not following proper procedures for correct usage of workstation lock mechanisms.

Each IRT workstation has a six drawer cabinet. The top two drawers in the cabinet are used as cash drawers by window/retail clerks. Each window/retail clerk is to have his/her own cash drawer insert (Item 7419). The cash drawer insert has a lock on it for use by the clerk every time their credit is secured in the safe. Each clerk has his/her own key for their own insert.

Inside one of the top drawers of the six drawer cabinet, Baker Manufacturing confirms that an envelope with two cylinder removal keys is shipped with each unit. Standard procedure, according to Headquarters, is that one cylinder removal key is to be left in the bottom of each of the top two drawers of each six drawer cabinet. Each clerk is assigned his/her own removable lock cylinder with key, in addition to the lock and key already assigned for the cash drawer insert. The removable cylinder and key are to be used by the clerk in the empty cash drawer lock cylinder slot each time that they use their cash drawer insert in that drawer position.

Standard Operating Procedure is for the clerk to pop his/her removable lock into the empty slot, use the cylinder removal key to secure the cylinder into position, drop the cylinder removal key into the bottom of the drawer, then set his/her cash drawer insert with stamp stock etc. into the drawer mechanism. Anytime that the clerk removes his/her insert with

assigned credit (such as going to lunch or closing out) the clerk also removes the outer drawer lock cylinder and places it into the insert before locking it into the safe.

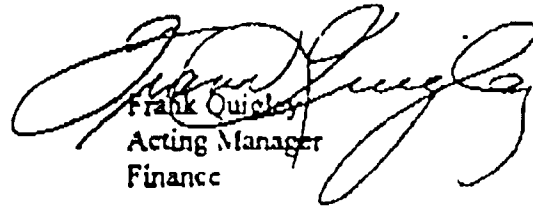
The above procedures are the only acceptable way that the IRT workstations are to be used. By following these procedures, your office will be in compliance with Handbook F-1, Section D-112, which stipulates that employees may not allow another individual to have access to funds entrusted to him or her.

For your reference in ordering additional locks as needed, we have attached a copy of information regarding IRT workstation locks.

Should you have any questions regarding the above, contact Gary Dunham, DRA at 609-933-4413.



R. W. Schroeder
Manager
Operations Programs Support



Frank Quicley
Acting Manager
Finance

Attachment

cc: District Staff
SOA
CSAs
File - DRA (IRTLocks)

bcc: Postmaster
Northeast Region
Article Code ... 28-01-00 REMANDED
Issue Code ... >
- Subject, Reading, Computer
LR410:KSheehan:rb:20-Aug-1992:OCA COMPUTER
RB DOC. NO. 4093

Note To Region:

The parties at this level agree that requiring employees to use the same compartment without providing each employee a cylinder/lock for the compartment is in violation of the National Agreement and postal regulations regarding key accountability, including the F-1 Handbook.

Cylinder/locks should be furnished to each employee having to share a compartment. The locks that are used on the compartment drawers are designed to be able to pop in and out of the compartment drawer. As the employee reports to the screenline, the lock should be installed when the tray is placed into the compartment.

If you have further questions you should contact your Division or District office to get help. Also, you may also contact Mr. Frank Weaver (202) 268-5245 of the Retail Management Division at Headquarters.

PS FORM 3368

(Exhibit 1)



Stamp Credit Examination Record

*Use an asterisk to denote excessive cash. Line numbers are from Form 3294

Name of Employee				Location			
Date of Count	Counted by (Name)	Stamp Credit Accountability COB Previous Duty Day Line 17 Col. 11	Stock Accounted for Line 15 Col. 11	Cash Portion * Line 12 Col. 11	Overage + Shortage - Line 18 Col. 11	Remarks	Next Count not Later than

PS FORM 3294

(Exhibit 2)

U.S. Postal Service
CASH AND STAMP STOCK COUNT AND SUMMARY
(Main Stock, Stamp Credits, and Other Accountability)

Name of Employee		Station				Date of Examination	
Summary of Employee Accountability					Cash and Cash Items on Hand		
1. Total Cash and Cash Items on Hand <i>(Line 26)</i>		Col. I		Col. II		<i>(Cash (Details Optional))</i>	
Add Back Paid Out Items:						Denomi- nation	Quantity
2. Refunds							
3. Other <i>(Describe)</i>				Total 2 + 3, Col. I		\$ 100	
4. Cash That was Available Before Paid Outs				1 + 3, Col. I		\$ 50	
Less Cash Represented By Accountability Items Other Than Stamp Stock:						\$ 20	
5. Money Order Vouchers						\$ 10	
6. Forms 3544						\$ 5	
7. C.O.D. Tags						\$ 2	
8. Customer Meters, Forms 3603						\$ 1	
9. Post Office Meters <i>(Forms 3602-PO & current readings)</i>						50¢	
10. Box Rents, Forms 1538						25¢	
11. Other <i>(Describe)</i>				Tot. 5 thru 11, Col. I		10¢	
12. Cash Portion of Stamp Credit				4 - 11, Col. II		5¢	
ADD						1¢	
13. Stamp Stock as Counted							
14. Envelope Discount, Forms 3220							
15. Stock in Transit <i>(Returned)</i>				Tot. 13 thru 15, Col. I		20. Total Cash \$	
16. Total Cash and Stamp Stock				12 + 15, Col. II		21. Government Checks, Total	
17. Opening Balance Stamp Accountability Form 1412						22. Paid Money Orders, Total	
18. Difference <input type="checkbox"/> Over <input type="checkbox"/> Short				16 - 17, Col. II		23. Traveler's Checks, Total	
19. Action Taken When Out of Tolerance <input type="checkbox"/> Trust <input type="checkbox"/> Suspense <input type="checkbox"/> Form 571						24. Other <i>(Describe)</i>	
25. Commercial Checks <i>(If additional space is required, continue on a separate page)</i>							
	Date	Amount		Date	Amount		Date
a.			f.			k.	
b.			g.			l.	
c.			h.			m.	
d.			i.			n.	
e.			j.			o.	
Total 25. (a. thru o.)							▶
26. Total Cash And Cash Items on Hand							▶

1c	2c	3c	4c	5c	6c
\$	\$	\$	\$	\$	\$
7c	8c	9c	10c	11c	14c
\$	\$	\$	\$	\$	\$
15c	17c	18c	19c	20c	21c
\$	\$	\$	\$	\$	\$
22c	23c	25c	28c	30c	40c
\$	\$	\$	\$	\$	\$
45c	50c	65c			
\$	\$	\$	\$	\$	\$
First Class Rate _____ c	FC Rate 2nd oz. _____ c	FC Rate 2 oz. _____ c	\$1.00	\$2.00	\$5.00
\$	\$	\$	\$	\$	\$
	Express Mail \$ _____	\$ _____ Books	\$ _____ Books	\$ _____ Books	
\$	\$	\$	\$	\$	\$
FC Rate Coils \$ _____	FC Rate Coils \$ _____	FC Rate Coils \$ _____	\$ _____ Coils	\$ _____ Coils	
\$	\$	\$	\$	\$	\$

Stamped Envelopes, Cards and Other Stamped Paper

C Envelopes	#6 3/4 Window \$ _____ Box	#10 Window \$ _____ Box	#6 3/4 Prec. Req. \$ _____ Box	#10 Prec. Req. \$ _____ Box	
_____ ¢					
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
FC Rate Cards _____ ¢	Cards-Reply _____ ¢	Int'l Cards-Surface _____ ¢	Int'l Cards-Air _____ ¢		
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Aerogrammes _____ ¢	Reply Coupons _____ ¢	\$ _____ Bird	Stamp Dispensers _____ ¢		
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____			
Redeemed Stock					
\$ _____	\$ _____	\$ _____			

INVENTORY OF EMPLOYEES' CREDIT CONTAINERS

EQUIPMENT	CASH DRAWER	STAMP CABINET	SAFE COMPARTMENT	ENVELOPE DRAWER	
EQUIPMENT NUMBER					
NUMBER OF KEYS					

Summary of Main/Reserve Stock Accountability

Stamp Stock on Hand per Count	\$	<input type="checkbox"/> Forms 3295 are Correct or Have Been Corrected
Stamp Stock per Form 3958		
Difference <input type="checkbox"/> Over <input type="checkbox"/> Short		
Action Taken <input type="checkbox"/> Trust <input type="checkbox"/> Suspense <input type="checkbox"/> Form 571		

Verification of Accountable Forms

Form No.	Last Issued per Form 1412	Next Form on Hand
1538		
3210		
3544		
3582-C		
3602-PO		
3603		

Verification of Money Orders

Domestic	Are they issued in sequence? <input type="checkbox"/> Yes <input type="checkbox"/> No
Bait	Are they in good condition? <input type="checkbox"/> Yes <input type="checkbox"/> No

Use this space for computation, notes, etc.

I have examined this stamp credit:	I agree to the count:
_____ <i>(Signature of Supervisor)</i> _____ <i>(Date)</i>	_____ <i>(Signature of Employee)</i> _____ <i>(Date)</i>

PS FORM 571

(Exhibit 3)

U.S. Postal Service
DISCREPANCY OF \$100 OR MORE IN FINANCIAL RESPONSIBILITY
(Shortage or Overage)

From:	Post Office, State and ZIP + 4	Branch or Station	CAG
--------------	--------------------------------	-------------------	-----

Employee or Contractor <i>(Name and Title)</i>	Date of Birth	Amount of Accountability
	Social Security Number	

To: Postal Inspector In Charge	Examiner <i>(Name and Title)</i>
	Type of Discrepancy <i>(Check One)</i> <input type="checkbox"/> Shortage <input type="checkbox"/> Overage
	Amount \$
	Date Disclosed

Funds *(Check All That Apply)*
 Replaced by: Cash Check Installment Overage Placed in Trust Funds Not Replaced *(Explain under remarks)*

Results of Prior Inventories *(Show the six prior inventories of credits assigned the same employee or contractor.)*

Date of Count	Amount of Credit	Stock	Cash	Overage or Shortage	Adjustment Date

Does the employing office have any knowledge of employee's financial difficulties?
 Yes No *(If "Yes," explain)*

Are any of the above shortages or overages unresolved? Yes No
 If so, how are these amounts being carried in the Postal Account?
 Trust Fund AIC 080 \$ _____ Suspense Account AIC 814 \$ _____

In the judgment of the PM/Supervisor or PSE is the protective equipment assigned adequate? No No

Has written demand been made on the employee by management to replace shortage? Yes No

Is the employee in a regularly assigned bid position or on detail to the position? Yes No

In shortage cases, indicate the nature of any adjustment made between employees.

Have there been other significant shortages *(\$100 or more)* for accountability assigned to other employees in this unit in the past 12 months?
 Yes No *(If "Yes," include dates and amounts in Remarks.)*

Remarks

Signature <i>(Name and title of postmaster or designated official)</i>	Date Submitted
--	----------------

Note: This form is not to replace telephone or telegraphic report required by Administrative Support Manual, Part 220.

(Exhibit 4) Manual 1412 Shortage Adjustment

The employee's opening balance was \$5000.00. His/her audit (Form 3294) reflected a balance of \$4500.00. The difference is a shortage of \$500.00. Since this amount exceeds tolerance, the Form 1412 stamp Credit balance must be adjusted. Generally, the employee is given a PS Form 1096 (cash receipt) with the amount of the shortage and the AIC number to back the Form 1412 entry. AIC 767 is entered on the right side of the Form 1412 (receipts). Since there is no corresponding disbursement for the left hand side of the Form 1412, it pushes \$500.00 in stamp sales reducing the employee's stamp credit balance to correspond with the stamp credit audit balance.

Exhibit 214a
Form 1412-A, Daily Financial Report

Unit ID	Finance Number	<input type="checkbox"/> Individual <input type="checkbox"/> Unit	Signature	Kyle E. Masten _____ ▲																																																																											
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(Exhibit 5) Manual 1412 Overage Adjustment

The employee's opening balance was \$5000.00. His/her audit (Form 3294) reflected a balance of \$5500.00. The difference is a overage of \$500.00. Since this amount exceeds tolerance, the stamp inventory must be adjusted. Once the employee has generated \$500.00 in stamp sales, he/she remits the \$500.00 and is issued a PS Form 3544 (Post Office Receipt for money) with the amount of the overage, employee's name and AIC 057 (Employee Trust) annotated. Since the employee sold \$500.00 in stamps to generate the \$500.00 remittance and those funds were then disbursed to trust and not to stamp sales, his/her stamp credit inventory has been reduced to \$5000.00.

Exhibit 214a
Form 1412-A, Daily Financial Report

Unit ID	Receipt Controls		1538 (From—through)		Food Coupon Inventory (Face value)				
	Form	3603 (From—through)		3604 (From—through)		Description	Code	\$ Dollar Amount	
3544 (From—through)		3602-PO (Numbers used today)		Opening Balance	830				
Number of ATPs Transacted				Received (+)	831				
				Subtotal	▶ 834				
Finance Number	Receipts:				Stamp Accountability				
	Description		Code	\$ Dollar Amount	Opening Balance	840	5000 00		
Individual <input type="checkbox"/> Unit <input type="checkbox"/>	Trust Funds Received	COD Funds		050		Stamps Received	841		
		2nd Class Adv. Dep.		051		Subtotal	▶ 845		
Permit Imprint Adv.		052		Stamped Envelope Discount (-)	846				
Postage Due/BRM Adv.		053		Stock Returned (-)	848				
Customs Collections		054		Subtotal	▶ 851				
Miscellaneous Trust		061		Sales (090 + 091 + 092 + 094 + 095 + 096 + 097)	852	- -			
Employee Overages		057	500 00	Closing Balance	▶ 853	5000 00			
Total Trust Funds		▶ 060		Disbursements					
Postage Sales		090	- -	Trust Funds Withdrawn	COD Funds W/D		450		
Bird Stamp Sales		091			Postage Due W/D		453		
Philatelic Product Sales (Items 8000-9999 only)		092							
Packaging Product Sales		093		Total Trust Funds W/D		▶ 490			
Signature	Money Orders	Domestic	Value	100	Refunds, Postage, and Fees			536	
			Fee	101	Local Transportation			538	
Name	Date	International	Value	102	Postal Supplies—PO			546	
			Fee	103	Custodial Building Supplies and Services—PO			583	
I certify that this is a true statement and that the accountability assigned to me is as shown on this form.		Meter Postage	Post Office	110	Fee Offset No Fee Money Order			586	
			Customer	111	Refund of Miscellaneous Non-Postal Revenue			624	
			On-Site Fees	112	Miscellaneous Suspense			761	
		Postage Due		114		Cash Remitted (Advance)			751
		Box Rents		115		Cash Remitted (Final)			752
		Miscellaneous Non-Postal		126		Cash Retained Today			753
		Change of Address Information Fees		129		Cash Retained from Previous Report			353
		Miscellaneous Suspense Cleared		361		Cash Required			▶ 400
						Cash Accounted For			▶ 800
						Cash Accounted For			▶ 800
						Cash Accounted For			▶ 800

PS FORM 3369

(Exhibit 6)

Name		Location of Credit	
(Check One) <input type="checkbox"/> Stamp Credit <input type="checkbox"/> Cash Credit		Credit Amount	
		Max. Authorized Cash Portion	
Issued by (Signature)			Date
<p>I will faithfully account to the U.S. Postal Service for the consigned credit amount shown above or modified by transactions recorded on my Daily Financial Reports. I have read the following statements and have been advised of the priorities of protection to be given funds and accountable paper in Part 434.2-434.4, <i>Fiscal Handbook</i>, F-1, and Parts 213 and 220, <i>Fiscal Handbook</i>, F-50. Employees and contractors will be held responsible for losses of stamps and funds from stamp credits resulting from failure to give the best available protection during and after post office hours in accordance with Part 430, <i>Fiscal Handbook</i>, F-1. Withdrawal of official funds for personal use, whether temporary or permanent, may subject employees or contractors to removal from office, cancellation of contract, and criminal prosecution for violation of Title 18, Section 641 or 1711, U.S. Code.</p>			
Signature			Date

PS Form 3369, May 1987*U.S. GPO 1991: 282-404/25770 CONSIGNED CREDIT RECEIPT

Report of Security Problems

&

PS FORM 3977

(Exhibits 7 & 8)



Report of Security Problem or Poor Financial Practice

1300 LSt., N.W., Wash., D.C.
2 0 0 0 5

Employee's Report:
Include details of the specific security problem or improper or poor financial practices.

Employee's Signature _____ Date

Supervisor's Response:
Indicate what corrective action will be taken or reasons why corrective action is not being taken.

Supervisor's Signature _____ Date

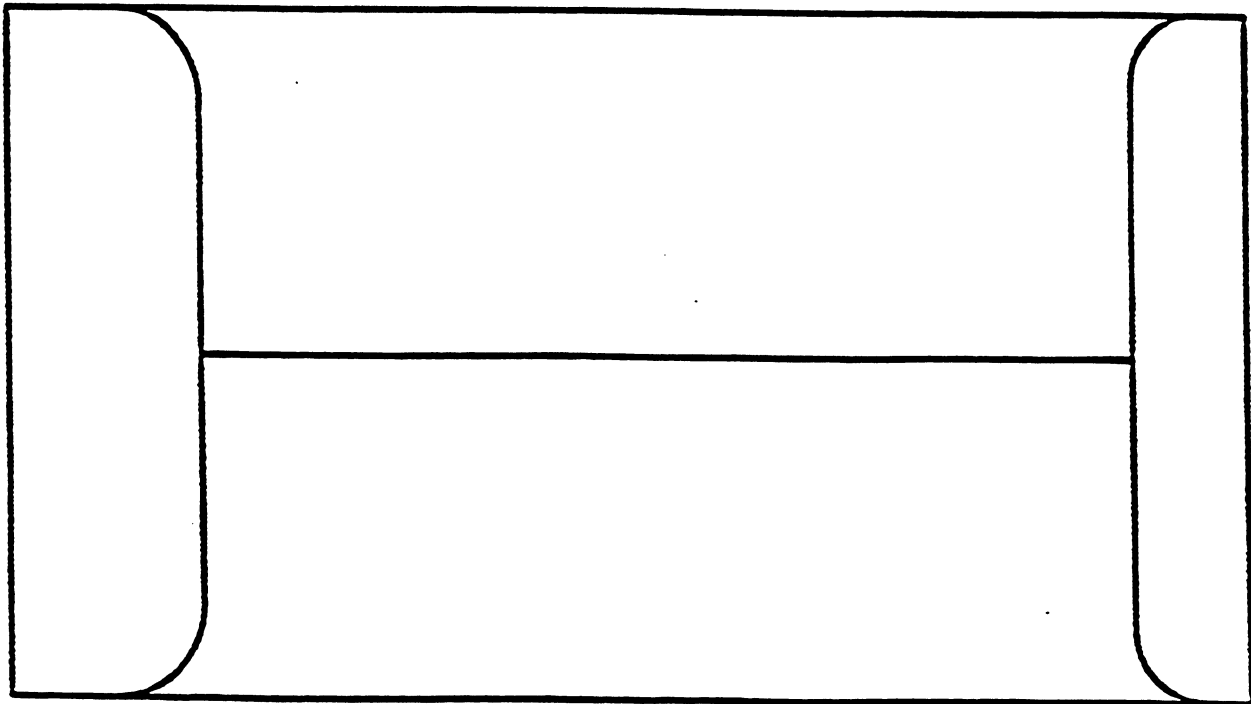
White: USPS
Canary: UNION
Pink: EMPLOYEE—
returned by
supervisor
Yellow: EMPLOYEE—
metal copy



Duplicate Key Inventory

Employee Name (Print Last, First, & MI)				<p style="text-align: center;">Instructions</p> <p style="text-align: center;">See Section 362, Handbook F-1, Post Office Accounting Procedures</p> <p>After the duplicate keys are enclosed and the flap is sealed, both you (the employee to whom the keys are assigned) and the witness to the sealing of this envelope must sign across both flaps on the reverse of this envelope. Affix a distinct and legible postmark across both envelope flaps. Give this signed and postmarked envelope to the appropriate supervisor who will be personally responsible for its protection.</p> <p>If it is necessary for you to withdraw keys temporarily, open this envelope in the presence of a witness. Cut along one end, leaving the signatures and postmarks intact. Both you and the witness must endorse and date the envelope. When the keys are returned, discard the opened envelope and prepare a new envelope.</p> <p>If access to one of your locked receptacles is necessary while you are absent from duty, the appropriate supervisor will remove the key from this envelope in the presence of a designated witness and both will endorse and date this envelope and show reason for withdrawing the key. The supervisor (or designee) and the witness must inventory the contents of the receptacle and certify the inventory. The supervisor must maintain the inventory with the opened envelope.</p>
Operating Unit				
Receptacle	No.	No. Keys	Serial No.	
Cash Drawer				
Stamp Cabinet				
Safe Compartment				
Envelope Drawer				
Designated Witness Name (Print)				
Designated Witness Name (Print)				

PS Form 3977, April 1988



*Form 3977: Duplicate Key Envelope
(front and back views)*

PS FORM 17

&

PS FORM 1412-A

(Exhibits 9 & 10)



Stamp Requisition

Postmark

Finance No. -----	Unit ID -----	Name of Post Office, Station, or Branch		
Telephone No. -----	City	State	5-Digit ZIP Code -----	

Date Stock Ordered

Signature of Submitter
Signature of Shipper
Signature of Witness

Prepare an ORIGINAL and ONE COPY of this form. Submit only the ORIGINAL. Keep the COPY for your records.
 PRINT all information except signatures. Typing is not necessary.
 Orders cannot be processed without the FINANCE NO. (and UNIT ID., where applicable).
 Enter one item per line. Use a second form if necessary.
 ADD UP the Value column and enter the total in the Total Value Ordered box.
 DATE STAMP the upper right corner on the day stock is ordered.
NOTE: When an item is out of stock, a similar item of the same denomination, if available, will be substituted unless you indicate otherwise by placing an "X" in the *Do Not Substitute* block.

Type of Requisition (Check One)

- 1 = Scheduled Order 2 = Clerk Order 3 = Emergency Order 4 = Return Stock

Do Not Substitute	Item No.	Quantity	Value	Denomination and Description
<input type="checkbox"/>	3290		\$	Domestic Money Orders
<input type="checkbox"/>				Sheet of Stamps (100 - 32¢ stamps)
<input type="checkbox"/>				Stamp Booklet (20 - 32¢ stamps)
<input type="checkbox"/>				Coil of Stamps (100 - 32¢ stamps)
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
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<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				20¢ Cut Postal Cards
<input type="checkbox"/>				No. 6 3/4 Plain Stamped Envelope
<input type="checkbox"/>				No. 10 Plain Stamped Envelope
<input type="checkbox"/>				No. 6 3/4 Window Stamped Envelope
<input type="checkbox"/>				No. 10 Window Stamped Envelope
Registry Numbers Used			Total Value Ordered	Signature of Person Receiving Stock
			\$	Signature of Witness

Exhibit 214a
Form 1412-A, Daily Financial Report

Unit ID	Finance Number	<input type="checkbox"/> Individual <input type="checkbox"/> Unit	Signature Kyle E. Martin	Receipt Controls Form 1538 (From—through) 3603 (From—through) 3544 (From—through) 3602-PO (Numbers used today) Number of ATPs Transacted		Food Coupon Inventory (Face value)																																							
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Automated Form 1412

&

PS FORM 3602-PO

(Exhibits 11 & 12)

Exhibit 214c
Automated Forms 1412

<p>**** U.S. POSTAL SERVICE **** UNIT NAME UNIT ADDRESS 12-3456 Ver 4.70</p>			<p>11:22 START DAY 353 CASH RETAINED .00 838 FOOD CPN OPEN .00 848 STAMPS OPEN .00</p>	
<p>CLERK #99 DATE: 09/05/96 11:27:54 AM</p>			<p>**** U.S. POSTAL SERVICE **** ACCTS 20260 123456 30.00 12345 # 01 09-05-96 11:22:20</p>	
<p>FINAL PS-1412</p>			<p>FINAL CLERK PS 1412</p>	
<p>CONTROL RECEIPT #'S TYPE START# END#</p>			<p>RECEIPTS</p>	
<p>PS-1538 0000 PS-3544 0001 PS-3602 0000 PS-3603 0001</p>			<p>88 TRUST FUNDS RCV .00 358 TOT SUSP CLEAR .00 400 CASH REQUIRED .00</p>	
<p>RECEIPTS</p>			<p>FOOD COUPON INVENTORY</p>	
<p>000 TR FD REC 0.00 353 \$RETN YDY 0.00 400 \$REQUIRED 0.00</p>			<p>838 FOOD CPN OPEN .00 831 FOOD CPN RECD .00 836 FOOD CPN RETURN .00 839 FOOD CPN CLOSE .00</p>	
<p>FOOD COUPON INVENTORY</p>			<p>STAMP ACCOUNTABILITY</p>	
<p>830 FOOD OPEN 0.00 834 FOOD STOT 0.00 839 FOOD CLOS 0.00</p>			<p>848 STAMPS OPEN .00 851 STAMPS SUBTOTAL .00 852 TOTAL SALES - .00 853 STAMPS CLOSE .00</p>	
<p>STAMP ACCOUNTABILITY</p>			<p>DISBURSEMENTS</p>	
<p>840 STPS OPEN 0.00 845 STPS STOT 0.00 851 STPS STOT 0.00 853 STPS CLOS 0.00</p>			<p>400 TRUST FUND W-D .00 750 TOT SUSP ISSUED .00 751 CASH REMIT ADV .00 752 CASH RMTD FINAL .00 753 CASH RETAIN TDY .00 800 CASH ACCT FOR .00</p>	
<p>DISBURSEMENTS</p>			<p>CERTIFIED TO BE CORRECT</p>	
<p>400 TOT TR WD 0.00 752 \$REMIT FN 0.00 753 \$RETN TDY 0.00 800 \$ACCT FOR 0.00</p>			<p>SIGN HERE: <i>Kathy S. Vaughn</i></p>	
<p>CERTIFIED TO BE CORRECT</p>				
<p>SIGNATURE: <i>Asteride C. Jones</i></p>				

DUPLICATE

THIS COPY MUST BE RETAINED IN UNIT OR STATION WHERE POST OFFICE METER IS OPERATED

(Unit or Station) (Meter Mfr.) (Meter No.) (Date)
This is to certify that the readings of the registers were as follows at the beginning and end of this day:

08

Descending register beginning

5	0	5	1	5	9	2
4	9	0	6	0	5	8
\$	1	7	5	3	0	9

Ascending register end

3	3	5	9	3	9	1	2
3	3	9	9	8	4	0	8

Descending register end

Ascending register beginning

RECEIVED FOR POSTAGE
as determined by the register readings

(Meter Operator)

(Supervisor)

REPORT OF METER SETTING

(Fill in the following only when meter is reset)

Ascending register readings

Descending register readings before setting

Number of units added

Descending register after setting

PS Form 3602-PO Jan. 1983

Meter set by _____

Using Postage Validation Imprinter

(Exhibit 12-A)

715 Using Postage Validation Imprinter

Postage validation imprinters (PVI) work only with an integrated retail terminal (IRT). Since the IRT and PVI are connected, the postage amount is transferred automatically from the IRT to the PVI. The automated transfer eliminates any possibility of entering one amount in AIC 109, Postage Validation Imprinter, on the IRT and a different amount in the PVI.

PVI labels are governed by the same rules as meter strips. The PVI labels produce postage validation and destination ZIP barcode labels.

Note: Contract stations are not authorized PVI.

715.1 IRT — Post Offices and Classified Stations or Branches

Turn on the PVI before turning on the IRT for proper operation. Daily startup procedures for each PVI are as follows:

- 1> Print a test label at the beginning of each tour or whenever you are using another PVI to ensure proper printing and functioning.
- 2> Affix one test label showing the opening PVI register reading's electronic accumulation register (EAR) to the back of the opening balance IRT printout. Submit with Form 1412 at the end of your tour.

715.2 Preparing Clerk PVI Reports

- 1> Press "Start of Day" on the IRT to produce a PVI interim register report showing the activity in the session just ended. Use this option when another clerk uses a PVI or each time the clerk resumes on the IRT after returning to the window. Keep these reports for possible reconstruction of AIC 109 if the disk fails.
- 2> The PVI activity report is automatically printed at the end of the day with the Final Form 1412 report. Submit it as supporting documentation for AIC 109.

715.3 Resolving Differences When PVI and AIC 109 Are Out of Balance

If AIC 109 and the EAR are out of balance, you cannot adjust AIC 109 on the clerk disk. Use the following steps to resolve differences:

AIC 109 Exceeds EAR

- 1> Use Form 3533, *Application and Voucher for Refunds of Postage and Fees*, and enter to AIC 536 for the amount of the difference. Annotate the Form 3533 "No PVI Label Produced" or explain.

Example: AIC 109 = \$110.00 EAR = \$100.00

On clerk Form 1412 report:

AIC 109 = \$110.00 AIC 536 = \$10.00

If AIC 109 is greater than the PVI EAR, do the following:

- Decrease AIC 109 by the amount of the difference.
 - Increase AIC 061, Miscellaneous Trust, by the same amount.
- 2> Issue Form 1908 instructing the clerk to clear trust using AIC 461 and offset with AIC 090 on the next day of business.

PVI EAR Exceeds AIC 109

- 1> Use Form 3533, *Refund of Postage and Fees*, and enter to AICs 061 and 536 for the amount of difference. Annotate the Form 3533 "Duplicate PVI Label — Label Attached," or explain.

Example: AIC 109 = \$90.00 EAR = \$100.00

On clerk Form 1412 report:

AIC 061 = \$10.00 AIC 536 = \$10.00

AIC 109 = \$90.00

- 2> On unit Form 1412, after the clerk disk is consolidated, make the following entries:
- Increase AIC 109 by \$10.00
 - Withdraw from trust AIC 461, \$10.00
- 3> If you discover the out-of-balance condition (PVI EAR greater than AIC 109) after the clerk disk is consolidated, the close-out person makes the following adjustments on the unit Form 1412:
- Increase AIC 109 by the amount of the difference.
 - Increase AIC 761, Miscellaneous Suspense, by the same amount.
- 4> Issue Form 1908 instructing the clerk to clear suspense using AIC 361 and offset with AIC 536 on the next day of business. The clerk must submit Form 3533, with extra label or an explanation if the label is not available to support AIC 536.

715.4 Controlling IRT Disk and PVI Labels

- 1> Keep the clerk disk in a secure place whenever it is not in use. Secure passwords for individual disks and keep them confidential. See section 372 for Form 3977 verification procedures. Each day, examine clerk

disks used for operation needs, such as weighing, rate information, and customer information, to ensure that there is no financial activity.

- 2> Rolls of blank PVI labels must be controlled by the supervisor. Keep unused labels in original plastic bags and shipping carton until needed, for protection and to prevent undue exposure.

715.5 **Consolidating and Closing Out the Unit**

- 1> The unit close-out person is responsible for verifying the receipt of PVI activity reports from individual clerks and the consolidated unit PVI activity report.
- 2> Each day, consolidate all clerk disks that have been "booted up" on an IRT with a PVI.
- 3> Review the unit Form 1412 "PVI Activity Report" and make the necessary adjustments to AIC 109 on the unit Form 1412 if you discover an out-of-balance condition.

PS FORM 3220

(Exhibit 13)

Record in ink at time of sale. Submit at least once each A/P.

U.S. Postal Service

CLAIM FOR STAMPED ENVELOPE DISCOUNT

Reporting Unit		Begin Date	End Date	Employee Name	
Date Sold	Purchaser		No. of Boxes of 500		
			Size No. 6-3/4	Size No. 10	
Total Boxes Sold					
Discount per Box			\$19.10	\$17.60	
Totals (Multiply no. of boxes sold by discount per box)			\$ <i>a.</i>	\$ <i>b.</i>	
Verified By (Supervisor)		Date Entered to AIC 534		Total Discount Claimed (a plus b)	

UNIT ACCOUNTABILITY

(EXHIBIT 14)

Article by Tommy Thompson, October 1999

Post Office Accounting Procedures Revisions

The USPS sent APWU a letter regarding revisions to the F-1 Handbook. It read as follows:

"As a matter of general interest, enclosed is a draft of proposed revisions to Handbook F-1, Post Office Accounting Procedures, Sections 426.25 Issuing Stamp Stock and 471.6, Assigning Individual Clerk Cash Credit."

The letter stated the F-1 Handbook revisions allow employees who work in postal retail stores or post offices under unit accountability to be assigned a stamp credit for retail or financial operations at other units when it is absolutely necessary for relief situations. It also advised employees that under no circumstances should monies or stock from different locations be commingled.

"At first I was appalled when I read this," remarked Thompson. "Then I thought it was a joke. Then I realized that USPS operations has finally won out over retail, since they have been against Assistant Postmaster General M. Richard Porras' letter of April 28, 1987 which restricted Stamp Store Operations being assigned a fixed credit."

The APWU and USPS retail operations have jointly enforced this letter since 1987, and management at the district and local level has resisted it.

Window clerks will be faced with unlimited cash drawers as pool and relief clerks, since there is no limit in the F-1. They will have separate accountability for loading and unloading vending machines, which could happen in more than one office. Under this revision, clerks will be working both IRT and POS terminals, which is another stress factor. They will face weekly audits and four month audits-a living nightmare.

The question of training on POS equipment is just another oversight in this proposal, if clerks also will go from fixed credit offices to stamp stores without any training. Staffing of individual offices will no longer be a requirement when pool and relief clerks are an option. APWU is appealing this to national arbitration.

Check POS Drawers for Hidden Cash

Clerks with a POS terminal may have money stuck behind the cash drawer due to shallow bins. Contact your supervisor to have the new cash drawers put in, and make a note of it or fill out an APWU Report of a Security Problem.

REVISION

Handbook F-1, Post Office Accounting Procedures — Stamp Credits

Handbook F-1, *Post Office Accounting Procedures*, is revised to allow employees who work in postal retail stores or post offices under unit accountability to be assigned a stamp credit for retail or financial operations at other units when it is absolutely necessary for relief situations. Employees should be advised that under no circumstances should monies or stock from different locations be commingled.

This revision will be incorporated into the online version of Handbook F-1 located on the Corporate Intranet at <http://blue.usps.gov/cpim> (click on *Handbooks*, then *By Document ID No.*, and then scroll down to *F-1, Post Office Accounting Procedures*) and in the next printed edition.

This change applies to relief personnel in postal retail stores or post offices under unit accountability as well as regularly assigned employees.

Handbook F-1, Post Office Accounting Procedures

4 Managing Accountable Paper
* * * * *

42 Managing Accountable Paper at Stations, Branches, and Post Offices With Stamp Accountability
* * * * *

426 Handling Stamp Credits
* * * * *

426.4 Initiating a Stamp Credit — Cash
* * * * *

426.45 Issuing Stamp Stock
* * * * *

Postmaster or Supervisor
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6> Employees who work in postal retail stores or post offices under unit accountability can be assigned a stamp credit for other retail or financial operations at other units.
* * * * *

47 Managing Accountable Paper at Offices With Unit IRTs and Cash Registers Under Unit Accountability
* * * * *

471 Policies and General Information
* * * * *

471.6 Assigning Individual Clerk Cash Credits Cash Reserve

Each clerk is assigned a cash credit of \$100. Each clerk carries the amount of the cash credit as cash retained (AIC 753 and AIC 353) on each day's Form 1412.

>> File Form 3369 for each assigned credit.

Employees who work in postal retail stores or post offices under unit accountability can be assigned a stamp credit for other retail or financial operations at other units when it is absolutely necessary for relief situations. Under no circumstances should monies or stock from different locations be commingled.

— *Post Office Accounting, Finance, 10-7-99*

UNITED STATES POSTAL SERVICE
(April 28, 1987 Original next page)

MEMORANDUM FOR REGIONAL DIRECTORS OF FINANCE

SUBJECT: Financial Procedures for Stamp Stores

I have reviewed your comments on the suggested interim financial procedures for Stamp Stores and similarly constituted retail units. The following interim rules which are effective immediately, are designed to safeguard both the Postal Service and our employees while permitting a wide latitude in providing for customer needs. They will be reevaluated and modified as necessary after more experience is gained with the Stamp Store concept.

1. Employees who work in Stamp Stores, have access to Stamp Store stock or who accept funds from the public in Stamp Store operations will not be assigned a fixed or flexible accountability for other retail or financial operations. This restriction applies to relief personnel in Stamp Stores as well as regularly assigned employees. Stamp Store employees may be assigned and held responsible for change funds used in normal Stamp Store business, but will not be accountable for postage or other items displayed in open stock accessible to the public. These restrictions are essential to prevent employees from using Stamp Store items for which no individual accountability is maintained to replace shortages in a normal fixed or flexible credit assigned to them for other activities.

2. Since the opportunity for loss is significant in this type of operation, counts of stock and funds will be conducted frequently. Accountabilities of Stamp Stores will be counted at least once each Accounting Period and a detailed record of losses maintained. The record of loss will include quantities and item numbers. At the end of each postal quarter, the records of each count, along with data on any Claims for Loss processed to write off losses will be forwarded to the Post Office Accounting Division, Office of Accounting, for review and evaluation. While no individual accountability is maintained for these items, detailed records of losses must be collected to permit evaluation of inventory decisions, security procedures, and costs of Stamp store operations.

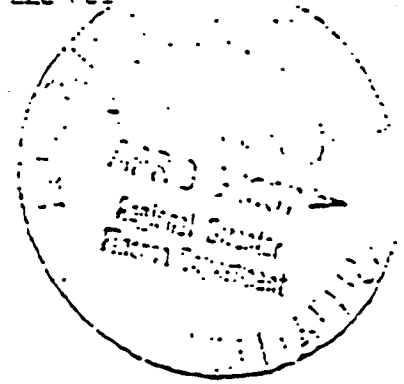
.....M. Richard Porras
Assistant Postmaster General

To: Jimmy Thompson
cc: Nancy Wood

UNITED STATES POSTAL SERVICE
Department of the Controller
475 L'Enfant Plaza, SW
Washington, DC 20259-0200

April 28, 1987

228 FCS



RECEIVED

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MEMORANDUM FOR REGIONAL DIRECTORS OF FINANCE

ACCOUNTING &
SYSTEMS COMPLIANCE

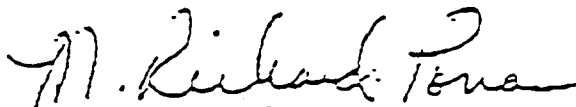
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If you have questions regarding these instructions, you may contact Charles J. Holder, PEN 268-5737.



M. Richard Porras
Assistant Postmaster General

**MEMO AND ELM
DEBT COLLECTION ACT
(PAGES 233 – 266)**

(EXHIBIT 15)

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
AMERICAN POSTAL WORKERS UNION, AFL-CIO
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

The parties agree that bargaining unit employees will be provided an opportunity to petition for a hearing regarding monies demanded by the Employer pursuant to the Debt Collection Act as promulgated in postal regulations found in the Employee and Labor Relations Manual and in other handbooks, manuals, and published regulations of the Postal Service. The following procedures embody our agreement and outline this process and its relationship to the grievance-arbitration procedures in Article 15 of the National Agreement:

- 1) A bargaining unit employee shall have the right to file a grievance under the provisions in Article 15 of the National Agreement concerning any letter of demand, to challenge the existence of a debt owed to the Postal Service, the amount of such debt, and the proposed repayment schedule. A bargaining unit employee also shall have the right to file a grievance under the provisions in Article 15 of the National Agreement concerning any other issue arising under Article 28 of the National Agreement. However, if no grievance challenging the existence of a debt owed to the Postal Service, the amount of such debt, or the proposed repayment schedule, is initiated within 14 days of receipt of the letter of demand, and the Employer intends to proceed with the collection of the debt, the employee will be issued a "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act," with a right to petition for a hearing, pursuant to the Debt Collection Act.

- 2) At any stage of the grievance-arbitration procedure where the existence of a debt, the amount of a debt, or the proposed repayment schedule has been resolved through a written settlement between the Employer and the Union, and the employee remains liable for all or some of the debt, the employee will be issued a "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act." If a petition for hearing is filed, the

Postal Service is free, before the Hearing Officer, to pursue collection of the full amount of the debt. However, any contractual issue settled by the parties in the grievance-arbitration procedure will be final and binding.

3) At any stage of the grievance-arbitration procedure where a grievance has not been initiated or advanced to the next step within the time limits set forth in Article 15 of the National Agreement, and the Employer intends to proceed with collection of the debt, the employee will be issued a "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act."

4) When an arbitrator finds the grievance is not arbitrable, and the Employer intends to proceed with the collection of the debt, the employee will be issued a "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act."


5) Once an arbitration hearing has opened on the merits of any money demand, the employee will not be issued a "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act," unless the arbitrator finds the grievance is not arbitrable or the grievance is settled pursuant to paragraph numbered 2.

6) If a grievance is initiated and advanced through the grievance-arbitration procedure or a petition has been filed pursuant to the Debt Collection Act, regardless of the amount and type of debt, collection of the debt will be delayed until disposition of the grievance and/or petition has (have) been had, either through settlement or exhaustion of contractual and/or administrative remedies.

7) No more than 15 percent of an employee's disposable pay or 20 percent of the employee's biweekly gross pay, whichever is lower, may be deducted each pay period to satisfy a postal debt, unless the parties agree, in writing, to a different amount.

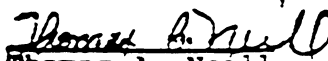
8) The provisions of paragraphs 6 and 7 of this Memorandum, regarding the delay of collection of the monies demanded and the amount to be collected through payroll deductions, will be incorporated in Article 28, Section 4 of the 1994 National Agreement.

9) An administrative hearing under the Debt Collection Act may be conducted by any individual not under the supervision or control of the Postmaster General, but may include a hearing official designated by the Judicial Officer.



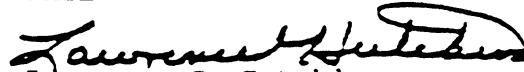
Anthony J. Vegliante
Manager
Grievance & Arbitration
Labor Relations

4/21/93
DATE



Thomas A. Neill
Industrial Relations Director
American Postal Workers Union,
AFL-CIO

7-15-94
DATE



Lawrence G. Hutchins
Vice President
National Association of
Letter Carriers, AFL-CIO

7/20/94
DATE

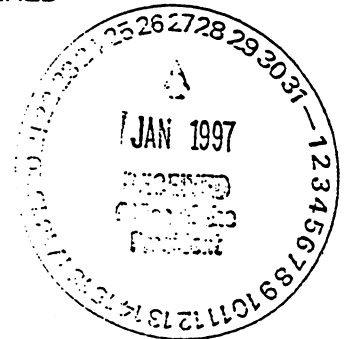
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T.T.



January 27, 1997

HAND DELIVERED
CERTIFIED P 856 999 532

Mr. Moe Biller
President
American Postal Workers
Union, AFL-CIO
1300 L Street, NW
Washington, DC 20005-4128



Dear Moe:

As a matter of general interest, enclosed is a draft of proposed revisions to Employee and Labor Relations Manual 450, Collection of Postal Debts from Nonbargaining Employees, and 460, Collection of Postal Debts From Bargaining Unit Employees.

The proposed revisions consist of modifications to various sections (listed below) of 450 and 460.

451.6 and 461.4 are amended to explain the impact on interest of a waiver request. 451.8 and 461.5, Interest Charges on Debts, are added to define the duration of interest accrual (451.81 & 461.51), the interest rate (451.82 & 461.52), waiver of interest (451.83 & 461.53) by authority of the controller-vice president of Finance or designee (451.831 & 461.531), the authority to waive interest by written settlement (451.832 & 461.532) and the waiver of interest by a hearing official (451.833 & 461.533) or arbitrator (461.533). 451.9, 461.6 and 462.521, provide for the payment of interest to an employee on refunded principal amounts improperly collected. 452.322(d) adds the Postal Service's intention to collect interest in the contents requirements of the Notice of Involuntary Administrative Salary Offsets.

These changes are intended to modify procedures to provide for the collection of interest on debts that employees do not promptly repay to the Postal Service.

In addition to modifications to various sections to provide for interest, 452.337 and 462.12 are added to explain that monthly statements will be issued to employees which include the principal invoiced amount, accrued interest to date, and payments made by the employee in satisfaction of the debt and interest.

Sections 451.1, 452.31, 452.322d, 452.322f(3), 452.334, 452.335, 462.31, 462.42, 464.1, and 464.3 and Exhibits 452.233 and 452.322 are amended to delete the provision for an alternative amount of salary offset for bargaining unit employees.

452.22, Notice to Employee, has been reordered for clarity. 452.22b(2,3) require that notices inform an employee that interest will be charged on debts not repaid within 30 days of receipt of notification that he/she is indebted to the Postal Service.

452.336b provides for the collection of interest when a hearing official determines that the employee is indebted to the Postal Service. It also provides for interest to be paid on any refund to an employee when a hearing official determines that the employee is not indebted to the Postal Service.

452.34 & 462.522 provide for the collection of interest on debts if an employee does not pay a debt within 30 days of receipt of notification of indebtedness.

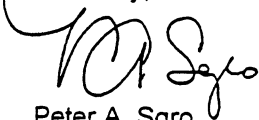
453.21 and 463.22 address interest charges on collection of debts determined by federal court judgments.

Exhibits 452.22 (p.1), Sample Letter of Debt Determination-Nonbargaining; (p.3)5(e), Alternative Offset Schedule; 452.322, Sample Notice of Involuntary Administrative Salary Offsets and 453.21, Sample Letter of Salary Offsets Based on Federal Court Judgment, are amended to include interest charges.

In addition, 462.51 has been reordered for clarity.

If there are any questions concerning this matter, you may contact Donna M. Gill of my staff at (202) 268-2373.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Sgro". The signature is stylized and cursive.

Peter A. Sgro
Acting Manager
Contract Administration APWU/NPMHU

Enclosure

450 Collection of Postal Debts From Nonbargaining Unit Employees

451 General

451.1 Scope

These regulations apply to the collection of any debt owed the Postal Service by a current postal employee who is not included in any collective bargaining unit. The regulations in 452.3 may apply also to the collection of any debt owed the Postal Service by a current postal employee who is included in any collective bargaining unit if the circumstances specified in 462.32 apply. Otherwise, procedures governing the collection of postal debts from bargaining unit employees are found in 460. Generally, the Postal Service may withhold a maximum of 15 percent of an employee's disposable pay each pay period after providing the employee with certain due process rights (see 452) except as provided in 462.4 in the case of a bargaining unit employee. If, however, a federal court has granted judgment upholding the debt, up to 25 percent of the employee's current pay may be withheld each pay period (see 453).

451.2 Representation

Employees have the right to, and free choice of, representation. An employee's designated representative, if also a postal employee and if otherwise in a duty status, is granted a reasonable amount of official time to perform any function for the employee that is authorized by these regulations.

451.3 Debts Due Other Federal Agencies

Regulations governing the collection by involuntary salary offset of debts owed by postal employees to federal agencies other than the Postal Service are specified in Handbook F-16, *Accounts Receivable*, Chapter 7.

451.4 Definitions

The following definitions apply to the material in this subchapter:

- a. *Administrative salary offset* — the collection of a postal or other government agency debt through deductions from the disposable pay of a postal employee under the authority of section 5 of the Debt Collection Act of 1982, 5 U.S.C. 5514(a) (1982).
- b. *Court judgment salary offset* — the collection of a postal or other government agency debt through deductions from the current pay of a postal employee under the authority of section 124 of Public Law 97-276.
- c. *Current pay or disposable pay* — that part of an employee's salary that remains after all required deductions (normal retirement contributions, FICA and Medicare insurance taxes, federal income tax, state and

- local income taxes, and employee-paid federal health insurance premiums) are made.
- d. *Debt* — any outstanding amount owed to the Postal Service by a postal employee.
 - e. *Employee* — a current employee of the Postal Service.
 - f. *Pay* — basic pay, special pay, incentive pay, retired pay, retainer pay, or any other authorized pay, including cost-of-living adjustment or territorial cost-of-living allowance, received by an employee.
 - g. *Postmaster or installation head* — the top management official at a particular post office or installation, or the official who has general supervisory responsibility for a debtor employed at Headquarters or in area offices. When a particular debtor is a postmaster or installation head, the term refers to the official to whom the postmaster or installation head reports.
 - h. *Severe financial hardship* — an employee's inability to meet the essential material needs of the employee and his or her spouse and dependents because of offsets against pay. These essential material needs are food, housing, clothing, transportation, medical care, and any exceptional expenses.
 - i. *Waiver* — the Postal Service's cancellation, remission, or forgiveness of a debt, the recovery of which is covered by these regulations.

451.5 **Time Computation**

In computing any period of time prescribed or allowed by these regulations, the day the designated period of time begins to run is not included. The last day of the period computed is included, unless it is a Saturday, Sunday, or legal holiday, in which event the period runs until the end of the next day that is not a Saturday, Sunday, or legal holiday.

451.6 **Effect of Waiver Request**

If an employee requests a waiver of a debt, the recovery of which is covered by these regulations, that request does not stay the collection process. However, if the waiver request ultimately is granted, the amount collected is refunded to the employee.

451.7 **Service of Notice, Delivery of Records**

A postmaster or installation head must hand deliver any notice required by, or any records requested pursuant to, these regulations to a postal employee and must obtain a dated, signed receipt of delivery. If such personal delivery is not possible, however, certified or Express Mail, return receipt requested, must be used.

451.8 Interest Charges on Debts**451.81 Duration of Accrual**

Interest charges begin to accrue on a debt no sooner than the thirty-first day after the date on which an employee receives notice of the debt and of the interest requirements. Interest charges on the debt continue to accrue until the employee makes full payment of the principal amount of the debt and of the interest charges. Interest charges (simple interest) are calculated on the unpaid balance of the debt.

451.82 Interest Rate

The rate of interest charged is variable and is the rate of the current value of funds to the United States Treasury (i.e., the Department of Treasury tax and loan account rate), as prescribed and published by the Secretary of the Treasury in the *Federal Register* and the *Treasury Financial Manual Bulletins* annually or quarterly, in accordance with 31 U.S.C. 3717. The interest rate charged is that which is in effect on the date that the interest charges begin to accrue, and that rate is adjusted during the suspense and/or payment periods as new rates are established by the Department of Treasury.

451.83 Waiver of Interest**451.831 By Controller**

The Postal Service collects interest charges on any debt that an employee does not repay voluntarily within 30 days of receipt of notification of the debt. However, the controller-vice president of Finance or designee may waive the collection of interest charges on any such debt in either of the following circumstances:

- a. The employee demonstrates that the payment of interest charges would result in a "severe financial hardship" for the employee, as defined in 451.4(h).
- b. Waiver of interest charges is determined to be in the best interest of the Postal Service.

451.832 By Written Settlement

No written settlement agreement entered into between the Postal Service and any employee or employee's representative under which the employee remains liable for all or any portion of the debt is valid to the extent it purports to waive interest on the debt or on the agreed-upon portion of the debt to which the employee remains liable unless it is also signed by the controller-vice president of Finance or designee. This invalidation only extends to that portion of the settlement addressing interest payments.

451.833 By Hearing Official

A hearing official's ruling that specifically finds the employee liable for the debt, or any portion thereof, but that expressly exempts the employee from liability for predecision interest, results in the waiver of predecision interest charges.

451.9 Interest Payments on Refunds

Any amount paid by an employee, or offset from an employee's salary, for a debt that the Postal Service collected improperly, is refunded to the employee with interest payments (simple interest) calculated on the principal amount from the date that such amount was paid or offset. The rate of interest paid on refunds is the rate listed in 451.82.

452 Procedures Governing Administrative Salary Offsets**452.1 Determination and Collection of Debt****452.11 Establishment of Accounts Receivable**

Depending upon the circumstances of a particular case, the determination of a debt subject to collection under this subchapter may be made by an official in the field or at the Minneapolis Accounting Service Center (ASC). For payroll-related debts discovered in the field, Form 2240, *Pay, Leave, or Other Hours Adjustment Request*, must be submitted to the Minneapolis ASC. Payroll-related debts discovered at the ASC level must be reported on Form 2248, *Monetary Payroll Adjustment*. Other debts must be reported to the manager of the Postal Accounts Branch, on Form 1902, *Justification for Billing Accounts Receivable*. Regardless of the amount of the debt, it is the responsibility of the Minneapolis ASC to create a receivable for each debt and to forward an invoice to the postmaster or installation head at the facility where the debtor is employed. At the time a receivable is created, the ASC must ensure that the employee's records are flagged so that the final salary or lump sum leave payment for that employee is not made until the debt is paid.

452.12 Collection by Postmaster or Installation Head

Each postmaster or installation head is responsible for collecting, in accordance with these regulations, any debt owed to the Postal Service by an employee under his or her supervision. Postmasters or installation heads may delegate their responsibilities under these regulations.

452.2 Voluntary Repayment Procedures**452.21 General**

The procedures in this section are intended to facilitate the informal resolution of employee-owed debts, and, in most cases, should be followed before the statutorily mandated procedures in 452.3 are initiated. However, if in the opinion of the appropriate postmaster or installation head the circumstances warrant that expeditious action be taken, the procedures in 452.3 may be initiated immediately.

452.22 Notice to Employee

Upon receiving an invoice reflecting an employee-owed debt from the Minneapolis ASC, the postmaster or installation head must provide the employee with:

- a. A copy of the invoice.
- b. Written notice of:
 - (1) The Postal Service's determination of the existence, nature, and amount of the debt.
 - (2) The potential collection of interest charges if the principal amount of the debt is not repaid voluntarily within 30 days of receipt of the notification of debt determination.
 - (3) The Postal Service's willingness not to collect interest charges on the debt if the debt is repaid voluntarily within 30 days of receipt of notification of the debt.
- c. Information that the employee may pursue one or more of the following options, as appropriate, in order to avoid involuntary salary offsets:
 - (1) In accordance with the procedures specified in 452.231, the employee may request copies of all postal records relating to his or her particular debt.
 - (2) In accordance with the procedures set forth in 452.232, the employee may arrange to pay the entire debt.
 - (3) In accordance with the procedures in 452.233, the employee may agree to voluntary salary offsets of 15 percent or more of disposable pay.
 - (4) In accordance with the procedures in 452.234, the employee may propose an alternative offset schedule.
 - (5) In accordance with the procedures in 452.235, the employee may request the Postal Service to reconsider its determination of the existence or amount of the debt.

(See Exhibit 452.22, Sample Letter of Debt Determination — Nonbargaining.)

452.23 Employee Response to Notice**452.231 Request for Copies of Postal Records**

If an employee would like copies of records relating to a postal debt, he or she must notify the postmaster or installation head in writing within 10 calendar days of receiving notice of the Postal Service's determination of a debt. The postmaster or installation head is responsible for requesting copies of the pertinent records by telephone, if necessary, from the Minneapolis ASC and/or appropriate postal facility, and for providing the employee with copies of these records within 5 calendar days of receiving the employee's written request. Until collection of the debt is completed, the postmaster or installation head must keep a copy of all records provided to the employee at this stage.

452.232 Payment in Full

An employee who acknowledges the validity of the Postal Service's claim and wishes to repay the entire debt voluntarily should be instructed to remit to the postmaster or installation head, for transmittal to the Minneapolis ASC, a check or money order for the full amount due, with the employee's Social Security number on its face. The employee should submit the check or money order no later than 15 calendar days from the date the employee receives the notice of the Postal Service's determination of a debt if he or she does not request copies of postal records relating to the debt, or within 15 calendar days from the date the employee receives any requested records.

452.233 Consent to Salary Offsets

If an employee acknowledges the validity of the Postal Service's claim and would like to repay the debt voluntarily through offsets of 15 percent or more of his or her disposable pay, the employee and the postmaster or installation head should complete the appropriate sections of Form 3239, *Payroll Deduction Authorization to Liquidate Postal Service Indebtedness* (see Exhibit 452.233). This form must be completed no later than 15 calendar days from the date the employee receives the notice of the Postal Service's determination of a debt if he or she does not request copies of postal records relating to the debt, or within 15 calendar days from the date the employee receives any requested records.

452.234 Request for Consideration of Alternative Offset Schedule

If the employee acknowledges the debt, but contends that the proposed deductions of 15 percent of disposable pay would be too severe, he or she may propose an alternative offset schedule.

- a. *Proposal.* The employee's proposed offset schedule must be submitted in writing to the postmaster or installation head, along with a written statement and supporting documentation, stating the employee's reasons for believing that the deductions proposed by the Postal Service would result in a "severe financial hardship," as defined in 451.4h. The proposal must include (1) the amount to be paid each pay period, (2) the number of pay periods it would take to repay the debt under the employee's proposal, and (3) the date the first payment would be made. The supporting documents must also show the following information relating to the employee and his or her spouse and dependents, for the 1-year period preceding the Postal Service's notice and the repayment period proposed by the employee's alternative offset schedule: (1) total family income, assets, and liabilities; (2) number of dependents; and (3) total expenses for food, housing, clothing, transportation, medical care, and any exceptional expenses. The employee should be instructed to provide all information in his or her possession relating to the debt and to his or her financial ability to repay it so that the postmaster or installation head may make an informed decision on an employee's proposed alternative offset plan.
- b. *Time Frame.* The employee's proposed alternative offset schedule and written submissions must be received by the postmaster or installation

head no later than 15 calendar days from the date the employee receives the notice of the Postal Service's determination of a debt if he or she does not request copies of postal records relating to the debt, or within 15 calendar days from the date the employee receives any requested records.

- c. *Consideration.* Based upon the material submitted by the employee and postal records relating to the debt, the postmaster or installation head must consider (1) the extent to which the assets of the employee and his or her spouse and dependents are available to meet their essential material expenses and to repay the postal debt, (2) whether the essential material expenses have been minimized as much as possible, and (3) the extent to which the employee and his or her spouse and dependents can borrow to finance their essential expenses and to repay the postal debt. An employee's alternative offset schedule should be approved only if it provides for installment payments that bear a reasonable relationship to the size of the debt and the employee's ability to pay. Generally, an alternative offset schedule should provide for installment payments of no less than 10 percent of disposable pay per pay period, and for a repayment period of 26 pay periods or less.

452.235 Request for Reconsideration of Debt

If an employee wishes to request reconsideration of the Postal Service's determination of the existence or amount of a debt, he or she may proceed as follows:

- a. *Request.* The employee's request for reconsideration must be submitted in writing to the postmaster or installation head, along with a written statement and supporting documentation indicating why the employee believes he or she is not so indebted. Since the postmaster or installation head will use the material provided by the employee, along with postal records relating to the debt, in deciding whether the Postal Service's determination of the debt should be revised, employees should be instructed to provide all information in their possession relating to the debt so that the postmaster or installation head may make an informed determination.
- b. *Time Frame.* The employee's written submission must be received by the postmaster or installation head no later than 15 calendar days from the date the employee receives the notice of the Postal Service's determination of a debt if he or she does not request copies of postal records relating to the debt, or within 15 calendar days from the date the employee receives any requested records.

452.24 Action Following Reconsideration of Debt and/or Offset Schedule

452.241 Consideration and Response

After reviewing an employee's proposed alternative offset schedule and/or request that the Postal Service reconsider its determination of the existence or amount of a debt, the postmaster or installation head, within 15 calendar days of receiving the employee's proposal or request, must notify the

employee in writing of the determination and take any necessary follow-up action as outlined in 452.242 and 452.243.

452.242 Reconsideration of Debt

If the employee challenged the existence or amount of the debt, the postmaster or installation head takes one of the following actions:

- a. Notifies the employee in writing that (1) he or she is indebted to the Postal Service for the amount set forth in its letter and (2) to prevent the initiation of involuntary offset proceedings, he or she must make arrangements to repay the debt in accordance with the procedures specified in 452.25.
- b. Notifies the employee in writing that (1) he or she is indebted to the Postal Service for a revised amount and (2) he or she may, within 10 calendar days of receiving the Postal Service's determination upon reconsideration, propose in writing to the postmaster or installation head an alternative offset schedule based on the new figure in accordance with the requirements set forth in 452.234a. In accordance with the requirements set forth in 452.234c, and within 5 calendar days of receiving this proposed alternative offset schedule, the postmaster or installation head must notify the employee in writing whether or not it is acceptable. If the postmaster or installation head rejects the employee's alternative offset schedule, the employee must be advised in writing that, to prevent the initiation of involuntary offset proceedings, he or she must make arrangements to repay the debt in accordance with the procedures specified in 452.25.
- c. Notifies the employee in writing that he or she is not indebted to the Postal Service for any amount. The postmaster or installation head must immediately notify the Minneapolis ASC to eliminate the receivable and remove the flag from the employee's records.

452.243 Consideration of Alternative Offset Schedule

If an alternative offset schedule was proposed, the postmaster or installation head takes one of the following actions:

- a. Notifies the employee in writing that (1) the Postal Service's proposed offset schedule would not result in a severe financial hardship for the employee and his or her spouse and dependents, and accordingly the alternative offset schedule proposed by the employee is not acceptable, and (2) to prevent the initiation of involuntary offset proceedings, he or she must make arrangements to repay the debt in accordance with the procedures specified in 452.25.
- b. Notifies the employee in writing that (1) the employee has demonstrated that the Postal Service's proposed offset schedule would result in a severe financial hardship, and accordingly the alternative offset schedule proposed by the employee (or some variation of it) is acceptable, and that (2) the employee must complete appropriate sections of Form 3239. The postmaster or installation head implements the change by completing Form 3239.

452.25 Voluntary Repayment Following Reconsideration**452.251 Payment in Full**

If an employee, upon receiving notice of the Postal Service's determination upon reconsideration, acknowledges the validity of the Postal Service's claim and would like to repay the entire debt voluntarily, he or she should be instructed to remit to the postmaster or installation head, for transmittal to the Minneapolis ASC, a check or money order for the full amount due, with the employee's Social Security number on its face. The employee must submit payment within 15 calendar days of receiving notice of the Postal Service's determination upon reconsideration.

452.252 Consent to Salary Offsets

If an employee, upon receiving the Postal Service's determination on reconsideration, acknowledges the validity of the Postal Service's claim and would like to repay the debt voluntarily through offsets of 15 percent or more of his or her disposable pay, the employee and the postmaster or installation head should complete the appropriate sections of Form 3239. This form must be completed no later than 15 calendar days from the date the employee receives notice of the Postal Service's determination upon reconsideration.

452.26 Failure to Resolve or Repay Debt

If an employee, after receiving notice of the Postal Service's determination of a debt, or after receiving notice of the Postal Service's determination upon reconsideration, fails, within the applicable time periods, to resolve a debt or to make satisfactory arrangements to repay it, the postmaster or installation head must initiate the statutory collection procedures in 452.3.

452.3 Statutory Offset Procedures**452.31 Authority**

Under section 5 of the Debt Collection Act, 5 U.S.C. 5514(a) (1982), the Postal Service may, after providing certain procedural rights, offset an employee's salary in order to satisfy any debt due the Postal Service. Up to 15 percent of an individual's "disposable pay" may be deducted in monthly installments or at "officially established pay intervals." A greater percentage may be deducted with the written consent of the individual debtor. If the individual's employment ends before the full debt is collected, deduction may be made from subsequent payments of any nature due the employee.

452.32 Notifying the Employee**452.321 Notice**

At least 30 calendar days before making an administrative offset under this authority, the postmaster or installation head must provide an employee-debtor with (a) two copies of a Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act, containing the information in 452.322, and (b) a copy of the procedures that govern hearings under the Debt Collection Act set forth at 39 CFR Part 961 (see Exhibit 452.322).

452.322 Contents

The notice (see Exhibit 452.322, Sample Notice of Involuntary Administrative Salary Offsets) required by 452.321 must notify the employee of the following:

- a. The name, work address, and telephone number of the postmaster or installation head issuing the notice.
- b. The Postal Service's determination of the existence and amount of the debt.
- c. The nature of the debt.
- d. The Postal Service's intention to collect the amount due plus interest by offsetting 15 percent of the employee's "disposable pay" each pay period.
- e. The estimated amount, starting date (generally 30 days from the date the employee receives the notice, Exhibit 452.322), frequency, and duration of the intended deductions.
- f. The procedural rights available to the employee, as well as the appropriate method for requesting them. These rights include an opportunity to:
 - (1) Obtain copies of Postal Service records relating to the debt.
 - (2) Avoid the need for involuntary offsets by paying the debt in full.
 - (3) Consent to salary offsets of 15 percent or more of disposable pay.
 - (4) Enter into a written agreement with the Postal Service, under terms agreeable to the postmaster or installation head, to establish an alternative debt repayment schedule.
 - (5) Obtain a hearing on the Postal Service's determination concerning the existence or the amount of the debt, or on the terms of the Postal Service's proposed repayment schedule.
- g. The employee must be informed that the timely filing of a petition for a hearing will stay the collection proceedings.

452.33 Procedures Governing the Exercise of Employee Rights**452.331 Employee Options**

Employees may pursue as many of the options available to them as they wish. It should be noted, however, that an employee's petition for a hearing on the Postal Service's determination of the existence or amount of a debt, or on the terms of the Postal Service's proposed repayment schedule, must be submitted within the time frame specified in 452.336. If, after requesting a hearing, the employee is able to resolve the debt through another available option, his or her hearing petition may be withdrawn.

452.332 Requests for Postal Records

If an employee wishes to request copies of any records, the employee and the postmaster or installation head proceed as follows:

- a. *Submission.* At any time after receiving notice of the Postal Service's intention to collect a debt through involuntary salary offsets and before

any requested hearing is held, a nonbargaining unit employee may request copies of any records he or she did not previously obtain under 452.231, while a bargaining unit employee may request copies of any records the employee or the employee's union did not previously obtain under 462.21. Requests for copies of postal records relating to an alleged debt must be made in writing and directed to the postmaster or installation head.

- b. *Response.* The postmaster or installation head should take care to respond expeditiously to records requests so as not to deprive an employee of the benefit of any information that might resolve questions relating to the debt. Once a request is received, the postmaster or installation head must promptly request, as necessary, copies of the pertinent records by telephone from the Minneapolis ASC or appropriate postal facility and provide the employee, within 5 calendar days of receiving the employee's request, with copies of all records requested.

452.333 Payment in Full

An employee who wishes to pay off an entire debt may remit to the postmaster or installation head for transmittal to the Minneapolis ASC a check or money order with his or her Social Security number on its face, at any time after receiving written notice of the Postal Service's intention to collect the debt through involuntary salary offsets.

452.334 Consent to Salary Offsets

If an employee acknowledges the validity of the Postal Service's claim and would like to consent to offsets of 15 percent or more of his or her disposable pay, the employee and the postmaster or installation head should complete the appropriate sections of Form 3239. An employee may consent to salary offsets at any time after he or she receives notice of the Postal Service's intention to collect the debt through involuntary salary offsets.

452.335 Alternative Offset Schedule

If an employee acknowledges the Postal Service's claim, but contends that the proposed deductions of 15 percent of disposable pay would be too severe, he or she may propose an alternative offset schedule and proceed as follows:

- a. *Proposal.* The employee's proposed offset schedule must be submitted to the postmaster or installation head, along with a written statement and supporting documentation, stating the employee's reasons for believing the deductions proposed by the Postal Service would result in a "severe financial hardship" as that term is defined in 451.4h. The proposal must include (1) the amount to be paid each pay period, (2) the number of pay periods it would take to repay the debt under the employee's proposal, and (3) the date the first payment would be made. The supporting documents must also show the following information relating to the employee and his or her spouse and dependents, for the 1-year period preceding the Postal Service's notice and the repayment period proposed by the employee's alternative offset schedule: (1) total family income, assets, and liabilities; (2)

- number of dependents; and (3) total expenses for food, housing, clothing, transportation, medical care, and any exceptional expenses. The employee should be instructed to provide all information in his or her possession relating to the debt and his or her financial ability to repay it so that the postmaster or installation head may make an informed decision on the employee's request.
- b. *Time Frame.* The employee may submit his or her proposed alternative repayment schedule to the postmaster or installation head at any time after receiving notice of the Postal Service's intention to collect an outstanding debt through involuntary salary offsets.
 - c. *Consideration.* Based upon the material submitted by the employee and postal records relating to the debt, the postmaster or installation head must consider (1) the extent to which the assets of the employee and his or her spouse and dependents are available to meet their essential material expenses and to repay the postal debt, (2) whether the essential material expenses have been minimized as much as possible, and (3) the extent to which the employee and his or her spouse and dependents can borrow to finance their essential expenses and to repay the debt. An employee's alternative offset schedule should be approved only if it provides for installment payments that bear a reasonable relationship to the size of the debt and the employee's ability to pay. Generally, an alternative offset schedule should provide for installment payments of no less than 10 percent of disposable pay per pay period, and for a repayment period of 26 pay periods or less.
 - d. *Notification.* The postmaster or installation head must notify the employee in writing of his or her decision regarding the employee's proposed alternative offset schedule within 15 calendar days of receiving it from the employee.
 - e. *Implementation.* The postmaster or installation head and the employee must implement the terms of an acceptable alternative repayment agreement by completing the appropriate sections of Form 3239.

452.336 **Debt Collection Hearing**

If an employee wishes to request a hearing, the employee and the Postal Service proceed as follows:

- a. *Hearing Request.* If an employee desires a hearing prescribed by section 5 of the Debt Collection Act on the Postal Service's determination of the existence or amount of the debt, or on the involuntary repayment terms proposed by the Postal Service, the employee must file a written petition for a hearing in accordance with the requirements of 39 CFR 961.4. The petition must be filed with the

RECORDER
JUDICIAL OFFICER DEPT
US POSTAL SERVICE
475 L'ENFANT PLZ SW
WASHINGTON DC 20260-6100

on or before the fifteenth calendar day following the employee's receipt of the Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act. The hearing procedures are set forth in 39 CFR Part 961, which is incorporated herein by reference.

- b. *Postdecision Responsibilities.* After an employee has been accorded a requested hearing and a written decision has been rendered, the general counsel of the Postal Service notifies the appropriate postmaster or installation head of the determination. If the hearing decision indicates that the employee is not indebted to the Postal Service, the postmaster or installation head must take the necessary steps to remove all references to the debt from the employee's records and to furnish the Minneapolis ASC with a copy of the decision along with either a completed Form 3239 canceling the payroll deduction or a written request for the district Finance office to refund to the employee any monies collected with interest. However, if the decision authorizes the Postal Service to offset the employee's salary involuntarily, the postmaster or installation head must initiate the authorized offsets plus interest charges by completing the appropriate sections of Form 3239.

452.337 Statement

Any indebtedness that has been posted by the Minneapolis ASC results in the issuance of a monthly statement to the employee of the principal invoiced amount, accrued interest to date, and payments made by the employee in satisfaction of the debt and interest. The statement is not a demand for payment from the employee; it is an informative statement of account so that the employee may monitor the status of the indebtedness. The statement is sent regardless of any invocation of rights under 452.2 or 452.3. An employee not receiving such a statement of a current indebtedness may request the postmaster, installation head, or local Finance office to contact the Minneapolis ASC and request the statement.

452.34 Employee Failure to Respond

If, upon receiving notice of the Postal Service's intention to collect a debt plus interest through involuntary salary offsets, the employee fails to repay the debt, fails to consent to the Postal Service's proposed offsets, fails to propose an acceptable alternative offset schedule, and does not request a hearing on the Postal Service's determination of the debt or its proposed offset schedule, the postmaster or installation head may initiate the offsets to collect the debt plus interest, as specified in the Postal Service's notice to the employee, no earlier than 30 calendar days after the debtor's receipt of that notice, by completing the appropriate sections of Form 3239.

452.4 Collection of Amounts Due Under Federal Benefits Programs

The procedures governing the collection of postal debts through administrative salary offsets (see 452.2 and 452.3) need not be followed, and the employee's pay may be adjusted as appropriate, when the amount to be collected (a) arose from the employee's election of coverage or change of

coverage under a federal benefits program requiring periodic deductions from pay, and (b) was accumulated over four pay periods or less.

453 **Court Judgment Salary Offsets**

453.1 **Authority**

In accordance with section 124 of Public Law 97-276 (October 2, 1982), 5 U.S.C. 5514 note (1982), the Postal Service may deduct up to one-fourth (25 percent) of an employee's "current pay" in monthly installments or at officially established pay periods to satisfy a debt determined by a federal court to be owed to the Postal Service. The statute authorizes the deduction of a "greater amount" if necessary to collect the debt within the employee's anticipated period of employment. If an individual's employment ends before the full amount of the indebtedness has been collected, section 124 provides that deduction shall be made from later payments of any nature due the employee.

453.2 **Applicable Collection Procedures**

453.21 **Notice**

At least 15 calendar days before initiating an offset to collect a debt reflected by a federal court judgment, the postmaster or installation head must provide the employee with a copy of that judgment as well as with a written notice of the Postal Service's intention to deduct 25 percent of the employee's current disposable pay each pay period until the judgment, including any award of prejudgment interest, is satisfied. The letter (see Exhibit 453.21, Sample Letter of Salary Offsets Based on Federal Court Judgment) also must include a statement setting forth the approximate amount, duration, and starting date of the deductions. The letter and judgment generally should be hand delivered, and a dated, signed receipt of delivery obtained. However, if personal delivery is not possible, certified or Express Mail, return receipt requested, should be used.

453.22 **Implementing Offsets**

The postmaster or installation head must initiate the collection process by completing the appropriate sections of Form 3239, no earlier than 15 calendar days after the employee's receipt of the letter.

454 **Multiple Offsets**

454.1 **Administrative Salary Offsets**

By statute, administrative salary offsets under section 5 of the Debt Collection Act of 1982 are limited to no more than 15 percent of an employee's disposable pay during any one pay period — whether the deductions are made to satisfy a debt owed the Postal Service or another federal agency, or some combination of these. Generally, priority among competing administrative salary offset requests is determined by the order in which they are received. However, a request to collect a debt due the Postal

Service must be given priority over other government agency offset requests regardless of the date the postal offset request is received (see 454.4). If a collection request cannot be honored upon receipt, or can be honored only in part, the postmaster or installation head must notify the requesting postal or other government official, in writing, of the reasons for the delay or for the collection of a lesser amount than that requested, and the approximate date the requested offsets can be implemented.

454.2 Court Judgment Salary Offsets

No more than 25 percent of an employee's current pay may be withheld to satisfy a debt determined by a federal court to be due the United States — whether the deductions are made to satisfy a debt owed the Postal Service or another federal agency, or some combination of these. Generally, priority among competing court judgment salary offset requests is determined by the order in which they are received. However, a request to collect a debt due the Postal Service must be given priority over other government agency offset requests regardless of the date the postal offset request is received (see 454.4). If a collection request cannot be honored upon receipt, or can be honored only in part, the postmaster or installation head must notify the requesting postal or other government official, in writing, of the reasons for the delay or for the collection of a lesser amount than that requested, and the approximate date the requested offsets can be implemented.

454.3 Administrative and Court Judgment Salary Offsets

If the salary of a postal employee is the target of one or more of both types of offsets — administrative and court judgment — a combined total of no more than 25 percent will be withheld during any one pay period. However, in no case may the amount withheld in accordance with administrative salary offsets exceed 15 percent of the employee's disposable pay. As is generally the case with competing offsets of the same type and subject to 454.4, priority between administrative salary offsets and court judgment salary offsets is determined by the order in which they are received.

454.4 Priority of Postal Service Indebtedness

If a postal employee is indebted to the Postal Service, that debt takes priority over any debt he or she may owe another federal agency, even if the other agency's request for salary offsets was received first. Accordingly, if both the Postal Service and another agency request the maximum allowable deductions, collection of the other agency's debt must be interrupted or postponed until the entire postal debt is recovered. However, if an amount less than that requested by the other agency may be deducted in addition to the offsets requested by the Postal Service without exceeding the appropriate percentage ceiling, deductions for the lesser amount must be withheld and forwarded to the requesting agency along with an explanation for the smaller offsets.

454.5 Garnishments

Administrative salary offsets based on section 5 of the Debt Collection Act of 1982 and court judgment salary offsets based on section 124 of Public Law 97-276 are not, as a matter of law, considered garnishments. Rather, for purposes of determining an employee's "disposable earnings" under the Federal Consumer Credit Protection Act, 15 U.S.C. 1671, et seq., these withholdings are considered to be amounts required by law to be deducted. Accordingly, they should be deducted before the applicable garnishment ceilings are imposed and before deductions for garnishments are made.

455 Action Upon Transfer or Separation**455.1 Withholdings From Any Amount Due**

If a postal employee whose wages are subject to offset transfers to another federal agency or separates from employment, the Postal Service applies any amount due the employee at the time of his or her separation to the debt owed the Postal Service. If the debt is still not satisfied, appropriate action as described in 455.2 or 455.3 should be taken.

455.2 Transfer to Another Federal Agency

If a postal employee whose wages are subject to offset transfers to another federal agency, and the full debt cannot be collected from amounts due the employee from the Postal Service, the Postal Service must request the former postal employee's new agency to continue offsetting the debtor's salary until the debt is satisfied. The request must specify the amount of the original debt, the amount collected by the Postal Service through salary offsets, the amount that remains to be collected, and the percentage of the debtor's disposable earnings or current pay that should be deducted each pay period. In addition, the Postal Service must certify that the former postal employee has been accorded all required rights of due process. When the Postal Service's request is sent to the new employing agency, a copy also must be sent to the former employee at his or her home address.

455.3 Collection of Debt Upon Separation

If the full debt cannot be collected from amounts due the employee at the time of his or her separation, the manager of the Postal Accounts Branch must attempt to recover the debt from any available retirement or disability payments due the former employee in accordance with the provisions of 5 CFR 831, Subpart R, or 5 CFR 845, Subpart D (see Handbook F-16, *Accounts Receivable*, 743).

Exhibit 452.22 (p. 1)
Sample Letter of Debt Determination — Nonbargaining



[date]

[name]
[street]
[city, state, ZIP]

Dear [name of debtor]:

As shown in the enclosed invoice, you owe the Postal Service \$[amount]. This debt is based on [briefly describe how the debt arose].

If you would like, you may repay the debt in a lump sum, agree to voluntary salary offsets of 15 percent or more of your "disposable pay,"¹ propose a different offset schedule, or ask us to reconsider our determination of the existence or amount of the debt. You also may ask for copies of postal records relating to this debt. Instructions for exercising these options are enclosed. If you decide to authorize the Postal Service to collect the amount due through offsets of 15 percent of your disposable pay, approximately \$[amount] will be withheld from your paycheck for approximately [number of] pay periods.

If you do not act within the time frames specified in the enclosure, we will take the necessary steps to offset your salary on an involuntary basis.

If you have any questions on this matter, you should contact Mr./Ms. [name of appropriate official] at [telephone number] or at [address].

Sincerely,

[signature]
[name]
[title of installation head]

Enclosures:
Invoice
Options Available to Employee

¹ The term *disposable pay* refers to that part of an employee's salary remaining after all required deductions (normal retirement contributions, FICA and Medicare insurance taxes, federal income tax, state and local income taxes, and employee-paid federal health insurance premiums) are made.

Exhibit 452.22 (p. 2)
Sample Letter of Debt Determination — Nonbargaining (Enclosure)

Options Available to Employee

1. *Options.* If you wish, you may do any of the following:
 - a. Request, in accordance with paragraph 2 below, copies of all postal records relating to the debt.
 - b. Repay the entire debt voluntarily in accordance with paragraph 3 below.
 - c. Agree, in accordance with paragraph 4 below, to voluntary salary offsets of 15 percent or more of disposable pay.
 - d. Propose, in accordance with paragraph 5 below, an acceptable alternative offset schedule.
 - e. Request, in accordance with paragraph 6 below, that the Postal Service reconsider its determination of the existence or amount of the debt.
2. *Request for Records.* If you would like copies of all postal records relating to your debt, you must contact in writing [name of appropriate official] at [address] within 10 calendar days from your receipt of this notice of the Postal Service's determination of a debt. You will be provided with copies of the records within 5 calendar days of the date your request is received.
3. *Payment in Full.* If you wish to repay the debt, you should submit a check or money order, with your Social Security number on its face, for the full amount due, to [name of appropriate official] at [address]. Your check or money order must be submitted no later than 15 calendar days from the date you receive this notice if you do not request copies of postal records relating to your debt, or within 15 calendar days from the date you receive any requested records.
4. *Consent to Offsets.* If you would like to repay the debt voluntarily through offsets of 15 percent or more of your disposable pay, you should contact [name of appropriate official] at [address] and complete Form 3239, *Payroll Deduction Authorization to Liquidate Postal Service Indebtedness*. The form must be completed no later than 15 calendar days from the date you receive this notice if you do not request copies of postal records relating to your debt, or within 15 calendar days from the date you receive any requested records.
5. *Alternative Offset Schedule.* If you acknowledge the debt, but believe that the proposed deductions of 15 percent of disposable pay would be too severe, you may propose an alternative offset schedule.
 - a. You must submit your alternative offset schedule in writing to [name of appropriate official] at [address] along with a written statement and supporting documents, stating your reasons for believing the deductions proposed by the Postal Service would result in a "severe financial hardship."¹ Your proposal must include (1) the amount to be paid each pay period, (2) the number of pay periods it would take to repay the debt, and (3) the date the first payment would be made. In addition, the supporting documents must show, for you and your spouse and dependents, for the 1-year period preceding this notice and for your proposed repayment period, (1) total family income, assets, and liabilities; (2) number of dependents; and (3) total expenses for food, housing, clothing, transportation, medical care, and any exceptional expenses.

¹ The term *severe financial hardship* refers to an employee's inability to meet the essential material needs of the employee and his or her spouse and dependents because of offsets against pay. These essential material needs are food, housing, clothing, transportation, medical care, and any exceptional expenses.

Exhibit 452.22 (p. 3)

Sample Letter of Debt Determination — Nonbargaining (Enclosure)

- b. Your written submissions must be received by the Postal Service no later than 15 calendar days from the date you receive this notice if you do not request copies of postal records relating to the debt, or within 15 calendar days from the date you receive any requested records.
 - c. Based upon the material you submit and postal records relating to the debt, the postmaster or installation head will consider (1) the extent to which the assets owned by you and your spouse and dependents are available to meet your essential material expenses and to repay the postal debt; (2) whether your essential material expenses have been minimized as much as possible, and (3) the extent to which you and your spouse and dependents can borrow to finance your essential expenses and to repay the postal debt. An alternative offset schedule will be approved only if it provides for installment payments that bear a reasonable relationship to the size of the debt and your ability to pay. Generally, an alternative offset schedule should provide for installment payments of no less than 10 percent of disposable pay per pay period, and for a repayment period of 26 pay periods or less.
 - d. If it becomes necessary to submit your case to the involuntary salary offset process, you may be entitled to a hearing before an impartial hearing official. The scope of such a hearing, however, is limited by statute to the Postal Service's determination of the existence or amount of the debt or the terms of an involuntary repayment schedule. Since any information you provide will be used by the Postal Service in making a determination on your proposed repayment schedule, it is important, for your own protection, that you provide any relevant information and documents at this stage of the collection process.
6. *Request for Reconsideration of Debt.* If you wish to ask the Postal Service to reconsider its determination of the existence or amount of the debt, you must proceed as follows:
- a. Your request must be submitted to [*name of appropriate official*] at [*address*] with a written statement and supporting documentation, indicating why you believe you are not so indebted.
 - b. Your written submissions must be received by the Postal Service no later than 15 calendar days from the date you receive this notice if you do not request copies of postal records relating to the debt, or within 15 calendar days from the date you receive any requested records.
 - c. If it becomes necessary to submit your case to the involuntary salary offset process, you may be entitled to a hearing before an impartial hearing official. The scope of such a hearing, however, is limited by statute to the Postal Service's determination of the existence or amount of the debt or to the terms of an involuntary repayment schedule. Since any information you provide will be used by the Postal Service in making a determination on this debt, it is important, for your own protection, that you provide any relevant information and documents at this stage of the collection process.
7. *Decision on Reconsideration.* If you propose an alternative offset schedule, or submit a request for reconsideration of the existence or amount of a debt, you will be notified of the Postal Service's decision within 15 calendar days of the day your proposal or request is received.

Sample Letter of Debt Determination — Nonbargaining (Enclosure)

- d. If you do not agree to repay the debt voluntarily through a lump sum payment of the principal within 30 days of receipt of this notice and reconsideration is denied, interest charges will accrue on the debt beginning no sooner than the thirty-first day after the date on which you received this notice. An appeal to the hearing official will not stay the accrual of interest charges on the debt.
7. *Decision on Reconsideration.* If you propose an alternative offset schedule, or submit a request for reconsideration of the existence or amount of a debt, you will be notified of the Postal Service's decision within 15 calendar days of the day your proposal or request is received.

Exhibit 452.233
Form 3239, Payroll Deduction Authorization to Liquidate Postal Service Indebtedness


	<h2 style="margin: 0;">Payroll Deduction Authorization to Liquidate Postal Service Indebtedness</h2>	
Definitions		
<p>* The terms "disposable pay" and "current pay" refer to that part of an employee's salary which remains after all required deductions, normal retirement contributions, FICA and Medicare insurance taxes, and employee-paid Federal health insurance premiums, are made.</p>		
General Information		
<p>The postmaster/installation head completes this form in triplicate. Send Part 1 and Form 1902, <i>Justification for Billing Accounts Receivable</i>, to the Payroll Processing Branch of the Minneapolis Accounting Service Center (ASC): 1 Federal Dr., Ft. Snelling, MN 55111-9600. Send Part 2 to personnel and Part 3 to the employee.</p>		
Employee Name (as shown on paycheck)	Social Security Number	
Servicing ASC	Total Debt	
Type of Offset <input type="checkbox"/> Administrative – Nonbargaining-Unit Employee (Maximum 15% of disposable pay *) <input type="checkbox"/> Administrative – Bargaining Unit Employee (Maximum 15% of disposable pay * or 20% of gross pay, whichever is lower when salary offset starts) <input type="checkbox"/> Court Judgment (Maximum 25% of current pay *) <input type="checkbox"/> Voluntary (No maximum)		
Home Address (include ZIP + 4)	Postal Facility Where Employed (include ZIP + 4)	
Pay Period Deductions		
<p>NOTE: A request must be received at the ASC no later than Tuesday of the week in which the pay period ends in order to be effective for the pay period.</p>		
Deductions Begin:	Pay Period	Date
Deduction Per Pay Period:	Nonbargaining-Unit Employee \$ _____ or _____ % of disposable/ current pay. *	Bargaining Unit Employee \$ _____ or _____ % of disposable/ current pay * or _____ % of gross pay.
	Voluntary Authorization	
<p>I acknowledge that I am indebted to the Postal Service in the amount specified above, and I request that I be permitted to liquidate this debt through payroll deduction from my salary checks as indicated above. If, at the time of my separation from the Postal Service, this debt has not been fully satisfied, the Postal Service may apply any sums due me, without limitation, to the outstanding balance. I hereby certify, that the foregoing statements are true and correct to the best of my knowledge and belief, and they are made of my own free will and at my discretion.</p>		
Signature		Date
Involuntary Authorization		
<p>The employee has been notified of the Postal Service's determination of the debt set forth above and the applicable set-off procedures have been provided. Accordingly, the deductions may be made on an involuntary basis.</p>		
Authorized Individual's Printed Name, Title, and Signature		Date
Cancellation		
<input type="checkbox"/> Cancel deduction in accordance with instructions on file in this office.		
Authorized Individual's Printed Name, Title, and Signature		Date
<p>Privacy Act Statement. The collection of this information is authorized by 39 USC § 401. This information will be used to settle a financial difference with the Postal Service. As a routine use, this information may be disclosed to an appropriate law enforcement agency for investigative or prosecutorial purposes, to a congressional office at your request, to OMB for review of private relief legislation, to a labor organization as required by the NLRA, and where pertinent, in a legal proceeding to which the Postal Service is a party. Completion of this form is voluntary. However, if this information is not provided, your personal situation may not be fully considered during the resolution of the difference.</p>		
PS Form 3239, June 1995		1 - Minneapolis ASC

Exhibit 452.322 (p. 1)
Sample Notice of Involuntary Administrative Salary Offsets



**NOTICE OF INVOLUNTARY ADMINISTRATIVE
SALARY OFFSETS UNDER THE DEBT COLLECTION ACT**

[date]

[name]

[street]

[city, state, ZIP]

[name of debtor]:

On [date of previous letter], you were notified by letter of our determination that you owe the Postal Service \$[amount]. As we noted in our earlier letter, this debt is based on [briefly describe how debt arose].

Our records indicate that you have not acted to repay this debt. Accordingly, this letter provides notice of the Postal Service's intention to collect this debt by deducting 15 percent of your "disposable pay"¹ each pay period (or, for a bargaining unit employee, 20 percent of gross pay each pay period, whichever amount is lower when the salary offset is started). In your case, this will amount to deductions of approximately \$[amount] from each paycheck beginning on [date deductions are scheduled to begin—generally 30 days from the date the employee receives this notice]. These deductions will continue until the debt is collected; we estimate that this should take approximately [number of] pay periods.

If you feel our determination of the existence or amount of this debt is incorrect, or if you believe the deductions set forth above would impose a "severe financial hardship"² on you and your spouse and dependents, you may take one or more of the measures detailed in the enclosed *Statement of Debtor's Rights and Responsibilities*. Unless you have a sound basis for contesting the Postal Service's determinations concerning this matter, you should make arrangements immediately to repay this debt.

[signature]

[name]

[title of installation head]

[work address]

[telephone number w/ area code]

Enclosures

Statement of Debtor's Rights and Responsibilities
Rules of Procedure Governing Hearings Under the Debt Collection Act

- ¹ The term *disposable pay* refers to that part of an employee's salary remaining after all required deductions (normal retirement contributions, FICA and Medicare insurance taxes, federal income tax, state and local income taxes, and employee-paid federal health insurance premiums) are made.
- ² The term *severe financial hardship* refers to an employee's inability to meet the material needs of the employee and his or her spouse and dependents because of offsets against pay. These essential material needs are food, housing, clothing, transportation, medical care, and any exceptional expenses.

Sample Notice of Involuntary Administrative Salary Offsets

Statement of Debtor's Rights and Responsibilities

1. *Request for Records.* At any time after receiving this notice of the Postal Service's intention to collect a debt through involuntary salary offsets and before a requested hearing is held, you may request copies of any postal records that you have not previously received, by contacting, in writing, [__name of appropriate official__] at [__address__]. You will receive any requested records within 5 calendar days of the date your request is received by the Postal Service.

2. *Payment in Full.* If you acknowledge the validity of the Postal Service's claim and wish to repay the entire debt, you may, at any time after receiving this notice of the Postal Service's intention to collect a debt through involuntary offsets, submit a check or money order, with your Social Security number on its face, for the full amount due, to [__name of appropriate official__] at [__address__]. As more than 30 days have passed since you received the initial Notice of Debt Determination, interest began accruing on the debt after the thirtieth day after the date on which you received notification of the debt and of the interest requirements, and will continue to accrue until the date that the payment of the debt is received by the official who issued the Notice of Debt Determination. After your payment is received, you will be notified of the interest due on the debt.

3. *Consent to Offsets.* If you acknowledge the validity of the Postal Service's claim and would like to consent to offsets of 15 percent or more of your disposable pay, you should contact [__name of appropriate official__] at [__address__] and complete Form 3239, *Payroll Deduction Authorization to Liquidate Postal Service Indebtedness*. You may agree to salary offsets in the amount proposed by the Postal Service, or some greater amount, at any time after you receive notice of the Postal Service's intention to collect a debt through involuntary salary offsets. Interest will accrue on the debt after the thirtieth day after the date on which you received notification of the debt and of the interest requirements until the date that the principal and all accrued interest are collected.

4. *Alternative Offset Schedule.* If you acknowledge the debt, but believe that the proposed deductions of 15 percent of disposable pay would impose a "severe financial hardship"¹ on your family, you may propose an alternative offset schedule.

¹ The term *severe financial hardship* refers to an employee's inability to meet the material needs of the employee and his or her spouse and dependents because of offsets against pay. These essential material needs are food, housing, clothing, transportation, medical care, and any exceptional expenses.

Sample Notice of Involuntary Administrative Salary Offsets

a. Your proposed alternative offset schedule must be submitted to [name of appropriate official] at [address], along with a written statement, and supporting documentation, stating your reasons for believing the deductions proposed by the Postal Service would result in a "severe financial hardship." Your proposal must include (1) the amount to be paid each pay period, (2) the number of pay periods it would take to repay the debt, and (3) the date the first payment would be made. In addition, the supporting documents must show, for you and your spouse and dependents, for the 1-year period preceding the Postal Service's notice and for your proposed repayment period, (1) your total family income, assets, liabilities; (2) number of dependents; and (3) total expenses for food, housing, clothing, transportation, medical care; and any exceptional expenses. You should be careful to provide all information in your possession relating to this debt so that the Postal Service may make an informed decision on your request for an alternative offset schedule. You may submit your proposed alternative repayment schedule at any time after receiving this notice of the Postal Service's intention to collect an outstanding debt through salary offsets.

b. Based upon the material you submit and postal records relating to the debt, the Postal Service will consider (1) the extent to which your assets and those of your spouse and dependents are available to meet your family's essential material expenses and to repay the postal debt, (2) whether your essential material expenses have been minimized as much as possible, and (3) the extent to which you and your spouse and dependents can borrow to finance your essential expenses and to repay the debt. An alternative offset schedule will be approved only if it provides for installment payments that bear a reasonable relationship to the size of the debt and your ability to pay. Generally, an alternative offset schedule should provide for installment payments of no less than 10 percent of disposable pay per pay period, and for a repayment period of 26 pay periods or less.

c. You will be notified of the Postal Service's decision regarding your proposed repayment schedule within 15 calendar days of the date it is received.

5. *Petition for a Hearing.* To request a hearing on the Postal Service's determination of the existence or amount of the debt, or on the Postal Service's proposed involuntary offset schedule, you must file a written petition for a hearing in accordance with the requirements of 39 CFR 961.4. (A copy of Part 961 of 39 CFR. is enclosed.) Your hearing petition must be filed with the RECORDER, JUDICIAL OFFICER DEPT, US POSTAL SERVICE, 475 L'ENFANT PLZ SW, WASHINGTON DC 20260-6100, on or before the fifteenth calendar day following your receipt of this notice. A timely request for a hearing will stay the commencement of the collection of the debt.

Note: While you may request a hearing and pursue one of the other available options, your hearing petition must be filed within the required time period. If questions relating to this debt are resolved before the hearing is held, your petition may be withdrawn.

6. *Failure to Act.* If you do not exercise any of the rights set forth above, the Postal Service will proceed with its plans to initiate the proposed offsets 30 days from the date you receive this notice.

Exhibit 452.322 (p. 4)

Sample Notice of Involuntary Administrative Salary Offsets

39 CFR PART 961—RULES OF PRACTICE IN PROCEEDINGS RELATIVE TO EMPLOYEE HEARING PETITIONS UNDER SECTION 5 OF THE DEBT COLLECTION ACT

Section

- 961.1 Authority for rules.
- 961.2 Scope of rules.
- 961.3 Definitions.
- 961.4 Employee Petition for a hearing and Supplement to Petition.
- 961.5 Effect of Petition filing.
- 961.6 Filing, docketing and serving documents; computation of time; representation of parties.
- 961.7 Answer to Petition and Supplement to Petition.
- 961.8 Hearing Official authority and responsibilities.
- 961.9 Effect of Hearing Official's decision; motion for reconsideration.
- 961.10 Waiver of employee rights.
- 961.11 Ex parte communications.

Authority: 39 U.S.C. 204, 401; 5 U.S.C. 5514(a).

Source: 51 FR 1251, Jan. 10, 1986, unless otherwise noted.

Sec. 961.1 Authority for rules. These rules are issued by the Judicial Officer pursuant to authority delegated by the Postmaster General.

Sec. 961.2 Scope of rules. The rules in this part apply to the hearing provided by section 5 of the Debt Collection Act of 1982, as amended, 5 U.S.C. 5514(a), on the Postal Service's determination of the existence or amount of an employee debt to the Postal Service, or of the terms of the employee's debt repayment schedule. In addition, these rules, as appropriate, apply to a hearing under section 5 of the Debt Collection Act when an Administrative Law Judge or an Administrative Judge in the Judicial Officer Department is designated as the Hearing Official for a creditor Federal agency other than the Postal Service pursuant to an agreement between the Postal Service and that agency.

Sec. 961.3 Definitions.

- (a) "Employee" refers to a current employee of the Postal Service or another Federal agency who is alleged to be indebted to the Postal Service or another creditor Federal agency and whose hearing under section 5 of the Debt Collection Act is being conducted under these rules.
- (b) "General Counsel" refers to the General Counsel of the Postal Service, and includes a designated representative.
- (c) "Hearing Official" refers to an Administrative Law Judge qualified to hear cases under the Administrative Procedure Act, an Administrative Judge appointed under the Contract Disputes Act of 1978, or any other qualified person not under the control or supervision of the Postmaster General, who is designated by the Judicial Officer to conduct the hearing under section 5 of the Debt Collection Act of 1982, as amended, 5 U.S.C. 5514(a).
- (d) "Judicial Officer" refers to the Judicial Officer or Acting Judicial Officer of the United States Postal Service.
- (e) "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act" refers to the formal written notice required by section 5 of the Debt Collection Act before involuntary collection deductions can be taken from an employee's salary.
- (f) "Postmaster/Installation Head" refers to the Postal Service official who is authorized under the Postal Service Employee and Labor Relations Manual to make the initial determination of employee indebtedness and to issue the "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act."
- (g) "Recorder" refers to the Recorder, Judicial Officer Department, U.S. Postal Service, 475 L'Enfant Plaza, S.W., Washington, DC 20260-6100.

Exhibit 452.322 (p. 5)

Sample Notice of Involuntary Administrative Salary Offsets

Sec. 961.4 Employee Petition for a hearing and supplement to petition.

- (a) If an employee desires a hearing, prescribed by section 5 of the Debt Collection Act, on the Postal Service's determination of the existence or amount of a debt, or on the involuntary repayment terms proposed by the Postal Service, the employee must file a written, signed petition with the Recorder, Judicial Officer Department, U.S. Postal Service, 475 L'Enfant Plaza, S.W., Washington, DC 20260-6100, on or before the fifteenth (15th) calendar day following the employee's receipt of the Postal Service's "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act."
- (b) The hearing petition is to include the following:
- (1) The words, "Petition for Hearing Under the Debt Collection Act," prominently captioned at the top of the first page;
 - (2) The name of the employee petitioner and the employee's work and home addresses, and work and home telephone numbers; or other address and telephone number where the employee may be contacted about the hearing proceedings;
 - (3) A statement of the date the employee received the "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act," and a copy of the Notice;
 - (4) A statement indicating whether the employee requests an oral hearing or a hearing based solely on written submissions;
 - (5) If the employee requests an oral hearing, a statement of the evidence he or she will produce which makes an oral hearing necessary, including a list of witnesses, with their addresses, whom the employee expects to call; the proposed city for the hearing site, with justification for holding the hearing in that city; and recommended alternative dates for the hearing; which should be within 40 days from filing the Petition;
 - (6) A statement of the grounds upon which the employee objects to the Postal Service's determination of the existence or amount of the debt, or to the proposed offset schedule. This statement should identify and explain with reasonable specificity and brevity the facts, evidence, and legal arguments, if any, which the employee believes support his or her position;
 - (7) Copies of all records in the employee's possession which relate to the debt; and
 - (8) If an employee contends that the Postal Service's proposed offset schedule would result in a severe financial hardship on the employee and his or her spouse and dependents, an alternative offset schedule, and a statement and supporting documents indicating for the employee and his or her spouse and dependents for the 1 year preceding the Postal Service's notice and for the repayment period proposed by the employee in his or her alternative offset schedule, their total income from all sources; assets; liabilities; number of dependents; and expenses for food, housing, clothing, transportation, medical care, and exceptional expenses, if any.
- (c) The employee may, if necessary, file with the Recorder, additional information as a Supplement to the Petition on or before the thirtieth (30th) calendar day following the employee's receipt of the Postal Service's "Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act."

Sec. 961.5 Effect of Petition filing. Upon receipt and docketing of the employee's Petition for a hearing, the Recorder will notify the Postmaster/Installation Head and the General Counsel that the Petition has been filed and that pursuant to section 5 of the Debt Collection Act, a timely-filed Petition for a hearing stays further collection action.

Exhibit 452.322 (p. 6)

Sample Notice of Involuntary Administrative Salary Offsets

Sec. 961.6 Filing, docketing and serving documents; computation of time; representation of parties.

- (a) ***Filing.*** All documents relating to the Debt Collection Act hearing proceedings must be filed by the employee or the General Counsel with the Recorder. (Normal Recorder office business hours are between 8:15 a.m. and 4:45 p.m., eastern standard or daylight saving time as appropriate during the year.) The Recorder will transmit a copy of each document filed to the other party, and the original to the Hearing Official.
- (b) ***Docketing.*** The Recorder will maintain a docket record of Debt Collection Act hearing petition proceedings and will assign each employee Petition a docket number. After notification of the docket number, the employee and General Counsel should refer to it on any further filings regarding the Petition.
- (c) ***Time computation.*** A filing period under the rules in this part excludes the day the period begins, and includes the last day of the period unless the last day is a Saturday, Sunday, or legal holiday, in which event the period runs until the close of business on the next business day.
- (d) ***Representation of parties.*** After the filing of the Petition, further document transmittals for, or communications with, the Postmaster/Installation Head or Postal Service shall be through their representative, the General Counsel, or, if an appropriate notice of appearance is filed, the General Counsel's designee. If a notice of appearance by an attorney authorized to practice law in any of the United States or the District of Columbia or a territory of the United States is filed in behalf of an employee, further transmissions of documents and other communications with the employee shall be made through his or her attorney rather than directly with the employee.

Sec. 961.7 Answer to Petition and Supplement to Petition. If the employee's Petition states reasons to support the employee's position, within 15 days from notice of the Petition, the General Counsel shall file an Answer to the Petition, and attach all available relevant records and documents in support of the Postal Service's claim, and a list of witnesses the Postal Service intends to call if an oral hearing is granted. If the employee files a Supplement to the Petition, the General Counsel, within ten (10) calendar days from the filing of the Supplement with the Recorder must file any Supplemental Answer and records to support the position of the Postal Service.

Sec. 961.8 Hearing Official authority and responsibilities. The Hearing Official shall provide a full and fair hearing. The proceedings must be expedited to ensure issuance of the final decision no later than 60 days after the filing of the employee's hearing Petition. The Hearing Official's authority includes, but is not limited to, the following:

- (a) Ruling on all offers, motions or requests by the parties;
- (b) Issuing any notices, orders or memoranda to the parties concerning the hearing proceedings;
- (c) Using telephone conferences with the parties to expedite the proceedings. A memorandum of a telephone conference will be transmitted to both parties;
- (d) Determining if an oral hearing should be held; and setting the place, date and time for the hearing or the taking of testimony by telephone conference;
- (e) Administering oaths or affirmations to witnesses, and conducting the hearing in a manner to maintain discipline and decorum while assuring that relevant, reliable and probative evidence is elicited on the issues in dispute, but irrelevant, immaterial or repetitious evidence is excluded;
- (f) Establishing the record in the case;

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Sample Notice of Involuntary Administrative Salary Offsets

- (g) Issuing the final decision orally or in writing no later than sixty (60) days after the filing of the employee's hearing Petition. When an oral decision is rendered, a written confirmation will thereafter be sent to the parties. The decision must include the determination of the amount and validity of the alleged debt and, where applicable, the repayment schedule. It should also include findings and reasons.

Sec. 961.9 Effect of Hearing Official's decision; motion for reconsideration. The Hearing Official's decision shall be the final administrative determination on the employee's debt or repayment schedule. No reconsideration of the decision will be allowed unless a motion for reconsideration is filed by either party within 10 days from receipt of the decision and shows good reasons for reconsideration. Reconsideration will be allowed only in the discretion of the Hearing Official. A motion for reconsideration by the employee will not operate to stay the collection action authorized by the Hearing Official's decision.

Sec. 961.10 Waiver of employee rights. The Hearing Official may determine the employee has waived his or her right to a hearing and the employee's pay shall be offset in accordance with the Postal Service's offset schedule, if the employee:

- (a) Files a Petition for hearing after the end of the 15-day period allowed by the Act for filing the Petition, and fails to demonstrate to the satisfaction of the Hearing Official good cause for the delay;
- (b) Has received notice to appear at an oral hearing but fails to do so without showing circumstances beyond the employee's control;
- (c) Fails to file required submissions or to comply with orders of the Hearing Official, and the failure makes it difficult or impossible to hold the hearing or to issue the decision within the statutory time;
- (d) Files a withdrawal of his or her Petition for a hearing with the Recorder.

Sec. 961.11 Ex parte communications. Ex parte communications between a Hearing Official or his staff and a party shall not be made. This prohibition does not apply to procedural matters. A memorandum of any communication between the Hearing Official and a party will be transmitted to both parties.

Exhibit 453.21
Sample Letter of Salary Offsets Based on Federal Court Judgment



[_ date _]

[_ name _]

[_ street _]

[_ city, state, ZIP _]

Dear [_ name of debtor _]:

This letter is to inform you that the Postal Service intends to collect, through salary offsets, the judgment entered against you in the amount of \$[_ amount _] by the [_ name of court _] on [_ date judgment was entered _].¹ Twenty-five percent of your *current pay*² will be deducted each pay period until the full amount you owe the Postal Service, represented by this judgment, is collected. This will amount to deductions of approximately \$[_ amount _] from each paycheck beginning with that issued on [_ date deductions are scheduled to start—generally 15 days from date of notice _]. The deductions should last approximately [_ number of _] pay periods.

If you have any questions regarding this matter, please contact [_ name of appropriate official _] at [_ address _] or [_ telephone number _] immediately.

Sincerely,

[_ signature _]

[_ name _]

[_ title of installation head _]

Enclosure

¹ A copy of the judgment is enclosed.

² The term *current pay* refers to that part of an employee's salary that remains after all required deductions (normal retirement contributions, FICA and Medicare insurance taxes, federal income tax, state and local income taxes, and employee-paid federal health insurance premiums) are made.

460 Collection of Postal Debts From Bargaining Unit Employees

461 General

461.1 Scope

These regulations apply to the collection of any debt owed the Postal Service by a current postal employee who is included in any collective bargaining unit. If the circumstances specified in 462.32 apply to such employees, 452.3 may also apply, and consequently 451.2, 451.5, and 451.7 as well.

461.2 Debts Due Other Federal Agencies

Regulations governing the collection, by involuntary salary offset, of debts owed by postal employees to federal agencies other than the Postal Service are specified in Handbook F-16, *Accounts Receivable*, Chapter 7.

461.3 Definitions

As used in this subchapter, the following terms have the same meaning ascribed to them in 451.4:

- a. Administrative salary offset.
- b. Court judgment salary offset.
- c. Current pay and disposable pay.
- d. Debt.
- e. Employee.
- f. Pay.
- g. Postmaster or installation head.
- h. Severe financial hardship.
- i. Waiver.

461.4 Effect of Waiver Request

If an employee requests a waiver of a debt, the recovery of which is covered by these regulations, that request does not stay the collection process. If the waiver request ultimately is granted, the entire amount collected, including interest paid by the employee, must be refunded to the employee. The Postal Service, however, pays no interest on such refunded amounts.

461.5 Interest Charges on Debts

461.51 Duration of Accrual

Interest charges begin to accrue on a debt no sooner than the thirty-first day after the date on which an employee receives notice of the debt and of the interest requirements. Interest charges on the debt continue to accrue until the employee makes full payment of the principal amount of the debt and of

the interest charges. Interest charges (simple interest) are calculated on the unpaid balance of the debt.

461.52 Interest Rate

The rate of interest charged is variable and is the rate of the current value of funds to the United States Treasury (i.e., the Department of Treasury tax and loan account rate), as prescribed and published by the Secretary of the Treasury in the *Federal Register* and the *Treasury Financial Manual Bulletins* annually or quarterly, in accordance with 31 U.S.C. 3717. The interest rate charged is that which is in effect on the date that the interest charges begin to accrue, and that rate is adjusted during the suspense and/or payment periods as new rates are established by the Department of Treasury.

461.53 Waiver of Interest

461.531 By Controller

A postmaster or installation head collects interest charges on any debt that an employee does not repay voluntarily within 30 days of receipt of notification of the debt. However, the controller-vice president of Finance or designee may waive the collection of interest charges on any such debt in either of the following circumstances:

- a. The employee demonstrates that the payment of interest charges would result in a "severe financial hardship" for the employee, as defined in 461.3(h).
- b. Waiver of interest charges is determined to be in the best interest of the Postal Service.

461.532 By Written Settlement

No written settlement agreement entered into between the Postal Service and any employee, union, or other representative under which the employee remains liable for all or any portion of the debt is valid to the extent it purports to waive interest on the debt or on the agreed upon portion of the debt to which the employee remains liable unless it is also signed by the controller-vice president of Finance or designee. This invalidation only extends to that portion of the settlement addressing interest payments.

461.533 By Arbitrator or Hearing Official

An arbitrator's or hearing official's ruling that specifically finds the employee liable for the debt, or any portion thereof, but that expressly exempts the employee from liability for predecision interest, results in the waiver of predecision interest charges.

461.6 Interest Payments on Refunds

Any amount paid by an employee, or offset from an employee's salary, for a debt that the Postal Service collected improperly, is refunded to the employee with interest payments (simple interest) calculated on the principal amount from the date that such amount was paid or offset. The rate of interest paid on refunds is the rate listed in 461.52.

462 **Procedures Governing Administrative Salary Offsets**

462.1 **Determination and Collection of Debt**

462.11 **Establishment of Accounts Receivable**

Depending upon the circumstances of a particular case, the determination of a debt, the collection of which is covered by this subchapter, may be made by an official in the field or at the Minneapolis Accounting Service Center (ASC). For payroll-related debts discovered in the field, Form 2240, *Pay, Leave, or Other Hours Adjustment Request*, must be submitted to the Minneapolis ASC. Payroll-related debts discovered at the ASC level must be reported on Form 2248, *Monetary Payroll Adjustment*. Other debts must be reported to the manager of the Postal Accounts Branch, on Form 1902, *Justification for Billing Accounts Receivable*. Regardless of the amount of the debt, it is the responsibility of the Minneapolis ASC to create a receivable for each debt and to forward an invoice to the postmaster or installation head at the facility where the debtor is employed. At the time a receivable is created, the ASC must ensure that the employee's records are flagged so that the final salary or lump sum leave payment for that employee is not made until the debt is paid.

462.12 **Statement**

Any indebtedness that has been posted by the Minneapolis ASC results in the issuance of a monthly statement to the employee of the principal invoiced amount, accrued interest to date, and payments made by the employee in satisfaction of the debt and interest. The statement is not a demand for payment from the employee; it is an informative statement of account so that the employee may monitor the status of the indebtedness. The statement is sent regardless of any invocation of right under 462.2 or 462.3. An employee not receiving such a statement of a current indebtedness may request the postmaster, installation head, or local Finance office to contact the Minneapolis ASC and request a statement.

462.2 **Applicable Collection Procedures**

462.21 **Right to Grieve Letters of Demand**

A bargaining unit employee or the employee's union has the right in accordance with the provisions of Article 15 of the applicable collective bargaining agreement to initiate a grievance concerning any letter of demand to challenge (a) the existence of a debt owed to the Postal Service, (b) the amount of such debt, (c) the proposed repayment schedule, and/or (d) any other issue arising under Article 28 of the applicable collective bargaining agreement. Care must be taken to ensure that any letter of demand served on an employee provides notice of the employee's right to challenge the demand under the applicable collective bargaining agreement.

462.22 Right to Petition for Hearing

Under the following circumstances, the statutory offset procedures in 452.3, including the right to petition for hearing after the receipt of a Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act, apply:

- a. *Failure to Initiate a Grievance in Time.* If a bargaining unit employee or the employee's union does not initiate, within 14 days of the employee's receipt of a letter of demand, a grievance challenging (a) the existence of a debt owed to the Postal Service, (b) the amount of such debt, and/or (c) the proposed repayment schedule, and the Postal Service intends to proceed with the collection of the debt, the statutory offset procedures in 452.3 apply (see 462.32).
- b. *Failure to Advance Grievance in Time.* If a bargaining unit employee or the employee's union initiates a grievance in time challenging (a) the existence of a debt owed to the Postal Service, (b) the amount of such debt, and/or (c) the proposed repayment schedule, but the employee's union, following receipt of a decision denying the grievance, does not advance the grievance to the next step of the grievance procedure within the time limits set forth in Article 15 of the applicable collective bargaining agreement, and the Postal Service intends to proceed with the collection of the debt, the statutory offset procedures in 452.3 apply (see 462.32).
- c. *Partial Settlement of Grievance.* If a grievance challenging (a) the existence of a debt owed to the Postal Service, (b) the amount of such debt, and/or (c) the proposed repayment schedule is resolved at any stage of the grievance-arbitration procedure through a written settlement agreement between the Postal Service and the union under which the employee remains liable for all or a portion of the debt, and the Postal Service intends to proceed with the collection of the debt, the statutory offset procedures in 452.3 apply (see 462.32). If the employee petitions for a hearing under 452.336, the Postal Service is free to pursue collection of the full amount of the debt before the hearing officer, notwithstanding the settlement with the union. However, if any contractual issue is resolved at any stage of the grievance-arbitration procedure, the settlement of that issue is final and binding.
- d. *Ruling of Nonarbitrability.* If an arbitrator rules that a grievance concerning any letter of demand is not arbitrable, and the Postal Service intends to proceed with the collection of the debt, the statutory offset procedures in 452.3 apply (see 462.32).

462.3 Statutory Offset Procedures**462.31 Authority**

Under section 5 of the Debt Collection Act, 5 U.S.C. 5514(a) (1982), the Postal Service, after providing an employee with procedural due process, may offset an employee's salary in order to satisfy any debt due the Postal Service. Up to 15 percent of an individual's "disposable pay" may be

deducted in monthly installments or at "officially established pay intervals." A greater percentage may be deducted with the written consent of the individual debtor. If the individual's employment ends before collection of the full debt, deduction may be made from subsequent payments of any nature due the employee.

462.32 Initiation of Statutory Offset Procedure

After (a) the 14 days referenced in 462.22a or the time limits referenced in 462.22b have passed, (b) any settlement agreement referenced in 462.22c has been signed, or (c) any nonarbitrability ruling referenced in 462.22d has been issued, and at least 30 calendar days before making an administrative offset under this authority, the postmaster or installation head, in accordance with 452.321, must provide the employee with (a) two copies of a Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act containing the information in 452.322, and (b) one copy of the procedures that govern hearings under the Debt Collection Act that are set forth at 39 CFR Part 961 (see Exhibit 452.322). The procedures in 452.33 governing the exercise of employee rights apply. The postmaster or installation head has discretion to agree to an alternative offset schedule, based on a showing of severe financial hardship, as outlined in 452.335.

462.33 Hearing Officials Under 39 CFR Part 961

In accordance with 39 CFR 961.3, administrative hearings under the Debt Collection Act may be conducted by any individual who is not under the control or supervision of the postmaster general and who is designated as a hearing official by the judicial officer.

462.34 Limit of Right to Petition for Hearing

If an arbitrator opens a hearing on the merits of a grievance concerning any letter of demand, the statutory offset procedures in 452.3 do not apply thereafter, unless the arbitrator makes a ruling of nonarbitrability (see 462.22d) or the Postal Service and the union negotiate a partial settlement of the grievance (see 462.22c).

462.4 Collection of Debt

462.41 Stay of Collection of Debt

Whenever a grievance concerning any letter of demand has been initiated in time, in accordance with Article 15 of the applicable collective bargaining agreement, and/or a petition for a hearing has been filed in time, in accordance with 462.22, regardless of the type and amount of the debt, the Postal Service will stay the collection of the debt until after the disposition of the grievance and/or the petition, through settlement or exhaustion of the contractual and/or administrative remedies. The stay of collection of a debt does not stay the accrual of interest charges on the debt.

462.42 Limit on Amount of Salary Offset to Collect Debt

Except as specified in part 463, the maximum salary offset to collect a debt that is owed to the Postal Service is 15 percent of an employee's biweekly

disposable pay. A greater salary offset may be made if the employee agrees with the Postal Service, in writing, on such greater amount.

462.5 Implementing Offsets and Postdecision Responsibilities

462.51 Notification of Final Determination of Debt

The Postal Service notifies the appropriate postmaster or installation head of the final determination. The amount of a debt that a bargaining unit employee owes to the Postal Service is finally determined through any one of the following:

- a. No challenge by an employee or the employee's union to a Letter of Demand.
- b. A challenge to a Letter of Demand pursuant to 462.21.
- c. A challenge to a Letter of Demand and a Notice of Involuntary Administrative Salary Offsets pursuant to 462.21, 462.22, 462.32, and 452.3.
- d. A challenge to a Notice of Involuntary Administrative Salary Offsets pursuant to 462.32 and 452.3.

462.52 Action

462.521 Employee Not Indebted

If the final determination is that the employee is not indebted to the Postal Service, the postmaster or installation head must take the necessary steps to remove all references to the debt from the employee's records and to furnish the district Finance office with either a completed Form 3239 canceling the payroll deductions or a written request for the district Finance office to refund to the employee any monies collected, with interest.

462.522 Employee Indebted

If the final determination authorizes the Postal Service to offset the employee's salary involuntarily, the postmaster or installation head must initiate the authorized offsets plus interest charges by completing the appropriate sections of Form 3239, *Payroll Deduction Authorization to Liquidate Postal Service Indebtedness* (see Exhibit 452.233).

463 Court Judgment Salary Offsets

463.1 Authority

In accordance with section 124 of Public Law 97-276 (October 2, 1982), 5 U.S.C. 5514 note (1982), the Postal Service may deduct up to one-fourth (25 percent) of an employee's "current pay" in monthly installments or at officially established pay periods to satisfy a debt determined by a federal court to be owed to the Postal Service. The statute authorizes the deduction of a "greater amount" if necessary to collect the debt within the employee's anticipated period of employment. If an individual's employment ends before the full amount of the indebtedness has been collected, section 124 provides that deduction is to be made from later payments of any nature due the employee.

463.2 Applicable Collection Procedures**463.21 General**

The requirements governing the collection of employer claims specified by a pertinent collective bargaining agreement are not applicable to the collection by salary offset of a Postal Service claim if a federal court has granted judgment upholding the debt.

463.22 Notice

At least 15 calendar days before initiating an offset to collect a debt reflected by a federal court judgment, the postmaster or installation head must provide the employee with a copy of that judgment, as well as with written notice of the Postal Service's intention to deduct 25 percent of the employee's current disposable pay each pay period until the judgment, including any award of prejudgment interest, is satisfied. The letter (see Exhibit 453.21, Sample Letter of Salary Offsets Based on Federal Court Judgment) also must include a statement that indicates the approximate amount, duration, and starting date of the deductions. The letter and judgment generally should be hand delivered, and a dated, signed receipt of delivery obtained. However, if personal delivery is not possible, certified or Express Mail, return receipt requested, should be used.

463.23 Implementing Offsets

The postmaster or installation head must initiate the collection process by completing the appropriate sections of Form 3239 no earlier than 15 calendar days after the employee's receipt of the letter.

464 Multiple Offsets**464.1 Administrative Salary Offsets**

By statute, administrative salary offsets under section 5 of the Debt Collection Act of 1982 are limited to no more than 15 percent of an employee's disposable pay during any one pay period — whether the deductions are made to satisfy a debt owed the Postal Service, another federal agency, or some combination of these. Generally, priority among competing administrative salary offset requests is determined by the order in which they are received. However, a request to collect a debt due the Postal Service must be given priority over other government agency offset requests, regardless of the date the postal offset request is received (see 464.4). If a collection request cannot be honored upon receipt, or can be honored only in part, the postmaster or installation head must notify the requesting postal or other government official, in writing, of the reasons for the delay or for the collection of a lesser amount than that requested and the approximate date the requested offsets can be implemented.

464.2 Court Judgment Salary Offsets

No more than 25 percent of an employee's current pay may be withheld to satisfy a debt determined by a federal court to be due the United States —

464.2 Court Judgment Salary Offsets

No more than 25 percent of an employee's current pay may be withheld to satisfy a debt determined by a federal court to be due the United States — whether the deductions are made to satisfy a debt owed the Postal Service, another federal agency, or some combination of these. Generally, priority among competing court judgment salary offset requests is determined by the order in which they are received. However, a request to collect a debt due the Postal Service must be given priority over other government agency offset requests regardless of the date the postal offset request is received (see 464.4). If a collection request cannot be honored upon receipt, or can be honored only in part, the postmaster or installation head must notify the requesting postal or other government official, in writing, of the reasons for the delay or for the collection of a lesser amount than that requested and the approximate date the requested offsets can be implemented.

464.3 Administrative and Court Judgment Salary Offsets

If the salary of a postal employee is the target of one or more of both types of offsets — administrative and court judgment — a combined total of no more than 25 percent will be withheld during any one pay period. However, in no case may the amount withheld in accordance with administrative salary offsets exceed 15 percent of current pay. As is generally the case with competing offsets of the same type and subject to section 464.4, priority between administrative salary offsets and court judgment salary offsets is determined by the order in which they are received.

464.4 Priority of Postal Service Indebtedness

If a postal employee is indebted to the Postal Service, that debt takes priority over any debt he or she may owe another federal agency, even if the other agency's request for salary offsets was received first. Accordingly, if both the Postal Service and another agency request the maximum allowable deductions, collection of the other agency's debt must be interrupted or postponed until the entire postal debt is recovered. However, if an amount less than that requested by the other agency can be deducted in addition to the offsets requested by the Postal Service without exceeding the appropriate percentage ceiling, deductions for the lesser amount must be withheld and forwarded to the requesting agency along with an explanation for the smaller offsets.

464.5 Garnishments

Administrative salary offsets based on section 5 of the Debt Collection Act of 1982 and court judgment salary offsets based on section 124 of Public Law 97-276 are not, as a matter of law, considered garnishments. Rather, for purposes of determining an employee's "disposable earnings" under the Federal Consumer Credit Protection Act, 15 U.S.C. 1671, et seq., these withholdings are considered to be amounts required by law to be deducted. Accordingly, they should be deducted before the applicable garnishment ceilings are imposed and before deductions for garnishments are made.

465 Action Upon Transfer or Separation

465.1 Withholdings From Any Amount Due

If a postal employee whose wages are subject to offset transfers to another federal agency or separates from employment, the Postal Service applies any amount due the employee at the time of his or her separation to the debt owed the Postal Service. If the debt is still not satisfied, appropriate action as described in 465.2 or 465.3 should be taken.

465.2 Transfer to Another Federal Agency

If a postal employee whose wages are subject to offset transfers to another federal agency, and the full debt cannot be collected from amounts due the employee from the Postal Service, the Postal Service must request the former postal employee's new agency to continue offsetting the debtor's salary until the debt is satisfied. The request must specify the amount of the original debt, the amount collected by the Postal Service through salary offsets, the amount that remains to be collected, and the percentage of the debtor's disposable earnings or current pay that should be deducted each pay period. In addition, the Postal Service must certify that the former postal employee has been accorded all required rights of due process. When the Postal Service's request is sent to the new employing agency, a copy also must be sent to the former employee at his or her home address.

465.3 Collection of Debt Upon Separation

If the full debt cannot be collected from amounts due the employee at the time of his or her separation, the manager of the Postal Accounts Branch must attempt to recover the debt from any available retirement or disability payments due the former employee in accordance with the provisions of 5 CFR 831, Subpart R, or 5 CFR 845, Subpart D (see Handbook F-16, *Accounts Receivable*, 743).

**MAHON TO BURRUS
LETTER**

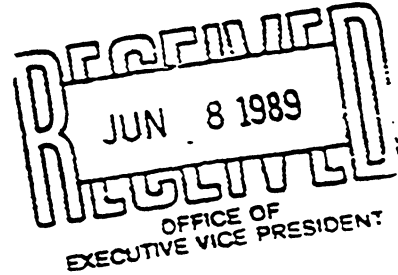
(EXHIBIT 16)



UNITED STATES POSTAL SERVICE
Labor Relations Department
475 L'Enfant Plaza, SW
Washington, DC 20260-4100

June 5, 1989

Mr. William Burrus
Executive Vice President
American Postal Workers
Union, AFL-CIO
1300 L Street, NW
Washington, DC 20005-4107



Dear Bill:

This is in further response to your inquiry regarding the right of the Inspection Service to withhold employees' salary checks when issued letters of demand. Additionally, you were concerned as to the right of the employer to attach employee retirement funds when financially indebted to the U.S. Postal Service.

It is our understanding that the Inspection Service may not withhold employees' salary checks. In seeking to collect a debt from a collective bargaining unit employee, the U.S. Postal Service adheres to the procedural requirements governing the collection of debts as specified in Article 28, Employer Claims, of the National Agreement, and ELM 460, Collection of Postal Debts from Bargaining Unit Employees.

With regard to employee retirement funds, when a U.S. Postal Service employee separates and the full debt owed by the employee cannot be collected at the time of separation, the debt is recovered from any available retirement or disability payments due to the former employee, consistent with ELM 465.3 and 5 C.F.R., Section 831.

Should you have any further questions concerning this matter, please contact Harvey White or my staff at 268-3831.

Sincerely,

Joseph J. Mahon, Jr.
Assistant Postmaster General

F-1 MANAGING POSTAL FUNDS

(PAGES 51 – 61 & 80)

EXHIBIT 17

3 Managing Postal Funds

This chapter explains the policies and procedures associated with accepting, processing, collecting, and managing postal funds. Managing postal funds falls under the following:

- Section 31 Acceptable Payment for Postal Foods and Services
- Section 32 Collecting Returned Checks From the Bank
- Section 33 Funds Received
- Section 34 Bank Account Maintenance
- Section 35 Banking Reconciliations
- Section 36 Collecting Postal Funds
- Section 37 Protecting Postal Funds

31 Acceptable Payment for Postal Goods and Services

311 **Cash**

We accept cash — U.S. currency and coins — for all postal products.

Exception: Some foreign coins look like U.S. coins. When foreign coins are accepted in error, the coin is given the same value as the U.S. coin of the same size.

311.1 **Redemption and Storage of Foreign Coins**

- 1> At retail units, report the value of foreign coins in AIC 761, Miscellaneous Suspense, and submit the coins to the person maintaining the accountbook. (Standard field accounting procedure (SFAP) units submit coins to the district accounting office (DAO).)
- 2> At the end of the postal quarter, remove the value from suspense and make an entry to AIC 624, Refund of Miscellaneous Postal Revenue.
- 3> At the time the entry is made, send foreign coins as follows. If the value is more than \$10.00, send via registered mail:

Canadian Coins

WESTERN NEW YORK DISTRICT
 CLAIMS & INQUIRY SECTION RM 100
 1200 WILLIAM STREET
 BUFFALO NY 14240-9631

Other Foreign Coins

UNITED STATES POSTAL SERVICE
 ATTN MANAGER MAIL RECOVERY UNIT
 443 FILMORE AVENUE
 ST PAUL MN 55107-9607

312 Personal Checks

We accept personal checks for payment of all postal products, except money orders. See section 312.4 for exceptions.

Note: You may accept a check for payment of a collection on delivery (COD) provided that the check is made payable to the sender. See *Domestic Mail Manual (DMM) Module S920* for a discussion on handling procedures.

312.1 Accepting a Personal Check at Retail Units

Examine the check.

- 1> Make sure check is payable to the "U.S. Postal Service" or "Postmaster," by title only, in the exact amount of the purchase, with the current date.
- 2> Follow any special instruction appearing on the check, such as (a) a time limit or (b) more than one signature required.
- 3> Compare the signature on the check with the signature on an acceptable identification as described in section 312.2. Do not accept the check if the signatures do not match.
- 4> Record the type of purchase, such as permit number or postage meter number, on the front of the check in location A in exhibit 312.1.
- 5> Verify that the check contains the customer's name and address (starter checks are not acceptable). You should also request a telephone number; however, in some states such as Ohio, it is against the law to *require* customers to disclose their telephone numbers. If in doubt, contact the DAO concerning the state law.

312.2 Accepting a Personal Check at Business Mail Entry Units

The business mail entry unit (BMEU) check acceptance procedures are as follows:

- 1> Verify that the issuer of the check is not on the bad check list. If the customer is on the list, do not accept the check.

- 2> Ensure that the customer's permit account is written on the check. The check should be made payable to the "U.S. Postal Service" or "Postmaster," by title only.
- 3> Write BMEU on the face the check.
- 4> Complete Form 3544 in triplicate. Give the original to the customer. Attach duplicate to the check and place in the lock box. Retain the triplicate in the BMEU. When checks are accepted for payment of annual fees, send the triplicate copy to the administrative office responsible for maintaining the mailer record such as Mailing Requirements, Finance, etc. Assign the correct AIC number on all Forms 3544.
- 5> At the end of the day, send all checks to the window unit responsible for processing permit account deposits for the BMEU. Include a bucks slip indicating the number of checks, Form 3544 receipt numbers, and total dollar amount enclosed. Include any voided Forms 3544.
- 6> Hand carry checks to the window unit or send via registered mail, depending on the location.

312.3 Identifying Maker of Personal Checks

Known Customer

- >> If a customer is known by name to a postal employee on duty in the unit, this employee writes "Customer Known" and initials on the front of the check in location A as shown on exhibit 312.1.

Unknown Customer

- >> If a customer is unknown by name, record the name and identifying number from one of the following photograph-bearing documents on the check in location A on exhibit 312.1:

- Driver's license.
- State-issued, nondriver identification.
- Passport (foreign or domestic).
- Military identification card.

If none of the above is presented, enter the issuer's name from two of the following documents on the check in location A in exhibit 312.1:

- Credit card. (*Do not record the credit card numbers.*)
- Other credential showing a signature.

312.4 Refusing Personal Checks

Postmasters and unit managers have the right to refuse a personal check for a valid reason or to require more identification than the minimum requirements outlined in section 312.3. Postmasters and unit managers may also refuse all personal checks equally for a post office. Such a ban on

accepting all personal checks, however, must be approved in advance, in writing by the district Finance manager.

313 Accepting Other Types of Checks

313.1 Accepting Guaranteed Payment Checks

- 1> Accept certified checks, cashier's checks and drafts, nonpostal money orders, and checks covered by a check guarantee furnished by a bank. The maker must issue payment in the exact dollar amount of the purchase of postal products. Do not cash these types of checks.
- 2> When a purchaser is not known as a well-established customer, take extra precaution for certified or cashier's checks presented for the purchase of postage stamps in the amount of \$1,000.00 or more. Verify such checks and drafts with the issuing bank.

Caution: Certified checks, as well as business checks, are easy to replicate using laser printers.

313.2 Accepting Checks From Government Agencies

- >> Accept checks issued by federal, state, county, or municipal agencies for the purchase of postal products. Do not cash government agency checks.

313.3 Accepting Checks From Well-Known Businesses

- >> Accept checks from representatives of nationally known or well-known local businesses for the purchase of postal products. Do not cash well-known business checks.

313.4 Accepting Checks From Less Well-Known Businesses

- >> Accept checks from representatives of less well-known businesses provided the business is reliable. A local business is considered reliable if it has been in operation for a year or more and appears financially sound. If a new business purchases postage stamps, contact the customer's bank the first time a purchase is made to determine if funds are on deposit to cover the check. Do not cash less well-known business checks.

313.5 Accepting Traveler's Checks

- >> Accept traveler's checks issued by well-known, established firms or banks in payment for postal products, including postal money orders. Be sure to process the check with the terms stated on the check. Do not cash traveler's checks.

Special Provision

The amount of the purchase must be at least 50 percent of the amount of the traveler's check. This precludes the customer from making small purchases merely to cash the traveler's check.

314 Items That May Be Cashed**314.1 Cashing Domestic Postal Money Orders**

- >> Cash domestic postal money orders regardless of the issue date. Refer to the listing of Missing Money Orders U.S. Money Order Forms in the *Postal Bulletin*.

Identification

Require one form of identification described in section 312.3 if the customer is not known. Do not cash the money order if the signatures do not match or if the money order appears to be altered.

314.2 Cashing Other Postal Money Orders

- >> Cash postal money orders, such as (the 7000 series Direct Service Money Orders, the 89 series Reissue International Money Orders, and the 99 series Replacement Money Orders), issued by those countries. See *International Mail Manual (IMM)*, Part 391. Such money orders must be made payable in U.S. dollars.

Identification

Require one form of identification described in section 312.3 if the customer is not known. Do not cash the money order if the signatures do not match or if the money order appears to be altered.

314.3 Cashing USPS Commercial Checks

- >> Cash USPS commercial checks, not more than 1 year old, issued by the accounting service centers, provided sufficient funds are on hand.

Identification

Require one form of identification described in section 312.3 if the customer is not known. Do not cash the check if the signatures do not match.

Note: Do not cash USPS commercial checks for anyone other than the payee(s) named on the face of the check. The payee, or payees if more than one name appears on the check, must endorse the check in the presence of the accepting employee.

314.4 Cashing Treasury Checks

- >> Cash Treasury checks, including USPS salary checks, provided sufficient funds are on hand. Do not retain cash for the sole purpose of cashing USPS salary checks on payday.

Identification

Require two forms of identification described in section 312.3 if the payee(s) is not known. Do not cash the check if the signatures do not match.

Note: Do not cash Treasury checks for anyone other than the payee(s) named on the face of the check. The payee, or payees if more than one name appears on the check, must endorse the check in the presence of the accepting employee.

315 Endorsing Checks for Deposit

>> Enter the date using a round-dater and the following restrictive endorsement on the back of each check accepted for deposit:

FOR DEPOSIT ONLY
 USPS (OR POSTMASTER, BY TITLE ONLY)
 CITY, STATE
 SFAS ID # XXXX (FOR SFAP UNITS)
 ACCOUNT # XXX-XXXX

Note: The round-date and restrictive endorsement must fit within the 1-1/2 inch trailing edge on the back of the check in location A as shown on exhibit 315.

316 Depositing Postal Funds

>> Deposit all cash (excluding authorized cash reserves), checks, and cashed items into the official bank account on the same business date transactions occur. Advise local bank managers to consult with the Federal Reserve Bank if they question the acceptability of any item discussed in this chapter. If the bank continues to refuse to accept these items, report the matter to the district Finance manager.

317 Credit and Debit Cards

Accept credit and debit cards for purchases at noncontract postal retail units as follows:

Credit Cards

All postal products, except for postal money orders, COD collections, traveler's checks, and passport fees.

Debit (ATM) Cards

All postal products and traveler's checks (where authorized), except for passport fees.

Caution: Do not accept card numbers over the telephone. Cardholders must be present. Advise customers wanting to buy postage by telephone to call the USPS Stamps by Phone program at 1-800-STAMP24.

Note: Acceptance of credit and charge cards for payment of bulk mailings, trust fund deposits, and meter settings is not authorized at any location. Debit cards are authorized for these payments.

317.1 Types of Cards Accepted

317.11 Credit Cards

We accept these cards:

VISA	American Express
MasterCard	Discover/NOVUS/Bravo

317.12 Debit Point of Service Network Cards

We accept these cards:

EXPLORE	MAGIC LINE	AFFN
NYCE & Yankee 24	BankMate	Interlink
Pulse PAY	Cash Station	Infinet
THE EXCHANGE	Maestro	Pulse
MPACT	MAC	Jeanie
Instant Teller	MOST	Tyme
STAR SYSTEMS	ACCEL	ALERT
HONOR	Gulfnet	

Note: Any additions or deletions to the above lists will be announced in *Postal Bulletins*.

317.2 Accepting Cards at Retail Unit

- 1>** Swipe all cards through the magnetic card reader and authorize (receive authorization code and approval on reader) by the card processor.
- 2>** Enter passwords. Protect password and record using Form 3977 procedures. See section 372.

Note: No manual card swipe machines are authorized for credit and debit card acceptance. Do not accept telephone credit and debit transactions. Direct customers buying postage by phone to the USPS Stamps by Phone program (1-800-STAMP24).

317.3 Accepting a Credit Card

- 1>** Enter the last four digits of the number embossed on the front of the credit card. The magnetic card reader will display an authorization number and print a receipt if approved.
- 2>** If a card is swiped three times, the embossed card number may be entered after the terminal prompts for manual entry. Be sure to obtain authorization through the magnetic card reader and verify that the credit card is not beyond the expiration date.
- 3>** The magnetic card reader will generate a two-part receipt. Require the customer to sign the receipt. For VISA and MasterCard, compare the signature on the back of the credit card with the signature on the

receipt. They must match. Do not accept unsigned cards or cards endorsed. If there are discrepancies between signatures, ask the customer to provide additional picture identification. For American Express and Discover/NOVUS cards, verify that the customer's signature is the same name embossed on the front of the card. Give the duplicate copy of the receipt to the customer.

- 4> Enter credit card transactions in AIC 762, Credit Cards Remitted. Submit original receipts for the day with your Form 1412. Keep original receipts filed at the unit level for use in researching any customer dispute.

Note: "See ID" is not acceptable. VISA and MasterCard consider this an unsigned card. Do not accept unsigned cards.

317.4 **Accepting a Debit Card**

- 1> Swipe the debit card through the magnetic card reader and ask the customer to enter a PIN number using the hand-held PIN pad. Check all cards to ensure that usage dates are valid (i.e., not expired or a future date).
- 2> The magnetic card reader will generate a two-part receipt. Give the duplicate copy of the receipt to the customer.
- 3> Enter debit card transactions in AIC 772, Debit Cards Remitted. Submit original receipts for the day with your Form 1412. Keep original receipts filed at the unit level for use in researching any customer dispute.

317.5 **Disputed Charges**

The DAO verifies daily credit and debit card transactions by comparing amounts reported on the Unit 1412 to the automated file generated by the central card processor. Any difference is documented on a Form 1908, *Financial Adjustment Memorandum*, and sent to the reporting unit with the discrepancy.

317.6 **Offices Maintaining Accountbooks**

AIC 762 flows to accountbook AIC 422, Credit Card Funds Transfer, and AIC 772 flows to accountbook AIC 423, Debit Card Transfer. Any discrepancies between these AICs are identified on an AP basis for CAG A–G offices, and on a quarterly basis for CAG H–L offices. The Minneapolis ASC issues statements of differences (SODs) for any discrepancy.

317.7 **Issuing Refunds**

- >> Issue refunds in accordance with refund and exchange guidelines in DMM Module P014. If a refund is warranted, follow current procedures. Retail units do not issue credits to credit and debit card accounts.

317.8 **Overcharges**

317.81 **Debit Cards Overcharges**

When a postal employee overcharges a customer on their debit card transaction, the Postal Service owes the customer *change*. The following procedures must be followed when a debit overcharge occurs:

- 1> Fill out Form 3533, *Application and Voucher for Refund of Postage and Fees*. Write **DEBIT OVERCHARGE** across the top of the form. Complete all pertinent information, including debit card receipt information and the amount overcharged.
- 2> Issue the customer a cash refund if cash is available. If cash is not available, issue a no fee money order. Place money order information on Form 3533. If cash is given write amount given on Form 3533. Have the customer sign Form 3533.

Note: Do not record debit overcharges to AIC 536, Postage and Fees Refund.

- 3> Staple Form 3533 to the USPS copy of the debit transaction receipt. Keep as documentation to support AIC 772, Debit Cards Remitted. Retain the receipt and Form 3533 at the unit with all documents associated with Form 1412, *Daily Financial Report*.
- 4> AIC 772 on the Form 1412 must match the debit transaction amount from the debit cards terminal.

Example: A customer purchases \$2.00 in stamps. The clerk enters \$20.00 when completing the debit card transaction on the terminal. Receipt reflects \$20.00, USPS owes the customer \$18.00 in change. Complete Form 3533 and give the customer cash or issue a no fee money order.

IRT Procedures

A cash refund is issued:

AIC (090) Postage Sales	\$2.00	AIC (772) Debit Card	\$20.00
		*AIC (752) Cash remitted	-\$18.00

Note: AIC 752 will automatically decrease by \$18. This will balance the Form 1412.

A no fee money order is issued:

AIC (090) Postage Sales	\$2.00	AIC (772) Debit Card	\$20.00
AIC (100) Domestic MO	\$18.00	AIC (586) No Fee	.85
AIC (101) Money Order Fee	.85		

Note: This will not affect cash remitted (AIC) 752.

317.82 **Credit Card Overcharges**

When a postal employee overcharges a customer on their credit card transaction, the postal employee can void the transaction the same day. If the

customer identifies the error on a subsequent day of the transaction, the overcharge must be processed under the refund guidelines as described in section 315.4

318 Funds Not Acceptable for Payment

>> Do not accept the following for payment; respond to any inquiries made concerning their disposition:

- Postal savings certificates — These are of no value after July 13, 1985.
- Coupons from bonds — Refer holders to a bank.
- Foreign currency — Refer holders to a bank that deals in foreign exchange.
- Canadian denominative money orders, postal note type, and Canadian notched money orders not showing office of payment in the United States — Refer holders to a bank that deals in foreign currency.
- U.S. savings stamps in albums — Refer holders to a Federal Reserve Bank or branch, or advise holders to mail albums (at their own risk) to:

BUREAU OF PUBLIC DEBT
CAPITAL AREA SERVICE CENTER
1300 C ST SW
WASHINGTON DC 20239-1500

32 Collecting Returned Checks From the Bank

321 Collecting on Returned Checks

The U.S. Postal Service has a contract with CSC Services, a check collection agency, to collect on checks returned by the bank. You must use CSC unless previously authorized by Headquarters to use another service.

You may attempt to collect locally; however, checks should be sent to CSC as soon as possible if local check collection efforts are not successful.

Special Note: DAOs and banking post office postmasters must make arrangements with their banks to have nonsufficient funds checks redeposited (presented for payment a second time) automatically.

322 Assessing Surcharges for Returned Checks

>> Assess the maximum fee allowed by state law. If state law does not provide a fee structure, assess a \$25 surcharge for each check returned for any reason. If in doubt, check with the DAO.

323 Handling Exceptions

- >> If checks are returned and are determined to be part of a scam to pass bad checks, retain the original check(s) for use by the U.S. Postal Inspection Service. In such cases, the postal inspectors need the original check to prosecute offenders. The value of this type of check should be written off as a claim for loss immediately.
- >> If the clerk did not follow proper acceptance procedures, send the check to CSC. If collection cannot be made from the customer within a reasonable time, request the check from CSC and collect the amount due from the clerk.

324 Sending a Returned Check to CSC Services

324.1 Responsibility

In a non-SFAP banking post office, the postmaster is responsible.

The DAO is responsible for all of its SFAP units.

324.2 Processing a Returned Check

- 1> Complete Form 2131, *Uncollectible Check Report*, for each check by entering the information in the appropriate blocks. A sample of Form 2131, which is a two-part form, is shown in exhibit 324.2.
- 2> Enter the correct finance number and ensure that control numbers are assigned sequentially. (DAOs must use the district finance number for all checks submitted on behalf of SFAP units.)
- 3> Send the original Form 2131 along with the original check to CSC Services at the address preprinted on Form 2131.
- 4> Keep the duplicate copy of Form 2131 in chronological or alphabetical file, whichever method better serves your office for future research.
- 5> Account for the check sent to CSC Services by entering the total amount due (the amount of the check and the surcharge) in AIC 615, *Uncollectible Check Reported*. Offset the AIC 615 entry by entering the amount of the surcharge to AIC 126, *Miscellaneous Non-Postal Revenue*, and the amount of the check to AIC 363, *Clearance Bank Shortage*.
- 6> Enter the name of the customer on the bad check list. The customer name should remain on the list unless the postmaster or district Finance manager approves a customer's request to be removed from the list for a valid reason. The bad check list should be distributed to retail units no less frequently than once an accounting period.

Note: DAOs may establish a local policy that specifies the time period that customers should remain on the bad check list. Such policies should take into account local economic conditions relative to the volume of returned checks. Customers who write a check that is never collected, however, should remain on the bad check list at least one year.

Exhibit 312.1
Identification for Personal Checks

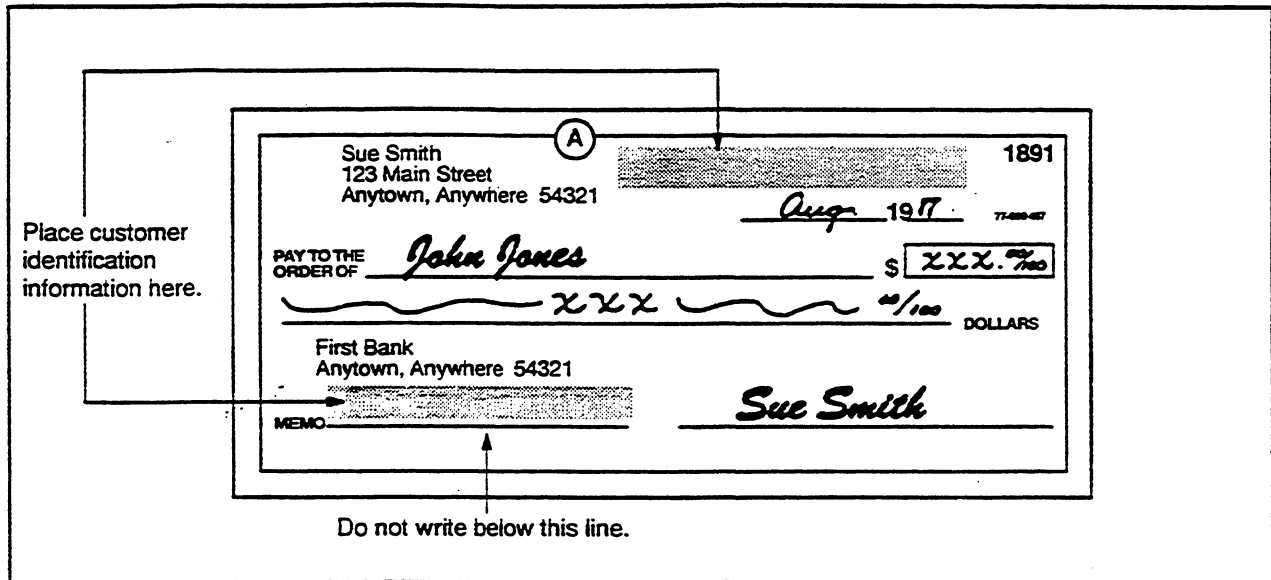
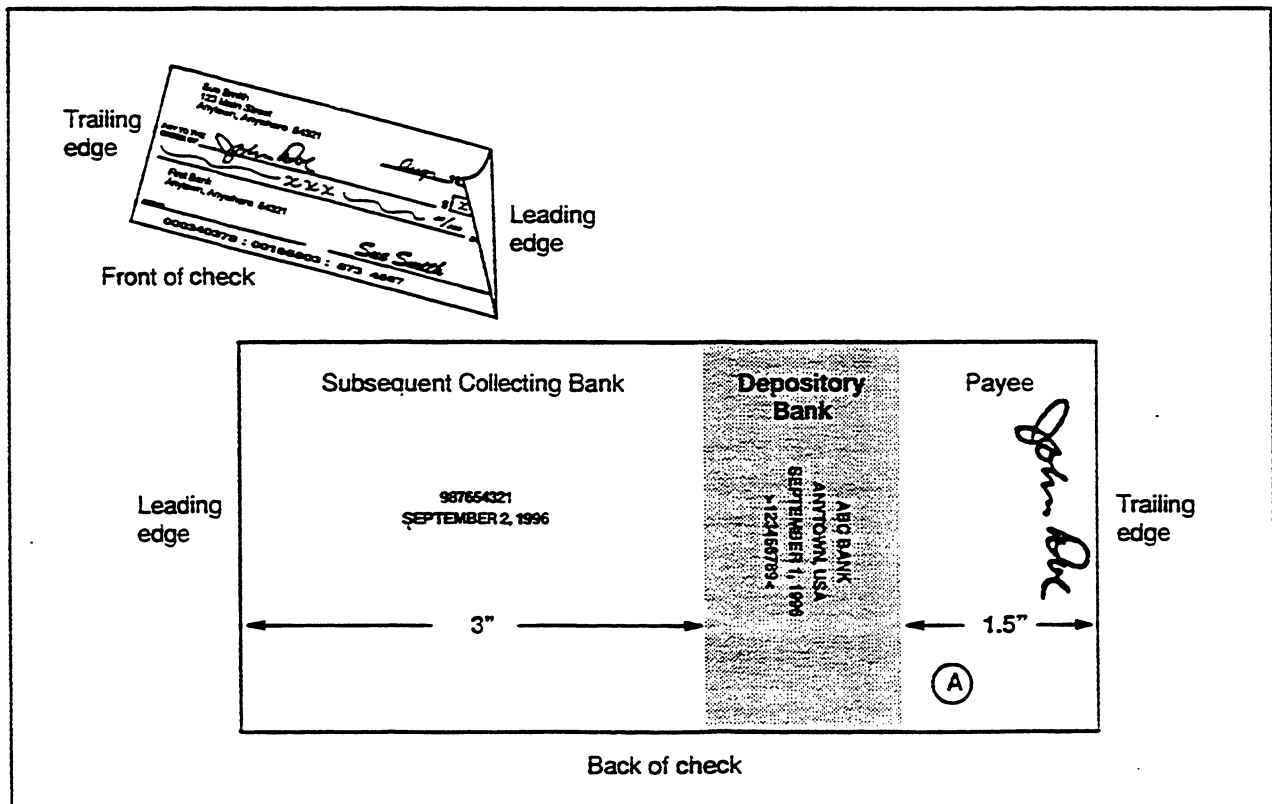


Exhibit 315
Endorsing the Back of a Check



STEP 4
THOMPSON & GILL

(EXHIBIT 18)



Mr. Thomas L. Thompson
Clerk Division
American Postal Workers
Union, AFL-CIO
1300 L Street N.W.
Washington, DC 20005-4128



Re: W90C-1E-C 93038964
CLASS ACTION
DENVER CO 80266-9511
(See attached list)

Dear Mr. Thompson:

On several occasions we met to discuss the above-captioned grievances at the fourth step of our contractual grievance procedure.

The issue in these grievances is whether management violated the National Agreement when letters of demand were issued to the grievants for accepting checks from customers whose names were on the "Bad Check List". The union contends that management has no right to issue the letters of demand prior to exhausting collection procedures against the check writers.

During our discussions, we mutually agreed that collection action will not be taken against the employee until all efforts to collect the check have been exhausted by the check collection agency. However, regardless of the efforts by the collection agency, if the check is not collected after 180 days, employees who do not follow existing procedures in accepting a check will be issued a letter of demand for the check amount.

We further agreed that questions regarding the liability of specific employees are not interpretive and should be addressed locally.

Accordingly, we agreed to remand these cases to the parties at Step 3 for further processing, including arbitration if necessary.

Please sign and return the enclosed copy of this decision as your acknowledgment of agreement to remand these cases.

Time limits were extended by mutual consent.

Sincerely,

Donna M. Gill
Grievance and Arbitration
Labor Relations

5/20/96

Thomas L. Thompson
Clerk Division
American Postal Workers
Union, AFL-CIO

5/20/96

**DOWNES TO BILLER
LETTER**

(EXHIBIT 19)

LABOR RELATIONS



0210
#415
T.T.

January 14, 1997

Certified P 150 852 529

Mr. Moe Biller
President
American Postal Workers
Union, AFL-CIO
1300 L Street, NW
Washington, DC 20005-4128

Dear Moe:

As a matter of general interest, enclosed is a draft of proposed revisions to Section 312 of F-1.

The proposed revisions consist of procedures for Nonsufficient Funds Checks (NSF) when clerks do not follow proper check acceptance procedures. These changes are intended to establish a delay in issuance of letters of demands to clerks who do not follow proper check acceptance procedures until attempts to collect NSF checks by National Check Collection Agency have been made or 180 days have elapsed.

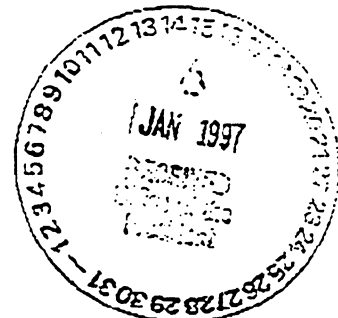
The F-1 revisions formalize collection procedures resolved in grievance settlement W90C-1E-C 93038964 (copy enclosed).

If there are any questions concerning this matter, you may contact Donna M. Gill of my staff at (202) 268-2373.

Sincerely,

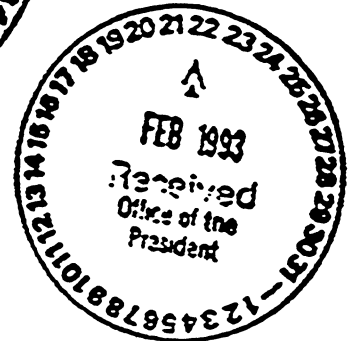
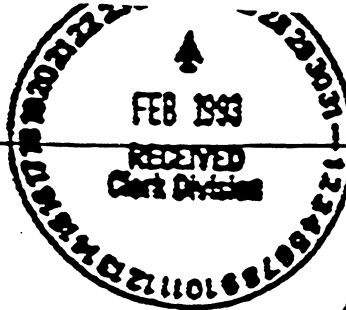
Peter A. Sgro
Acting Manager
Contract Administration APWU/NPMHU

Enclosures





United States Postal Service
475 L'Enfant Plaza SW
Washington, DC 20260



February 17, 1993

Mr. Moe Biller
President
American Postal Workers
Union, AFL-CIO
1300 L Street, N.W.
Washington, DC 20005-4128

Dear Moe:

This letter is in reference to your October 13, 1992, correspondence regarding a notice in Postal Bulletin 21822, dated August 20, 1992. That notice discussed the check collection process.

We are currently preparing a revision to Section 312 of the P-1 Handbook. We intend for the revision to contain language that specifically states that collection action will not be taken against the employee until all efforts to collect the check have been exhausted by the check collection agency.

When our internal approval procedures have been completed, you will receive a copy of the draft of the proposed changes.

If you have any questions regarding this matter, please contact Dan Magazu at (202) 268-3825.

Sincerely,



William J. Downes
Manager
Contract Administration APWU/NPMHU
Labor Relations

**MANAGING
ACCOUNTABLE PAPER
WITH UNIT IRTS
(PAGES 171 – 190)**

EXHIBIT 20

47 **Managing Accountable Paper at Offices with Unit IRTs an Cash Registers Under Unit Accountability**

471 **Policies and General Information**

These procedures are used in a postal retail store, a post office express (POE), and other selected postal retail locations with open and closed merchandising. Postmasters may not use these procedures without written authorization from retail operations at Headquarters.

471.1 **Responsibility**

The postmaster is responsible for ensuring compliance with the accounting procedures, including conducting counts. Where the postmaster has sole responsibility, the appropriate post office operations manager or designee is responsible for assisting with inventory counts.

471.2 **Existing Procedures and Policies**

>> Continue to follow all existing postal financial procedures and policy (as outlined in this handbook), except as modified in this section or by subsequent written authorization. This includes all regulations relating to accepting checks as payment for postal products.

471.3 **Accepting Credit and/or Debit Cards**

The corporate treasurer's office, USPS Headquarters, must give advance approval to accept credit and/or debit cards as payment for postal products

and services. Sites that have not received approval to use credit and/or debit cards may not accept them.

471.4 **Protecting Entrusted Funds**

Employees may not allow another individual to have access to funds entrusted to them, except for a designated representative for an official audit. Employees are responsible for all funds they receive.

- >> Issue postal money orders to individual employees who are responsible for specific serial numbered money orders and their sales.

471.5 **Tracking Merchandise**

- >> Make sure all merchandise on display is barcoded or has a dedicated key on the cash register. Key all items in the loose stock into the cash register at the time of sale.

471.6 **Assigning Individual Clerk Cash Credits Cash Reserve**

Each clerk is assigned a cash credit of \$100. Each clerk carries the amount of the cash credit as cash retained (AIC 753 and AIC 353) on each day's Form 1412.

- >> File Form 3369 for each assigned credit.

471.7 **Assigning Unit Inventory**

The unit inventory is assigned to the postmaster, store manager, or supervisor. Since he or she does not have personal control of this stock at all times, he or she is relieved of audit shortages unless it can be established that the loss is a direct result of his or her negligence, theft, fraud, or embezzlement. Assistance from the Inspection Service may be requested if warranted, and appropriate action taken following its investigation.

Although the store manager is not held financially responsible for shortages, he or she is responsible for the financial integrity of the store and for managing it in a manner that will minimize losses.

472 **Handling Loose Stock**

472.1 **Defining Loose Stock**

Loose stock is stamp stock that is not shrink-wrapped or otherwise packaged and is not displayed on shelving for purchase. The loose stock supply consists of definitive stamps, stamps required for foreign mailings, aerogrammes, stamped envelopes, and postal cards. No commemorative stamps or shrink-wrapped stamp products may be contained in the loose stamp compartment.

- 1> Do not consider stamps in coils or booklets and self-adhesive stamps to be part of the total value of loose stock; however, quantities of these items held in loose stock compartments should not exceed the amount required for an average day's business.

- 2> Do not use loose stock to fulfill requests for bulk stock or special order stock.

472.11 **Setting Limits**

The total value of all loose stock in the unit should not exceed \$500. Postmasters may request exceptions to this limit by a memorandum describing the reasons for a higher value. The district Finance manager will review the exception requests and advise the postmaster of the decision by letter. A copy of the decision letter must be forwarded to the district Customer Service and Support manager.

- >> The postmaster and unit employees should determine which stock items to maintain in the loose stock compartment. Set quantities at levels sufficient to allow sales of loose stock with no more than one replenishment each day.

472.12 **Establishing Individual Quantities**

- >> Replenish loose stock when individual quantities of items in the loose stock drawer are exhausted. Reduce quantities if an increase in shrinkage of stock is found during counts.

472.2 **Securing Loose Stock**

Each unit is allowed a limited number of loose stock items for sale at the full-service counter and at the point-of-sale cash register. In postal retail stores, this stock is centrally located behind the full-service counter and the postal store counter so that all employees at the counter may have access to the stock. It may be necessary to divide the loose stock into separate containers for use by individual workstation employees.

- >> Place the loose stock in a drawer, envelope, or other container at the discretion of the postmaster or manager, provided it is properly secured when the retail area is closed.

472.3 **Accounting for Loose Stock**

The postmaster is responsible for monitoring, maintaining, and replenishing the loose stock supply. Follow these procedures for accounting for loose stock:

- 1> Include the loose stock as part of the overall unit accountability.
- 2> Account for loose stock in the same manner as for all other accountable items in the post office.

Loose stock is different only because by its nature, it is not displayed to the public. This stock is tracked as accountable inventory in the point-of-sale system.

472.4 **Replenishing Stock**

To replenish stock, follow these guidelines:

If...	Then...
Individual quantities of items in the loose stock drawer are exhausted,	Replenish this stock by Form 17, <i>Stamp Requisition</i> .
You replenish more than once each day,	Increase quantities of items that need frequent replenishment.
You replenish less than once each day,	Decrease quantities of items in loose stock.
Shrinkage of stock is identified during audits,	Reduce the quantities maintained.

473 Handling Bulk Stock

473.1 Bulk Stock Definition

Bulk stock is non-shrink wrapped stamp stock in large quantities of unbroken sheets and other configurations. It is the stock from which needs or requests mentioned below are replenished. The bulk stock is included as part of the overall unit accountability. Bulk stamp stock is the inventory from which the following stock requisitions are filled:

- Vending machine stock.
- Stamps by mail.
- Rural carrier fixed credits.
- Other unusual or special customer requests.

473.2 Controlling Bulk Stock

>> Keep bulk stock locked in a vault or safe. Control access to the stock by using a log that indicates who accessed the stock and the time of day. Complete Form 17 for all stock requisitioned from the bulk stock supply. Employees who are issued keys and/or combinations to bulk stock compartments will complete Form 3977, *Duplicate Key Envelope*. Regulations regarding keys and combinations are specified in section 372.

474 Unit Accountability

474.1 General Information

- 1> Initialize the unit using new IRT disks as a unit reserve. For UNISYS sites, do this on a new supervisor disk. For MOS sites, do this on new stamp stock and control disks. You will also need utility disks.
- 2> For offices reporting on a statement of account, use the unit reserve disk to transmit data to district accounting.

Note: Use this procedure if you are a main stock site reporting on a statement of account on a unit reserve site reporting to the district standard field accounting system.

474.11 Keeping inventory of Items

Because of the nature of the unit accountability, the IRT does not maintain an inventory of items. Keep all inventory records on the point-of-sale cash register system. Follow these procedures:

- 1> Establish the IRT unit reserve as a reporting unit to your main stock banking (or nonbanking) post office.
- 2> Consolidate receipts and disbursements from the unit reserve (store) with those of the main office and enter in the accountbook.

474.12 Setting Up Unit Reserve IRT

Set up the reserve stock on the IRT disk using the following method:

- 1> Create stamp stock records for only one item number. This item should be valued at \$.01.
- 2> Enter the total dollar value of the stock on hand using this item number.

Example: If the unit contains \$85,420.64 worth of accountable items, create an item number with a value of \$.01, and enter 8,542,064 of this item as received.

Note: It may be more convenient to set up two item numbers, one for whole dollars and one for cents. This is an acceptable alternative.

474.13 Setting Up Clerk IRT Disk

Clerks in the unit do not sell from individual accountabilities, but they must have a stamp stock accountability for the IRT to process stamp sales. To assign stamp stock accountability, the postmaster issues an IRT-generated Form 17, *Stamp Requisition*, to each clerk for an arbitrary amount.

474.14 Unit Reserve Accountability

- 1> Follow these procedures to maintain a correct total unit accountability:

Supervisor	Total all Forms 17, <i>Stamp Requisition</i> , issued and subtract that amount from the unit reserve.
Each clerk	Enter the amount shown on your Form 17 as "Stamps +" on your individual disk. <i>The clerk does not actually receive any stamp stock. Since he or she enters the stock to the disk solely to allow the disk to be used, do not sign Form 17 to indicate that stock was received.</i>

- 2> Repeat these procedures whenever the closing stamp stock balance on each clerk's Form 1412 approaches zero.

Example: The total unit accountability is \$85,420.64. There are three clerks in the unit. Issue IRT Form 17 for \$2,000 for each clerk. Each clerk enters "Stamps +" of \$2,000 to his or her IRT disk. The Form 3958 then shows \$79,420.64 in the unit reserve, and each clerk shows \$2,000 (\$6,000 total). The total for the unit is \$85,420.64. The \$2000 amount used here is for this

example only. The actual figure should be an estimate of an average accounting period's sales.

Note: Do not set up IRT disks in units operating under unit accountability as clerk-only operations.

474.2 Reporting Sales

- 1> Handle all postal transactions at full-service windows according to existing procedures referenced in this handbook. Scan each stamp and retail sale into the point-of-sale inventory system.
- 2> Then enter each sale into the appropriate AIC on the IRT.

475 Daily Close-Out Procedures

475.1 Closing Out the Cash Register

Each clerk with sales activity at the cash register performs the following daily close-out procedures:

Note: Record sales on individually assigned IRT clerk disks. Do not combine sales of more than one individual on an IRT clerk disk.

- 1> Print the AIC and tender reports from the point-of-sale system.
- 2> Remove remaining cash from the drawer. The total of funds remitted includes cash, checks, paid postal money orders, traveler's checks, and credit/debit card transactions.
- 3> Count the cash to be remitted.
- 4> Verify total sales from the cash register tape to total funds remitted.
- 5> Enter sales activity (AICs 090, 091, 092, and 093) to the clerk disk.
- 6> Enter \$100 to AIC 753 on the clerk disk.
- 7> Print a preliminary Form 1412.
- 8> Verify all entries on Form 1412 to their appropriate supporting documents.
- 9> Make adjustments where necessary.
- 10> Print a final Form 1412.
- 11> Submit Form 1412, the cash register terminal tape, any other supporting documents, and funds remitted to the unit manager or designated employee for consolidation.
- 12> Keep the duplicate signed Form 1412 with AIC 752 initialed.

475.2 Closing Out the Full-Service Window

The full-service window clerk performs the following close-out procedures:

- 1> Print the AIC and tender reports from satellite cash register.

- 2> Run totals from the point-of-sale system and compare AICs 090, 091, 092, and 093 with the same AICs in the IRT. Adjust IRT totals if necessary.
 - 3> Include a copy of the cash register tape to support these entries to the IRT.
 - 4> Enter \$100 to AIC 753, Cash Retained, on the IRT.
 - 5> Print a preliminary Form 1412 and other lists from the IRT as determined by the day's business.
 - 6> Remove the remaining cash from the drawer. The total of funds remitted includes cash, checks, paid postal money orders, traveler's checks, and credit card transactions (if authorized).
 - 7> Adjust AIC 753 accordingly if the cash portion of the deposit is not in whole dollar amounts.
 - 8> Verify the total of AICs 751 and 752 to the total of funds remitted. If funds available are insufficient, place the difference in suspense, AIC 761. Place excess funds in trust, AIC 061.
 - 9> Print a preliminary Form 1412.
 - 10> Verify all entries on Form 1412 to their appropriate supporting documents.
 - 11> Make adjustments where necessary.
 - 12> Print a final Form 1412 and submit it and supporting documents to the designated close-out employee along with the total of funds remitted.
 - 13> Keep the duplicate signed Form 1412 with AIC 752 initialed.
- Note:** Record sales on individually assigned IRT clerk disks. Do not combine sales of more than one individual on an IRT clerk disk.

475.3 Closing Out By the Postmaster, Manager, or Designated Close-Out Employee

The postmaster, manager, or designated close-out employee performs the following close-out procedures:

- 1> Print cash register reports for entire day's business.
- 2> Perform all normal Form 1412 verification and close-out procedures as specified in section 223.2 of this handbook.
- 3> Count all funds in the presence of the clerk who submits the funds.
- 4> Verify the amount counted to the amount reported on Form 1412.
- 5> Initial next to AIC 752 of the clerk's Form 1412 to indicate that the cash count agrees with the entry on Form 1412.
- 6> Consolidate all clerks' disks.
- 7> Print a consolidated Form 1412.

- 8> Compare cash register tape and Form 1412 AICs 090, 091, 092, and 093.
- 9> Verify all supporting documents.
- 10> Make adjustments where necessary.
- 11> Issue Form 1908, *Financial Adjustment Memorandum*, for any differences.

476 Counting Cash and Stamp Credits

476.1 Making Clerk's Counts

476.11 Frequency

- >> You may conduct a count of each employee's cash reserve at any time, and you should do this on a random basis, at least weekly.

476.12 Discrepancy

Each clerk is allowed a tolerance of \$2 in his or her cash reserve. If a count reveals a discrepancy of \$2 or less, do not take action to collect and do not make an entry to the clerk's IRT disk. Follow these procedures:

- 1> Record the count on Form 3294, *Cash and Stamp Stock Count and Summary*, indicating cash only. Obtain two signatures as required.
- 2> Maintain a Form 3368, *Stamp Credit Examination Record*, for each individual with a cash or stamp credit.

476.13 Overage

If an overage exists that is greater than \$2, place the overage in trust and remit it on the date disclosed (AIC 752). To place the overage in trust, follow these procedures:

- 1> Enter the full amount of the overage to AIC 061 on the IRT disk of the individual who has the overage. The offsetting entry is an increase to the clerk's deposit in AIC 752.
- 2> Complete page 1 and page 4 of Form 3294 and obtain two signatures as required.
- 3> Enter the amount of the overage and action taken to Form 3368.
- 4> Postmasters using a statement of account must also maintain Form 25, *Trust Fund Account*, for all entries to AIC 057.

476.14 Shortage

If a shortage greater than \$2 exists, place the shortage in suspense on the date disclosed. To place a shortage greater than \$2 in suspense, follow these procedures:

- 1> Enter the full amount of the shortage to AIC 761 on the IRT disk of the individual who has the shortage.

- 2> Reduce cash retained (AIC 753) to the actual amount counted.
- 3> When the clerk repays the shortage, clear the suspense item using AIC 361 and offset by increasing AIC 753 by the same amount.
- 4> Complete page 1 and page 4 of Form 3294 and obtain two signatures as required.
- 5> Enter the amount of the shortage and action taken to Form 3368.
- 6> Postmasters using a statement of account must also maintain Form 25 for all entries to AIC 761.

Note: All regulations relating to collection of employee credit shortages (i.e., *Employee and Labor Relations Manual*, National Agreement) apply to shortages in cash credits.

476.2 Making Unit Counts

476.21 Responsibility

When the stock inventory is counted, this represents a count of the unit reserve. The postmaster has responsibility for counts. Where the postmaster has sole responsibility for a unit, the appropriate post office operations manager or designee is responsible for assisting with the count.

- >> Monitor inventory levels at units to ensure that only stock needed to serve customers is maintained. Maintaining lower inventory levels may reduce losses and will reduce the time required for counts. There is no tolerance for unit counts. Enter any difference to trust or suspense.

476.22 Procedures

The stock inventory of the unit is counted separately by two parties using the following procedure:

- 1> To the extent practicable, do not count the stock inventory during business hours.
- 2> Count all stock in the unit, loose stock compartment, and bulk stock stored in vaults. Include all shrink wrapped stock.
- 3> Complete page 1 and page 4 of Form 3294 indicating cash only.
- 4> Obtain two signatures as required.
- 5> Enter the physical count to the point-of-sale system in the TELXON unit; this produces an inventory listing.
- 6> Compare the difference between the total amount counted and the total in AIC 853 from the previous day's unit Form 1412.

Note: It is important that you produce the TELXON report the same day that you take the physical count, and compare the report and the count on the same day.

476.23 **Overages**

>> Place in trust any overage discovered as a result of the count and enter the amount to AIC 057. Also follow these procedures:

UNISYS sites	Make this entry in the Form 3958 menu: stock overage.
MOS sites	On the stamp stock disk, make this entry for the overage in the Form 3958 menu: stock overage. On the control disk, enter the amount of the overage in AIC 057. Make these entries on the same day.

476.24 **Shortages**

>> Place shortages discovered as a result of the count in suspense and enter to AIC 767. Submit results of unit counts, including a copy of Form 3294 and the TELXON report, to the district Finance manager.

Follow these procedures:

UNISYS sites	Make this entry in the Form 3958 menu: stock shortage.
MOS sites	On the stamp stock disk, make this entry for the shortage in the Form 3958 menu: stock shortage. On the control disk, enter the amount of the shortage in AIC 767. Make these entries on the same day.

To submit the claim for loss, follow these procedures:

If...	Then...
There is no evidence of negligence, theft, fraud, embezzlement, or correlation to a corresponding overage,	Submit the amount of the shortage as a claim for loss. See section 846 for claim for loss instructions. Submit copies of the following documents to support the claim: <ul style="list-style-type: none"> ■ Form 571, <i>Discrepancy of \$100 or More in Financial Responsibility</i> (when applicable). Indicate: the unit accountability office. ■ Form 3294. ■ TELXON inventory report. ■ Copy of electronic article surveillance (EAS) log.
The shortage is a result of robbery or burglary,	Attach a copy of the Inspection Service's investigative memorandum. See section 846.

476.3 Frequency of Unit Counts in Stores

In a new store, do the following:


- 1> Take a physical inventory count every accounting period for the first three APs.
- 2> The postmaster or designee is responsible for selecting and assigning personnel to perform the count.

If the Store Has...	Then...
No shortage greater than 2 percent of sales,*	Take the count quarterly.
A 2 percent or greater sales shortage,	Take a count the next AP.

** The 2 percent is based on postage sales since the previous count.*

Exhibit 417a

Form 3295, Daily Record of Stamps, Stamped Paper and Nonpostal Stamps on Hand

 DAILY RECORD OF STAMPS, STAMPED PAPER AND NONPOSTAL STAMPS ON HAND Use separate sheet for each item number. Complete heading by filling in the description, denomination, item number, and price.		1. Value of Stamps per Book or Coll				2. Value of Envelopes per Thousand		3. Denomi- tion		4. Item No.	
		6. Description				Quantity				Balance	
										Quantity Received (7)	Quantity Issued (8)
Date 19____	(11)	Received (2)	Issued (3)	Quantity (4)	Value (5)	Date 19____	(6)	Received (7)	Issued (8)	Quantity (9)	Value (10)
Brought Forward ▲											

PS Form 3295, September 1988

Exhibit 417a
Form 3295, (Reverse) Daily Record of Stamps, Stamped Paper and Nonpostal Stamps on Hand

Date		Quantity		Balance		Date	Quantity		Balance						
19	(1)	Received	(2)	Issued	(3)	Quantity	(4)	Value	(5)	19	(6)	Quantity	(8)	Value	(10)

U.S. Government Printing Office 1992 - 312-00423509

PS Form 3295, (Reverse)

Exhibit 417b
Form 3958, Main Stock (or Unit Reserve Stock) Transaction Record

UNITED STATES POSTAL SERVICE		Main Stock (or Unit Reserve Stock) Transaction Record				Date of Transaction
<p><i>Instructions:</i> Complete an original and one copy. Forward original to individual posting Forms 1551-A, Accountbook for CAGs A-J, or 1552-A, Accountbook for CAGs K & L; or unit Forms 1412-A, Daily Financial Form, or 1412-B, Daily Financial Report. Retain copy.</p>						
Stock Action	Bird	Postage	Food Coupon			
1. Opening Balance (Previous Form 3958 closing balance.)						
2. Stock Received From Suppliers						
3.						
4.						
5. Stock Received From Stations/Clerks						
6. To Be Accounted For (Lines 1 through 5)						
7. Stock Destroyed -- Form 3238 (Main Stock Only)						
8. Stock Shipped to Other Offices (Main Stock Only)						
9. Returned to Main Stock (Reserve Stock Only)						
10. Station/Clerk Requisitions Filled						
11. Claim for Stock Loss (Main Stock Only)						
12.						
13.						
14. Total Reductions to Accountability (Lines 7 through 13)						
15. CLOSING BALANCE (Line 6 minus Line 14)						
Date Submitted						Signature of Custodian

PS Form 3958, January 1984

Exhibit 417c
Form 3959, Daily Recap — Stamp Stock Transactions

DAILY RECAP--STAMP STOCK TRANSACTIONS				
	Date of Transaction	Bird	Postage	Food Coupon
Descriptions				
1. Opening Inventory Account Book <i>(Previous Form 3959 Ending Inventory)</i>				
2. Stock Received				
3.				
4. Total To Be Accounted For <i>(Lines 1 Through 3)</i>				
5. Stock Destroyed or Returned to Suppliers				
6. Claim for Stock Loss				
7. Shipped to Other Offices				
8. Stamped Envelope Discount				
9.				
10. Food Coupons Issued				
11. Sales				
12. Total Reductions to Accountability <i>(Lines 6 Through 11)</i>				
13. Ending Inventory—Post to Account Book <i>(Line 4 Minus Line 12)</i>				

PS Form 3959, November 1987

Exhibit 423.1
Form 3309, Advice of Shipment/Stamp Invoice

STAMP DISTRIBUTION OFFICE
UNITED STATES POSTAL SERVICE

First-Class Mail
Postage & Fees Paid
U.S.P.S.
Permit No. G-10

Advice of Shipment / Stamp Invoice

Item Number	Quantity	Dollar Value	Date Shipped	Date Received
This invoice covers an automatically distributed new commemorative or special issue stamp.			Signature of Receiving Employee	
(1) Upon receipt, verify the stamp stock and record the dollar value in your accountbook. (2) Retain this invoice until the next inspection of your office.			Signature of Witness (if any)	

PS Form 3309, February 1994

Exhibit 423.21
Form 17, Stamp Requisition



Stamp Requisition

Postmark

Finance No.	Unit ID	Name of Post Office, Station, or Branch		
Telephone No.	City	State	5-Digit ZIP Code	
Signature of Submitter		Date Stock Ordered		
Signature of Shipper				
Signature of Witness				

Prepare an ORIGINAL and ONE COPY of this form. Submit only the ORIGINAL. Keep the COPY for your records.
 PRINT all information except signatures. Typing is not necessary.
 Orders cannot be processed without the FINANCE NO. (and UNIT ID., where applicable).
 Enter one item per line. Use a second form if necessary.
 ADD UP the Value column and enter the total in the Total Value Ordered box.
 DATE STAMP the upper right corner on the day stock is ordered.

NOTE: When an item is out of stock, a similar item of the same denomination, if available, will be substituted unless you indicate otherwise by placing an "X" in the Do Not Substitute block.

Type of Requisition (Check One) 1 = Scheduled Order 2 = Clerk Order 3 = Emergency Order 4 = Return Stock

Do Not Substitute	Item No.	Quantity	Value	Denomination and Description
<input type="checkbox"/>	3290		\$	Domestic Money Orders
<input type="checkbox"/>				Sheet of Stamps (100 - 32¢ stamps)
<input type="checkbox"/>				Stamp Booklet (20 - 32¢ stamps)
<input type="checkbox"/>				Coil of Stamps (100 - 32¢ stamps)
<input type="checkbox"/>				
<input type="checkbox"/>				
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<input type="checkbox"/>				
<input type="checkbox"/>				20¢ Cut Postal Cards
<input type="checkbox"/>				No. 6 3/4 Plain Stamped Envelope
<input type="checkbox"/>				No. 10 Plain Stamped Envelope
<input type="checkbox"/>				No. 6 3/4 Window Stamped Envelope
<input type="checkbox"/>				No. 10 Window Stamped Envelope
Registry Numbers Used		Total Value Ordered		Signature of Person Receiving Stock
		\$		
				Signature of Witness

Exhibit 423.4 (p. 1)

Stamps and Stationery — Bulk Ordering Quantities**Sheet Stamps**

Stamps per Pane	Type	Order Multiples	Maximum per Requisition
100	First-Class Mail letter rate	50,000; 100,000; 150,000; 200,000; 250,000	10,000,000
	All other definitive		2,500,000
50	Commemorative and special issue	25,000; 50,000; 75,000; 100,000; 125,000	5,000,000
	Airmail		1,000,000
	Special issue (down-size)	25,000; 50,000; 75,000; 100,000; 150,000	6,000,000
40	Commemorative	20,000; 40,000; 60,000; 80,000; 100,000	4,000,000
35	Commemorative	17,500; 35,000; 52,500; 70,000; 87,500	3,500,000
20	Commemorative (regular size)	10,000; 20,000; 30,000; 40,000; 50,000	2,000,000
	Souvenir sheets (issued in full panes only)	500; 1,000; 1,500; 2,000; 2,500	100,000
30	Migratory Bird	3,000; 6,000; 9,000; 12,000; 15,000; 30,000; 45,000; 60,000; 75,000	675,000
20	Definitive	20,000; 40,000; 60,000; 80,000; 100,000	200,000
	Multicolored (commemorative size)	10,000; 20,000; 30,000; 40,000; 70,000	140,000

Coils

Stamps per Coil	Type	Order Multiples	Maximum per Requisition
100	All	400; 800	24,000
500	First-Class Mail letter rate	200; 400	10,000
	All other regular	200; 400	2,000
	All precanceled	200; 400	2,000
3,000	First-Class Mail letter rate	32; 64	768
	All other regular	32; 64	320
	All precanceled	32; 64	768
10,000	First-Class Mail letter rate	10; 20	No maximum
	All precanceled — not for vending	10; 20	No maximum

Books

Type	Order Multiples	Maximum per Requisition
Books of 20	1,500; 3,000; 4,500	270,000
Books of 10	1,500; 3,000; 4,500	270,000
Books of 20 — Commemorative	1,500; 3,000; 4,500	135,000

Exhibit 423.4 (p. 2)

Stamps and Stationery — Bulk Ordering Quantities

Aerogrammes

Type	Order Multiples	Maximum per Requisition
All	2,000; 5,000	1,000,000

Domestic Postal Cards

Type	Format	Order Multiples	Maximum per Requisition
Regular and Penalty Mail	Single, Cut	5,000 *	5,000,000
	Double, Reply	2,000	500,000
	Banded, Single (vending)	2,000	50,000
	Sheet of 40	10,000	2,500,000
Commemorative	Single, Cut	5,000 *	2,000,000

International Surface Postal Cards

Type	Format	Order Multiples	Maximum per Requisition
Surface	Single, Cut	1,000; 2,000; 5,000 *	25,000

Envelopes

Type	Order Multiples	Maximum per Requisition
# 6 3/4	500; 1,000; 5,000	2,500,000
# 9 and # 10	500; 1,000; 2,500	
# 6 3/4 banded	500; 1,000; 5,000	
# 9 and # 10 banded	500; 1,000; 2,500	

* Multiples after meeting minimum requirements are 2,000, 5,000.

Exhibit 423.72
Form 8144, Stamp Discrepancy Report



Stamp Discrepancy Report

Date Reported

Instructions

Report ALL stamp irregularities on this form.

1. Separate all Bureau of Engraving and Printing, Government Printing Office, and private contractor's irregularities (*shortages, overages, and defects*).
2. Use a separate form for each contractor's irregularities.
3. Use a separate line for each tray, cube, pad, pack, or carton affected.
4. Verify stamp booklet item numbers (*refer to the last four digits of the UPC code, located on the back of the booklet cover*).
5. Mail completed form to:

QUALITY ASSURANCE
 MANAGER, STAMP ACQUISITION
 US POSTAL SERVICE
 475 L'ENFANT PLAZA SW
 WASHINGTON DC 20260-2436

Post Office (City, State, and ZIP Code)	Telephone Number (Include Area Code)
	Finance Number
Reporter's Signature	Witness's Signature

Advice of Shipment Date	Registry Number	Item No.	Value and Description	Packing Code (if any)	Enter Quantity in Appropriate Column			Supplier Name
					Shortage	Overage	Defect Description	

CREDIT/DEBIT CARD CLERK TRAINING

(EXHIBIT 21)

UNITED STATES POSTAL SERVICE

TRAINERS GUIDE

CREDIT/DEBIT CARD
CLERK TRAINING
OUTLINE AND CHECKLIST

PROCEDURE CHECKLIST

REQUIREMENTS FOR DISTRICT POINT OF SALE CLERK TRAINING

- ◇ FAMILIARIZE YOURSELF WITH THE TRANZ 380, PRINTER AND PIN PAD
- ◇ FAMILIARIZE YOURSELF WITH THE TRAINING MANUAL FROM NABANCO
- ◇ REPRODUCE A SUFFICIENT NUMBER OF "CLERK" AND "CLOSE-OUT" TRAINING MANUALS
- ◇ REVIEW THE CREDIT/DEBIT TRAINING OUTLINE
- ◇ PRACTICE YOUR TRAINING PRESENTATION (USING THE TRAINING OUTLINE) WITH A GROUP OR IN PAIRS
- ◇ OBTAIN YOUR TRAINING SCHEDULE FROM YOUR DISTRICT COORDINATOR (YOU CAN OPTIMALLY CONDUCT THREE, 2 HOUR TRAINING SESSIONS PER DAY
- ◇ YOU SHOULD HAVE ONE IRT AT EACH TRAINING SESSION
- ◇ YOU WILL BE TRAINING WINDOW SUPERVISORS, CLERKS AND CLOSE-OUT PERSONNEL
- ◇ DETERMINE WHETHER YOUR SESSIONS WILL BE HELD ON SITE AT INDIVIDUAL BRANCH OR IN A CENTRAL LOCATION (SUCH AS THE MAIN OFFICE OR PEDC)
- ◇ DETERMINE HOW MANY CLERK TRAINING SESSIONS WILL BE NECESSARY AND HOW MANY CLERK/CLOSE-OUT SESSIONS WILL BE NECESSARY
- ◇ COMMUNICATE YOUR PLANS TO THE LOCAL POSTMASTER
- ◇ IDEALLY TRAIN THE SUPERVISORS FIRST
- ◇ IF TRAINING IS DONE ON SITE AT THE BRANCH - TRAINEES SHOULD BEGIN DOING LIVE CREDIT/DEBIT CARD TRANSACTIONS IMMEDIATELY FOLLOWING TRAINING
- ◇ IF TRAINING IS DONE ON SITE AT THE BRANCH - PLAN ON BEING PRESENT DURING THE FIRST CLOSE-OUT TO INSURE THAT THE FIRST CLOSE-OUT IS DONE CORRECTLY

CREDIT/DEBIT CARD TRAINING OUTLINE

1. OBJECTIVE: OVERVIEW PRESENTATION

CONTENT	DETAILS	HOW	TIME
			5 MIN
1 What Credit Cards are accepted?	Visa, Mastercard, American Express & Discover are accepted	Verbally read the 10 content items on this page to the class	
2 What Debit cards are accepted?	Explore, Star Systems, Mac, Infinet, NYCE, Yankee 24, Honor, Most, pulse PAY, pulse Magic Line, Accel, The Exchange, BankMate, Jeanie, Cash Station, GulfNet, MPACT, tyme, Instant Teller, ALERT, AFFN, Maestro & Interlink		
3 What can Credit Cards be used for?	For payment of all postal products and services (except as described in #4)		
4 What are Credit cards not accepted for?	Money Orders, COD'S, Passport fees, employee suspense items		
5 What can Debit Cards be used for?	For payment of all postal products services		
6 What are Debit Cards not accepted for?	Passport fees		
7 All Credit/Debit Cards must be swiped through the magnetic card processor	No telephone authorizations permitted (Object of Credit/Debit cards is to provide customer convenience and reduce time in lobby)		
8 Do not accept unsigned cards	Ask for additional picture ID and allow customer to sign card in your presence		
9 Customer signature required on all Credit Card transactions	Review Visa & Mastercard signature policy Review American Express & Discover signature policy		
10 Check card for valid date	Is card Expired or valid at a future date? NOTE: NOT ALL DEBIT CARDS HAVE EXPIRATION DATES		

2. OBJECTIVE: DEMONSTRATE IRT INSTRUCTIONS			
CONTENT	DETAILS	HOW	TIME
1	Enter transaction into the IRT using current procedures - press total	Demonstrate sale on IRT	5 MIN
2	Determine method of payment (cash/ check or credit /debit)	The question "Would you like to put this on your credit or debit card?" creates quick awareness that the USPS accepts credit/ debit cards	
3	Request card from customer - retain through entire transaction	Examine card to see that it is signed and that the usage dates are valid	
4	Perform Credit/Debit Card sale procedure on Tranz 380	(DEMONSTRATE THIS FUNCTION LATER)	
5	Have customer sign receipt	For Visa & Mastercard Compare the signature on the receipt to the signature on the back of the card For American Express and Discover compare the signature on the receipt to the signature on the back of the card and to the embossed name on the front of the card. All three must match	
6	Give customer the duplicate receipt. Retain the original to be turned in with 1412	Emphasize that Credit/Debit card receipts are accountable. Afford them the same protection you would give checks or money order vouchers	
7	Press the key marked "Bank Card"	Demonstrate on IRT	
8	A menu will appear which offers two Choices 1)Credit Card 2)Debit Card	Make the appropriate selection	
9	The total dollar amount of the purchase will automatically display	Compare this amount with the amount on the Credit/Debit card receipt - they should match	
10	Press enter	The amount of a credit card sale will flow to AIC 762 The amount of a debit card sale will flow to AIC 772	

OBJECTIVE: PERFORMING CREDIT CARD SALE			
CONTENT	DETAILS	HOW	TIME
1 Swipe card	Demonstrate the proper procedure for swiping card (from top to bottom with magnetic strip facing down and toward the outside	Allow students to perform this function as you read instructions aloud	20 MIN
2 Key in last 4 digits of card	Fraud prevention measure to insure that magnetic strip has not been tampered with		
3 Press [ENTER]	Credit card # is displayed		
4 Press [ENTER]			
4 Key in the clerk ID	Use the same 2 digit ID as in IRT for consistency Press [ENTER]		
5 Enter password	Use the same 4 digit password as in IRT for consistency (If the same 4 digit password is not used follow 3977 envelope procedures to secure password) Press [ENTER]		
5 Enter amount of sale	Carefully key in total amount shown on IRT (no decimal point required) Press [ENTER]		
6 A receipt will print upon approval			
7 Have customer sign credit card receipt	Reiterate Visa, Mastercard, American Express and Discover signature policies Reiterate - give customer bottom copy, retain original Reiterate - receipts are accountable		
8 If transaction is not approved you will receive one of several "declined" messages	If decline message is received return card to customer and politely request another form of payment. If customer inquires why transaction was declined simply tell them to "Contact your issuing bank" NO APPROVAL TELEPHONE CALLS WILL BE MADE		

5 OBJECTIVE: PERFORMING VOID TRANSACTION			
CONTENT	DETAILS	HOW	TIME
1 When is a void necessary?	Customer changes mind. Signatures on the receipt and the credit card do not match (Visa & Mastercard). Signatures on the receipt and credit card do not match the embossed name(American Express and Discover). Clerk error (example - the wrong dollar amount was keyed into credit card machine and error was not realized until after receipt was printed. NEVER TRY TO CHANGE TRANSACTION AMOUNT AFTER TRANSACTION IS COMPLETE. ALWAYS VOID AND BEGIN AGAIN!	Read content #1 and content #2 to class	15 MIN
2 When can a void be done?	VOIDS can be done on the same day, by the same clerk on the same machine that the original transaction was performed. A void cannot be done if the terminal has been closed subsequent to when the transaction was performed - it will no longer be stored in the machine ALL VOIDS MUST BE DONE IN THE PRESENCE OF THE CARDHOLDER		
3 Press [ENTER] key		Allow class to perform this function as you read instructions aloud	
4 Press [1] key			
5 Key in clerk ID	Use the same 2 digit ID as in IRT for consistency Press [ENTER]		
6 Key in Clerk password	Use the same 4 digit password as in IRT for consistency (If the same 4 digit password is not used follow 3977 envelope procedures to secure password) Press [ENTER]		
7 Enter the transaction # to be voided	Transaction # is 3 digit number found on the original receipt Press [ENTER]		
8 Press [9] to complete void			
9 Press [0] to confirm			

8 OBJECTIVE PERFORMING A MANUAL ENTRY			
CONTENT	DETAILS	HOW	TIME
1 What do you do if card is swiped 3 times unsuccessfully?	Make 3 attempts to magnetically read card because 1) USPS is charged less for a magnetically read transaction 2) There is less room for error in a magnetically read transaction	Read content #1 to class	10 MIN
2 Enter account number	Enter complete account number Press [ENTER]	Allow class to perform this function as you read instructions aloud	
3 Enter expiration date	Enter 4 digit expiration date Press [ENTER]		
4 Enter clerk ID	Use the same 2 digit ID as in IRT for consistency Press [ENTER]		
5 Enter password	Use the same 4 digit password as in IRT for consistency (If the same 4 digit password is not used follow 3977 envelope procedures to secure password) Press [ENTER]		
6 Enter amount of sale	Carefully key in total amount shown on IRT (no decimal point required) Press [ENTER]		
7 Receipt will print upon approval	Manual transaction proceeds the same as a magnetically read transaction after the account number and expiration date is entered		

9. OBJECTIVE: PERFORMING A DEBIT CARD TRANSACTION

CONTENT	DETAILS	HOW	TIME
1: Press [6] key			15 MIN
		Allow class to perform this function as you read instructions aloud	
2: Slide card through the card reader	Card must be swiped with magnetic strip facing down and toward the outside		
3: Key in clerk ID	Use the same 2 digit ID as in IRT for consistency Press [ENTER]		
4: Key in clerk password	Use the same 4 digit password as in IRT for consistency (If the same 4 digit password is not used follow 3977 envelope procedures to secure password) Press [ENTER]		
5: Key in amount of sale	CAREFULLY key in total amount shown on IRT. (if a greater amount is keyed in and the transaction is completed you must complete a PS Form 3533 and refund the difference to the customer in cash.) DEBIT CARD TRANSACTIONS CANNOT BE VOIDED! Press [ENTER]		
6: Instruct customer to enter their PIN on the PIN pad			
7: A receipt will print upon approval	Give the customer bottom copy, retain original Reiterate - receipts are accountable		

12. OBJECTIVE: PRINTING CLERK REPORTS

CONTENT	DETAILS	HOW	TIME
1 When is this report run?	This report must be printed by each clerk on each machine he/she has performed trans- actions for that business day. If a clerk worked one terminal all day he/she would have one clerk report. If a clerk was a lunch relief and relieved three windows for lunch he would have three reports. This report can be printed as many times as necessary prior to terminal closeout	Read content #1 to class	10 MIN
2 Press function/enter key		Allow class to perform this function as you read instructions	
3 Press [3] key			
4 Enter clerk ID	Key in clerk's ID Press [ENTER]	aloud	
5 Enter password	Key in clerk's password Press [ENTER]		
6 Report will print	This report shows details of each transaction, along with total counts and amounts for credit cards and debit cards separately		
7 Compare credit card total to AIC 762 on preliminary 1412	They must match (If clerk has more than one terminal report they must add the totals before comparing with 1412)		
8 Compare debit card total to AIC 772 on preliminary 1412	They must match (If clerk has more than one terminal report they must add the totals before comparing with 1412)		
9 Receipts are submitted with 1412	Credit/Debit card receipts are accountable and must be submitted with 1412 as supporting documentation		

13. DEJECTIVE: ADJUSTING AIC 762 AND AIC 772 IN THE IRT			
CONTENT	DETAILS	HOW	TIME
1 What if the clerk report(s) and the 1412 do not match?	Research any discrepancies by verifying individual receipts. If adjustments must be made to AIC 762 or 772 follow the following procedures	Read content #1 to class	5 MIN
2 Overreported AIC 762 or 772 (if AIC on PS 1412 is greater than the terminal report)	Press IRT key marked "Bank Card" Select 1) for AIC 762 adjustments Select 2) for AIC 772 adjustments Press "Error Correct" key Enter amount to be error corrected Press enter	Demonstrate on IRT	
3 Underreported AIC 762 or 772 (if AIC on PS 1412 is less than the terminal report)	Press IRT key marked "Bank Card" Select 1) for AIC 762 adjustments Select 2) for AIC 772 adjustments Enter amount to increase the AIC Press enter		
CLOSE THE TRAINING SESSION WITH QUESTIONS AND ANSWERS AND ALLOW CLASS TO RUN TRANSACTIONS INDEPENDENTLY			

UNITED STATES POSTAL SERVICE

TRAINERS GUIDE

CREDIT/DEBIT CARD
UNIT CLOSE-OUT
TRAINING OUTLINE

UNIT CLOSE-OUT TRAINING OUTLINE

OBJECTIVE OVERVIEW PRESENTATION			
CONTENT	DETAILS	HOW	TIME
			5 min
1 What reports are available?	Clerk Report, Terminal Report, Batch Close Report, Discrepancy Report	Verbally read the 13 content items on this page to the class	
2 Define Clerk Report	A Clerk Report shows a detail of each transaction (date, time, transaction #, card type, transaction type, authorization #, account #) as well as a credit card item count, a credit card dollar amount, a debit card item count and a debit card dollar amount		
3 Who can access a Clerk Report?	A clerk can access his own clerk report by entering his own clerk ID He/She cannot access any other clerk report except for his/her own		
4 Define Terminal Report	A Terminal Report shows a detail of each transaction (date, time, transaction #, card type, transaction type, authorization #, account #) as well as a credit card item count, a credit card dollar amount, a debit card item count and a debit card dollar amount. This information is printed for each transaction for all clerks.		
5 When can a Terminal Report be run?	A Terminal Report can be run at anytime of day as many times as you wish prior to running the Batch Close Report		
6 Who can access a Terminal Report?	A terminal report can be accessed by a supervisor or close-out person only.		
7 Define Batch Close Report	A Batch Close Report contains the same information as the Terminal Report except that this report settles all transactions in the terminal with NaBanco for processing		
8 When can a Batch Close Report be run?	A Batch Close Report should be run at the end of the business day. It should be run after you have verified that AIC 762 and AIC 772 on the unit PS 1412 is equal to the total(s) of the terminal report(s) It can also be run if you get a "Batch Full" message on a terminal		

OBJECTIVE OVERVIEW PRESENTATION (continued)			
CONTENT	DETAILS	HOW	TIME
9 Who can access a Batch Close Report?	A terminal report can be accessed by a supervisor or close-out person only.		
10 Define Discrepancy Report	This report will print immediately following the Batch Close Report only if the debit card batch closes successfully but the terminal's debit totals do not match Nabanco's host computer totals		
11 How can you tell if the close was successful?	The bottom of each Batch Close Report states whether the batch was successful or if it failed		
12 What do you do if the batch did not close successfully?	Attempt to re-close. If unsuccessful again, call NaBANCO at 1-800-994-USPS		
13 The Batch Close procedure must occur every day with-out exception	If you should forget to close your terminal it will close automatically at a pre-set time programmed by NaBanco. However, this auto close feature is to be used as a back-up function only (the USPS will be charged a greater fee for transactions if Nabanco must close the terminal). It is imperative that each terminal be closed every evening utilizing the following "Unit Close Out Procedure"		
NOTE: EVERY TERMINAL MUST BE CLOSED EVERY DAY AT THE CLOSE OF THE BUSINESS DAY			

2 OBJECTIVE UNIT CLOSE-OUT			
CONTENT	DETAILS	HOW	TIME
1 Each window clerk will run a preliminary PS 1412			10 min
		Verbally read the first 9 content items on this page to the class	
2 Run Clerk Report	Each window clerk will run a Clerk Report on the Credit/Debit terminal		
3 Verify Item count of Credit Card receipts	Compare actual number of credit card receipts with the Item Count on the Clerk Report		
4 Verify AIC 762	Each clerk will compare the total dollar amount of his/her credit card sales from the Clerk Report to AIC 762 on PS 1412 to verify they are equal		
5 Verify Item Count of Debit Card receipts	Compare actual number of debit card receipts with the Item Count on the Clerk Report		
6 Verify AIC 772	Each clerk will compare the total dollar amount of his/her debit card sales on his/her Clerk Report to AIC 772 on his/her PS 1412 to verify they are equal		
7 What if AIC 762 and AIC 772 are not equal to the Clerk Report totals?	Follow adjustment procedures on page 18 of Clerk's training manual		
8 Consolidate Clerk discs			
9 Print Terminal Report from each Credit/Debit card terminal	Even if you feel a terminal was not used - run a Terminal Report and subsequently close the terminal		
10 Press the [ENTER] key		Allow class to perform this function while you read instructions aloud	
11 Press the [3] key			
12 Enter clerk ID	Key in Supervisor's ID Press [ENTER]		
13 Enter password	Key in Supervisor's password Press [ENTER]		

3. OBJECTIVE BATCH CLOSE REPORT PROCEDURE			
CONTENT	DETAILS	HOW	TIME
1	Press the [8] key		10 min
2	Press the [0] key	Press the [0] key to continue the close procedure Press the [1] key to abort and return to idle prompt	Allow class to perform this function while you read instructions aloud
3	Enter Clerk ID	Enter Close-out employee ID Press [ENTER]	
4	Enter Supervisor's password	Key in Supervisor's ID Press [ENTER]	
5	Batch Close Report will print	Your Batch Close Report will print at the bottom whether your batch was "Successful" or if it "Failed"	
6	What if your report prints "Close Failed"	You must repeat the Batch Close procedure and attempt to close the terminal again. If there is still a problem after the second attempt call NaBanco at 1-800-994-USPS	
7	Add the dollar total of credit card sales from all Batch Close Reports		
8	Compare this total with AIC 762 on the unit PS 1412	THEY MUST MATCH	
9	Add the dollar total of debit card sales from all Batch Close Reports		
10	Compare this total with AIC 772 on the unit PS 1412	THEY MUST MATCH	
11	What if AIC 762 and AIC 772 do not equal the Batch Close Report?	If the Batch Close Report is greater than AIC 762/772 you must increase AIC 762/772 on the unit PS Form 1412 to match the Batch Close Report and enter the difference in AIC 061 and write a 1908 if the Batch Close Report is less than AIC 762/772 on the Unit PS Form 1412 you must decrease (error correct) AIC 762/772 on the unit PS Form 1412 to match the Batch Close Report and enter the difference in AIC 761 and write a 1908.(for instructions on how to error correct AIC 762/772 in the IRT - see clerk training manual page 18)	

4 OBJECTIVE HOW TO PROCESS A REFUND		
CONTENT	DETAILS	HOW
1 When can a refund be given?	All regulations regarding refunds and exchanges in the DMM must be followed. In those instances where a refund is warranted (i.e. Express Mail failures, meter closeouts) a money order or cash will be given to the customer Via PS Form 3533. The following information must be included on all PS Form 3533's for refunds of credit card purchases: Transaction date Transaction number Authorization number Circumstances of refund	
NOTE: CREDITS TO CREDIT/DEBIT CARD ACCOUNTS WILL NOT BE ISSUED		
	Place a copy of the PS Form 3533 with the original receipt in the original transaction date's file of supporting documentation.	
2 What if an employee error is made?	If an employee makes a mistake during a transaction and it is not caught until after the customer has left, adjustments can be made at the district level. Contact your district accounting office with all supporting documentation for adjustments.	

**QUESTIONS
PERTAINING TO POSTAL
REGULATIONS
(PAGES 1 – 6)**

(EXHIBIT 22)

**QUESTIONS ON FINDING INFORMATION PERTAINING TO POSTAL
REGULATIONS**

1. What handbook and section contains Inspection Service information?
2. Where is information on mail covers found?
3. Where do you find dead mail information?
4. Where do you find information concerning access to employee restricted medical records and EAP records?
5. What manual and section concerns reporting Postal emergencies, loss and offenses?
6. What manual and section contains information on counterfeit material?
7. What manual and section concerns stamp offenses?
8. What manual(s) discussed lottery activity involving mail?
9. What manual and section concerns robberies?
10. What manual and sections concerns assaults on employees/customers?
11. What manual and section concerns responsibility for internal auditing in Postal Service?
12. What manual and section concerns workroom floor access and employee responsibilities?
13. What manual and section concerns USPS locks and keys?
14. Where is the following statement found: "Postal employees are issued only such keys as their duties require."?
15. Where is key accountability found?
16. Where is the following statement found: "If a key is lost or stolen, report the situation to the inspector-in-charge immediately."?
17. When the value of office accountability and registered mail regularly exceeds \$25,000 and no security containers, fireproof safe or vault is available for overnight storage, what do you do? What manual and section?

18. Where is information found on unauthorized opening, inspection, tampering or delay of mail? What manual and section?
19. Where is information found on firearms on Postal property?
20. Where is information found on prohibiting local management from "clarifying", "supplementing" or "rewording" a directive from higher level?
21. Can local modifications be made to PS Forms? What manual and section?
22. What manual and section concerns records and release of information?
23. What manual and section concerns the Freedom of Information Act?
24. What manual and section contains information on retention period for: OF17, 571, 1096, 1216, 1230, 1234, 1262, 1412, 1717, 1723, 1846, 1994, 3294, 3368, 3582, 3584, 3602, 3603, 3610, 3977, 3971?
25. Where do you find information on flag display?
26. What manual and section concerns "Employee Housekeeping Committees"?
27. Where do you find "Appendix Privacy Act Systems of Records"?
28. Name the manual and section concerning examining and setting meter?
29. Where are duplicate meter keys kept?
30. How often are duplicate meter keys verified?
31. Protection of meter heads?
32. Employee accountability for meter?
33. Where do you find "Collection of Charges" for COD?
34. Where do you find instructions on cashing money orders?
35. What is PSF 6802?
36. What is PSF 820?
37. What does "KP" mean on bid?

38. What does "SP" mean on bid?
39. Where do you find definition of bargaining unit employee?
40. What handbook contains qualification standards - bargaining unit?
41. May an employee see personnel information pertaining to him/her?
42. Are fees charged an individual for searching for or reviewing a record pertaining to themselves?
43. Is there a manual and section concerning discussing employee performance?
44. What constitutes back pay?
45. Where is the collection of Postal debts from bargaining unit employees explained?
46. Who has the basic responsibility for all funds and accounting?
47. Who is responsible if USPS policies and procedures have not been conscientiously enforced?
48. Is this a correct statement: "All employees must receive written notice of any money demand for any reason?"
49. Equipment assigned employees must be inspected by both supervisor and employee?
50. Employees may use Postal funds to cash personal checks?
51. Main stock may only be assigned to a supervisor?
52. An employee assigned main stock may also have access to cash records?
53. The account book is maintained by Window Clerk?
54. Forms 1412-B are maintained by Window Clerks only at main office?
55. Where do you find duties of employee designated to perform unit closeout?
56. Entries in account book should be made in pencil so mistakes can be corrected?
57. Checks may be accepted in payment for all Postal products and services?
58. What do you do if there is doubt about accepting a check?

59. **Social Security cards are acceptable for personal check identification?**
60. **What must the bank return if there is a shortage in deposit funds?**
61. **What must be done to the reverse side of depositing unit copy of bank deposit?**
62. **If there is not enough room in safe or vault, it is permissible to lock in screen line?**
63. **Form 3877 is the envelope for duplicate keys?**
64. **If there is evidence of tampering with duplicate key envelope, notify the Postmaster?**
65. **The person having custody of 3977 physically examines once a month?**
66. **What happens if 3977 is discovered missing, destroyed or opened by unauthorized person?**
67. **Is the combination changed when a person knowing the combination leaves the facility?**
68. **What happens if the combination is not timely changed?**
69. **What is Form 3958 and who prepares it?**
70. **Must a Clerk verify envelopes when opening box?**
71. **Stamps are kept from the view of customers?**
72. **Your designated witness and a supervisor may have access to your stamp credit?**
73. **Whenever an employee relinquishes control of assigned credit for any reason, the locks on stamp and cash drawer must be changed?**
74. **How often must supervisor make key examination of all locks and keys?**
75. **Are records kept of key examinations?**
76. **How much is cash portion of stamp credit?**
77. **May a clerk trade or purchase stock from another? If so, how?**
78. **How often must Window Clerks replenish their stamp credits?**

79. How is stamp stock to be verified when received?
80. Unit reserve stock must be maintained on what form?
81. What form must be used by Clerk to requisition stock?
82. Where do you find tolerance amounts?
83. What is PSF 571?
84. If a shortage in one Clerk's account is offset by another Clerk's overage, what form, if any, is used?
85. Results of each stamp credit count must be entered on what form?
86. Any discrepancy in stamp count must be entered on Form 3368?
87. Who verifies money orders when requisitioned?
88. What type of stamps are not valid for U.S. domestic or U.S. originating international mail?
89. Can an employee assign his/her meter to another employee?
90. What is an employee supposed to do if someone gives him/her an item supposedly found in lobby, parking lot or on Postal premises?
91. How often must employee stamp credits be examined?
92. Who must ensure stamp credits are conducted in accordance with instructions and the National Agreement?
93. Who conducts examinations of stamp credits of personnel at stations, branches and main office window?
94. What is purpose of Form 3369?
95. May stamp stock limits be exceeded?
96. Stamp stock requisitions may be given to employee at any time during work hours?
97. Where must clerk indicate he/she counted the stock requisitioned and received?

98. No employee should trade stamp stock or sell to another employee except in an emergency?
99. Is there an instruction on counting change?
100. Who is responsible for efficient management of stamp stock?
101. When there is a \$100 or more discrepancy, what form is used to report and to whom?
102. The employee should always be given 48 hours notice of stamp credit examinations?
103. Stamp credits must be counted at end of clerk's tour before closing?
104. What is Form 3294, and for what is it used?
105. Employee credits must always be counted at window are during work hours?
106. The employee must closely observe supervisor performing audit because he/she must initial supervisor count?
107. How much tolerance for \$300?
108. What should the employee being audited do if amount of difference exceeds tolerance?
109. Stamp stock credit is \$15,000 and has a difference of \$50. Does this exceed tolerance?
110. Must a stamp credit be adjusted if count exceeds tolerance?
111. Who must sign both copies of cash and stamp stock count and summary?
112. Sales are authorized from main or unit reserve stock only during December?
113. Overage in main stock is reported on Form _____?
114. Stamp vending equipment procedures are found in Handbooks M-46 and M-74?
115. Special credit is set aside for servicing vending equipment?
116. Is there a tolerance for postage vending machines?

**ANSWERS PERTAINING
TO POSTAL
REGULATIONS
(PAGES 1 – 9)**

(EXHIBIT 23)

**QUESTIONS AND ANSWERS ON FINDING INFORMATION PERTAINING TO
POSTAL REGULATIONS**

1. **What handbook and section contains Inspection Service information?
(ASM 2)**
2. **Where is information on mail covers found?
(ASM 213)**
3. **Where do you find dead mail information?
(DMM F010.8.1)**
4. **Where do you find information concerning access to employee restricted medical records and EAP records?
(Chapter 2, EL-806 and ELM 870)**
5. **What manual and section concerns reporting Postal emergencies, loss and offenses?
(ASM 220)**
6. **What manual and section contains information on counterfeit material?
(ASM 223.3)**
7. **What manual and section concerns stamp offenses?
(ASM 222.7)**
8. **What manual(s) discussed lottery activity involving mail?
(ASM 224.2 and DMM C031.3.0)**
9. **What manual and section concerns robberies?
(ASM 226)**
10. **What manual and sections concerns assaults on employees/customers?
(ASM 228 and 222.4)**
11. **What manual and section concerns responsibility for internal auditing in Postal Service?
(ASM 241.1)**
12. **What manual and section concerns workroom floor access and employee responsibilities?
(ASM 273.12)**

13. **What manual and section concerns USPS locks and keys?
(ASM 273.4)**
14. **Where is the following statement found: "Postal employees are issued only such keys as their duties require."?
(ASM 273.451)**
15. **Where is key accountability found?
(ASM 273.46)**
16. **Where is the following statement found: "If a key is lost or stolen, report the situation to the inspector-in-charge immediately."?
(ASM 273.471)**
17. **When the value of office accountability and registered mail regularly exceeds \$25,000 and no security containers, fireproof safe or vault is available for overnight storage, what do you do? What manual and section?
(ASM 273.513)**
18. **Where is information found on unauthorized opening, inspection, tampering or delay of mail? What manual and section?
(ASM 274 and DMM G011.5.1)**
19. **Where is information found on firearms on Postal property?
(ASM 276)**
20. **Where is information found on prohibiting local management from "clarifying", "supplementing" or "rewording" a directive from higher level?
(ASM 315)**
21. **Can local modifications be made to PS Forms? What manual and section?
(See ASM 325.121)**
22. **What manual and section concerns records and release of information?
(ASM 350)**
23. **What manual and section concerns the Freedom of Information Act?
(ASM 352)**
24. **What manual and section contains information on retention period for: OF17, 571, 1096, 1216, 1230, 1234, 1262, 1412, 1717, 1723, 1846, 1994, 3294, 3368, 3582, 3584, 3602, 3603, 3610, 3977, 3971?
(ASM 355.8)**

25. Where do you find information on flag display?
(ASM 471)
26. What manual and section concerns "Employee Housekeeping Committees"?
(ASM 533.55)
27. Where do you find "Appendix Privacy Act Systems of Records"?
(ASM, page 341)
28. Name the manual and section concerning examining and setting meter?
(DMM P030.30)
29. Where are duplicate meter keys kept?
(F1, 372.21)
30. How often are duplicate meter keys verified?
(F1, 372.3)
31. Protection of meter heads?
(F1, 151.1)
32. Employee accountability for meter?
(F1, 714.1)
33. Where do you find "Collection of Charges" for COD?
(DMM S921)
34. Where do you find instructions on cashing money orders?
(DMM S020, F1, 314)
35. What is PSF 6802?
(ELM 215, 215.1 and 222)
36. What is PSF 820?
(ELM 215.2 and 232)
37. What does "KP" mean on bid?
(ELM 230, 231.1a)
38. What does "SP" mean on bid?
(ELM 230, 231.1b)
39. Where do you find definition of bargaining unit employee?
(ELM 311.32)

40. **What handbook contains qualification standards - bargaining unit?**
(ELM 312.22 and EL 303)
41. **May an employee see personnel information pertaining to him/her?**
(ELM 313.6, 313.7 and 314)
42. **Are fees charged an individual for searching for or reviewing a record pertaining to themselves?**
(ELM 313.64)
43. **Is there a manual and section concerning discussing employee performance?**
(ELM 374)
44. **What constitutes back pay?**
(ELM 436)
45. **Where is the collection of Postal debts from bargaining unit employees explained?**
(ELM 460)
46. **Who has the basic responsibility for all funds and accounting?**
(F-1, 131)
47. **Who is responsible if USPS policies and procedures have not been conscientiously enforced?**
(F-1, 141)
48. **Is this a correct statement: "All employees must receive written notice of any money demand for any reason?"**
(F-1, 142)
49. **Equipment assigned employees must be inspected by both supervisor and employee?**
(F-1, 151)
50. **Employees may use Postal funds to cash personal checks?**
(F-1, 151.41)
51. **Main stock may only be assigned to a supervisor?**
(F-1, 151.1)
52. **An employee assigned main stock may also have access to cash records?**
(F-1, 151.1)
53. **The account book is maintained by Window Clerk?**
(F-1, 212.1)

54. Forms 1412-B are maintained by Window Clerks only at main office?
(F-1, 214)
55. Where do you find duties of employee designated to perform unit closeout?
(F-1, 221.23)
56. Entries in account book should be made in pencil so mistakes can be corrected?
(F-1, 223.21)
57. Checks may be accepted in payment for all Postal products and services?
(F-1, 312, see DMM S920)
58. What do you do if there is doubt about accepting a check?
(F-1, 312.1)
59. Social Security cards are acceptable for personal check identification?
(F-1, 312.3)
60. What must the bank return if there is a shortage in deposit funds?
(F-1, 332.6)
61. What must be done to the reverse side of depositing unit copy of bank deposit?
(F-1, 333.2)
62. If there is not enough room in safe or vault, it is permissible to lock in screen line?
(F-1, 371.4)
63. Form 3877 is the envelope for duplicate keys?
(F-1, 372.1)
64. If there is evidence of tampering with duplicate key envelope, notify the Postmaster?
(F-1, 372.4)
65. The person having custody of 3977 physically examines once a month?
(F-1, 372.3)
66. What happens if 3977 is discovered missing, destroyed or opened by unauthorized person?
(F-1, 372.4)
67. Is the combination changed when a person knowing the combination leaves the facility?
(F-1, 372.5)

68. **What happens if the combination is not timely changed?**
(F-1, 372.5)
69. **What is Form 3958 and who prepares it?**
(F-1, 417)
70. **Must a Clerk verify envelopes when opening box?**
(F-1, 423.6)
71. **Stamps are kept from the view of customers?**
(F-1, 422.1)
72. **Your designated witness and a supervisor may have access to your stamp credit?**
(F-1, 426.2)
73. **Whenever an employee relinquishes control of assigned credit for any reason, the locks on stamp and cash drawer must be changed?**
(F-1, 426.2.(7))
74. **How often must supervisor make key examination of all locks and keys?**
(F-1, 426.2.(8))
75. **Are records kept of key examinations?**
(F-1, 426.2.(8))
76. **How much is cash portion of stamp credit?**
(F-1, 426.(41))
77. **May a clerk trade or purchase stock from another? If so, how?**
(F-1, 422.22)
78. **How often must Window Clerks replenish their stamp credits?**
(F-1, 425.1)
79. **How is stamp stock to be verified when received?**
(F-1, 425.1.(5))
80. **Unit reserve stock must be maintained on what form?**
(F-1, 426.71)
81. **What form must be used by Clerk to requisition stock?**
(F-1, 425.1.(4))

82. **Where do you find tolerance amounts?**
(F-1, 429.16)
83. **What is PSF 571?**
(F-1, 429.16)
84. **If a shortage in one Clerk's account is offset by another Clerk's overage, what form, if any, is used?**
(F-1, 429.16)
85. **Results of each stamp credit count must be entered on what form?**
(F-1, 429.12)
86. **Any discrepancy in stamp count must be entered on Form 3368?**
(F-1, 429.18)
87. **Who verifies money orders when requisitioned?**
(F-1, 741, 742)
88. **What type of stamps are not valid for U.S. domestic or U.S. originating international mail?**
(DMM PO22.2.2)
89. **Can an employee assign his/her meter to another employee?**
(F-1, 714.1)
90. **What is an employee supposed to do if someone gives him/her an item supposedly found in lobby, parking lot or on Postal premises?**
(DMM G011.1.3)
91. **How often must employee stamp credits be examined?**
(Article 28; 429.1)
92. **Who must ensure stamp credits are conducted in accordance with instructions and the National Agreement?**
(F-1, 429.1)
93. **Who conducts examinations of stamp credits of personnel at stations, branches and main office window?**
(F-1, 429.1)
94. **What is purpose of Form 3369?**
(F-1, 426.45(2))

95. **May stamp stock limits be exceeded?**
(F-1, 422.2)
96. **Stamp stock requisitions may be given to employee at any time during work hours?**
(F-1, 425.1)
97. **Where must clerk indicate he/she counted the stock requisitioned and received?**
(F-1, 425.1)
98. **No employee should trade stamp stock or sell to another employee except in an emergency?**
(F-1, 422.22)
99. **Is there an instruction on counting change?**
(F-1, 429.14)
100. **Who is responsible for efficient management of stamp stock?**
(F-1, 429.22)
101. **When there is a \$100 or more discrepancy, what form is used to report and to whom?**
(F-1, 429.16)
102. **The employee should always be given 48 hours notice of stamp credit examinations?**
(F-1, 429.11)
103. **Stamp credits must be counted at end of clerk's tour before closing?**
(F-1, 429.11)
104. **What is Form 3294, and for what is it used?**
(F-1, 429.12)
105. **Employee credits must always be counted at window are during work hours?**
(F-1, 429.13)
106. **The employee must closely observe supervisor performing audit because he/she must initial supervisor count?**
(F-1, 429.17)
107. **How much tolerance for \$300?**
(F-1, 429.16)

108. What should the employee being audited do if amount of difference exceeds tolerance?
(F-1, 429.16)
109. Stamp stock credit is \$15,000 and has a difference of \$50. Does this exceed tolerance?
(F-1, 429.16)
110. Must a stamp credit be adjusted if count exceeds tolerance?
(F-1, 429.16)
111. Who must sign both copies of cash and stamp stock count and summary?
(F-1, 429.17)
112. Sales are authorized from main or unit reserve stock only during December?
(F-1, 429.2)
113. Overage in main stock is reported on Form _____?
(F-1, 429.24)
114. Stamp vending equipment procedures are found in Handbooks M-46 and M-74?
(F-1, 429.4)
115. Special credit is set aside for servicing vending equipment?
(F-1, 429.4)
116. Is there a tolerance for postage vending machines?
(F-1, 429.4)

GLOSSARY

(EXHIBIT 24)

Glossary

accountable paper — Postage stamps, stamped envelopes and cards, aerogrammes, international reply coupons, migratory bird hunting and conservation stamps, philatelic products, blank money order forms, and items awaiting destruction.

accountable paper depository — A stamp distribution office (SDO) designated to provide to other SDOs items such as emergency orders, reserve supplies of stamps that cannot be ordered through bulk requisitioning, and philatelic products produced by Postal Service contractors.

accountbook — A ledger system, provided at the beginning of each fiscal year, for recording all daily financial transactions.

accountbook unit — The postmaster or designee who maintains the cashbook and the statement of accounts.

account identifier code — A three-digit code used to classify financial transactions.

advance deposits — Funds received from customers and put on deposit for future services such as permit imprint, periodicals, business reply, postage due, and Express Mail accounts.

associate office — A post office in a customer service and sales district.

automated clearing house — A procedure for transferring from official post office bank accounts to the concentration bank without a depository transfer check.

banking post office — A post office that is not an SFAP unit and makes deposits into its own bank account.

Bank Transaction Record — Form 3176. This form is used at a banking post office to track all deposits, NDC transfers of funds, debits, and credits to the bank account.

business mail entry unit — An area in a postal facility designated to accept bulk mailings.

bulk stock — Stamp stock requisitioned from the Bureau of Engraving and Printing, Government Printing Office, and the philatelic fulfillment service center.

cash portion of a stamp credit — Cash and/or coins kept in a stamp credit to make change. This cash portion must not exceed 10 percent of the stamp credit or \$100, whichever is smaller.

cash reserve — Authorized funds on hand for making change. These are separate funds, not to be confused with the cash portion of a stamp credit.

concentration bank — A bank transferring postal funds from an official post office bank account to the New York Federal Reserve Bank, upon advice from the post office through the National Data Corporation.

contract postal unit — A retail unit that is operated for the Postal Service by an individual or company in the private sector in order to provide nearly all retail services to postal customers.

contract station — A contract postal unit located within the corporate limits of the city, town, or village served by the administrative post office.

cost ascertainment grouping (CAG) codes — A letter designation given to a post office based on its revenue units for a fiscal year.

CAG	Revenue Units	
	From	Through
A	356,250	and over
B	118,750	356,249
C	23,750	118,749
D	11,875	23,749
E	4,750	11,874
F	2,150	4,749
G	950	2,149
H	430	949
J	190	429
K	36	189
L	0	35

daily financial statement — A summary of the transactions that affect the postmaster's accountability for a given day. It is generated automatically each business day. This statement is authorized only to post to the accountbook.

finance number — The key element in editing, processing, and validating financial data.

integrated retail terminal (IRT) unit — A post office with a computer-based device that automatically calculates postage and fees and helps with the management of the financial operations.

main stock — All stamps and stamped paper, nonpostal items, and philatelic products that have not been consigned to a unit reserve or window clerk.

National Data Corporation — A service company used to transfer funds from a bank account by the Federal Reserve Bank.

nonbanking office — A post office that is also not an SFAP unit but makes deposits into a consolidated bank account administered by another post office or a district accounting office.

Glossary

non-IRT unit — A post office that uses manual forms and/or documents to manage the financial operations.

non-SFAP unit — A post office where the postmaster or his/her designee prepares its own statement of account.

nonsufficient funds checks — Checks returned because of a closed account or insufficient funds.

philatelic center — A retail outlet that offers a variety of stamps, postal stationery, and philatelic products primarily to stamp collectors.

postal funds — All funds under the control or in the hands of postal personnel while performing their duties.

postage validation imprinter — An electronic device that works with an IRT to produce postage validation and destination ZIP barcode labels. It functions like an electronic postage meter.

stamp credit — The value of the stamp stock consigned to an employee from the main or unit reserve stock in an office.

stamp distribution network — A system that encompasses an area formerly serviced by multiple stamp distribution offices. It provides all accountable paper stock and defines ordering cycles for each unit (post office, station, branch, or contract station) within its service area regardless of size.

stamp distribution office — A section of a major post office that receives and disburses stamps, stationery, philatelic products, and nonpostal items. It provides stamps and stamp products for all post offices, stations, branches, and contract stations within its service area that are not authorized to order in bulk quantities.

standard field accounting procedures — The consolidation of several units, by way of data transmission, allowing one office to prepare a statement of account for all units under this concept.

standard field accounting system — The automated on-line information system used to consolidate and transmit the various financial transactions, usually located at the district accounting office.

statement of account — A report submitted on an accounting period or postal quarter basis through the district Finance office reflecting the financial activity for that period.

statement of difference — A form received from the accounting service center when a discrepancy is noted in the auditing of the statement of account.

suspense — An account receivable to the USPS that represents funds owed by either a customer, an employee, or an account.

trust — A liability account for which the USPS may owe service to a customer or it represents an amount for which a future claim can be made for the funds on deposit.

Post Office Accounting Procedures

unit ID — A 4-digit identification assigned to each reporting unit in the SFAS. It is used as the lowest level of identification in data base records.

unit reserve — All stamps and stamped paper, nonpostal items, and philatelic products received from a main stock that have not been consigned to a window clerk.

