

Stand-up Talk for Financial Aid Guide

As a result of the Postal Act of 2006, we must comply with Section 404 of the Sarbanes-Oxley Act (SOX) by 2010. Complying with SOX means improving confidence in financial reporting through increased corporate governance, strong internal controls, and promoting good business practices. This is an ongoing process that requires accountability at all levels.

One of the largest aspects of Sarbanes-Oxley compliance deals with maintaining and improving internal controls over our financial processes. In order to help you perform your duties better and ensure you are aware of all the activities that need to be performed, this Financial Aid Guide (Publication 189) was created as a resource to help you establish and maintain adequate internal control over financial reporting. It provides a framework of how to: execute existing financial controls according to present policies and procedures; ensure our actions are timely, accurate, and authorized; find available accounting resources; and embed good business practices into our culture.

When you open the guide, you will see a list of financial controls with their corresponding activities. The control references are grouped by topic, with Field activities listed on the inside and Business Mail Entry Unit (BMEU) activities on the back. Next to each control in the left-hand column, the key financial activities needed to carry out the control are described on the right. I want each of you to review this list of controls and activities. During the review, carefully read each activity and ensure you understand the duties and activities you are supposed to be performing on a day-to-day basis. If you have any questions regarding any of this information or need clarification on how to complete any of these activities, please see me.

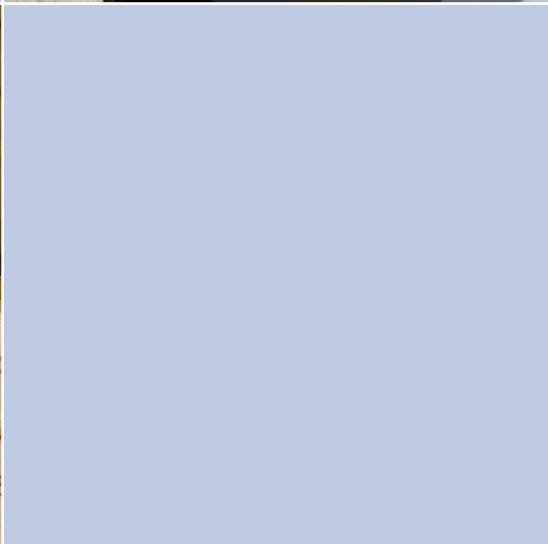
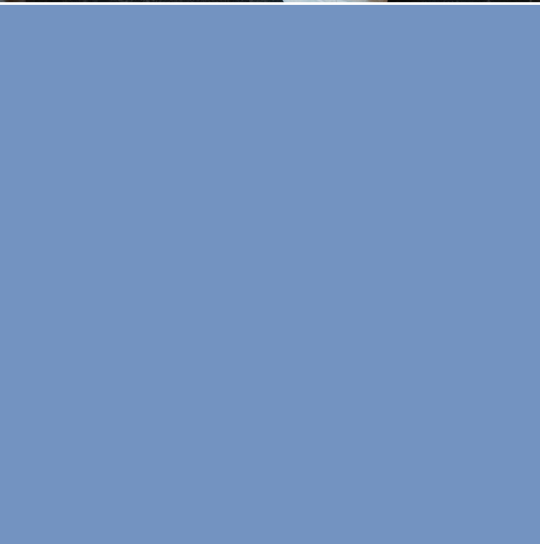
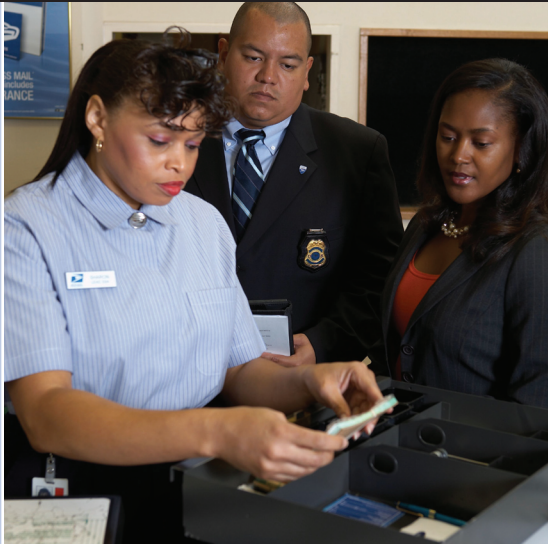
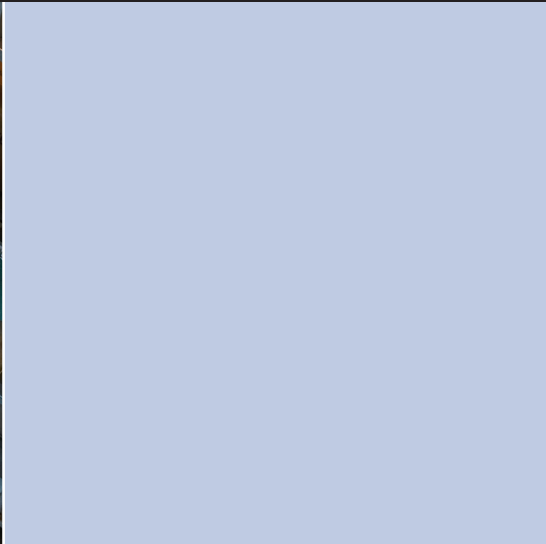
Does anyone have any questions?

NOTE TO POSTMASTERS/MANAGERS/SUPERVISORS

It is not enough to simply hand out the guide and ask individuals to review on their own. It is your job to review and discuss this guide with your staff. We need to make sure that everyone understands their role completely and all the activities that need to be performed are completed properly and to their full description. Reviewing this guide with our personnel will ensure our actions are timely, accurate, and authorized, and will embed good business practices into our culture. It is important to note that these activities are subject to change, as the guide is comprised of financial activities based on identified problem areas in audit reports. Updated guides will be available online as frequently as updates are made. Upon completion of the course reviewing Publication 189, a sign-in sheet is required for each field unit to receive STI credit. The course number assigned is 18201-39.

FINANCIAL AID

A Resource for Key Financial Activities



FINANCIAL AID: A Resource for Key Financial Activities

	CONTROLS AND REFERENCES	KEY FINANCIAL ACTIVITIES
Liquidity Assets Physically Controlled	Limit employee's access to the unit cash reserve. FAP 1502.5, 1508.1	The unit cash reserve is assigned to an individual (the custodian), who is directly accountable. The custodian documents assignment and accountability by completing Postal Service (PS) Form 3369, <i>Consigned Credit Receipt</i> . When circumstances warrant, the unit cash reserve custodian may reassign to a designee all or part of the unit cash reserve using PS Form 3369. Reassigned funds must not be mixed with other accountable credits assigned to the custodian or designee.
	Close inactive stamp/cash credits. FAP 202.3, 1502.3, 1503.8, 1509.3	Stamp/cash credits not used at least once in a month must be cancelled. (Point of Service (POS) ONE offices: The POS ONE administrator is to pull and compare the Employee Roles Report and Clerk Balance List. It is mandatory that names which appear on the Roles Report with no balances be deleted and the credit closed.)
	Secure stamp/cash drawers. FAP 302; PO-209: 6-8	Stamp/cash drawers are used to store accountable paper and postal funds, and Retail Associates (RAs) must secure them at all times. Offices on POS ONE must use the POS ONE cash drawers. RAs must ensure that postal funds are inaccessible to the public. All funds are to be kept below the counter out of customers' sight. RAs must secure and lock drawers while they are away from the counterline. RAs are not allowed to have access to one another's stamp/cash drawers. No funds are to be left at the counterline overnight; following each tour of duty, the RA is to lock stamp credits in a security container and store in a safe or vault.
	Follow proper close-out procedures. FAP 501-508.1; PO-209: 14-3, 6-11.3.5; POS ONE Procedures Guide v1.02, sections 8 & 9	Close-out employees must ensure that the daily financial activity has supporting documentation and that the unit is in balance. Close-out employees are to verify that each Account Identifier Code (AIC) has the proper supporting documentation and that Postage Validation Imprinter (PVI) readings are in balance. After the office closes and Retail Associates have left the area, place the vinyl deposit bag with the three bait money orders on top of the security container, in an unlocked counterline drawer, or on the postmaster's or supervisor's desk.
	Properly prepare bank deposits. FAP 901; PO-209: 4-1, 6-8, 14-1-14-3	Retail Associates and the close-out employee must make independent counts before submitting funds for deposit. Funds must be inaccessible to the public and concealed from view. Each RA counts the funds and records the required information. The close-out employee must perform an independent count of the same funds, record the information, and compare the results of the two counts. Total unit remitted funds must be consolidated by the close-out employee with a witness present before funds are deposited into the bank. After witnessing the counting, closing, and sealing of the bank deposit envelope, both the witness and close-out employee must sign the unit copy of the deposit slip and the envelope's flaps or seals. If no witness is available, the close-out employee must endorse the unit copy of the deposit slip with "No witness available (NWA)." Advance deposits are to be made when funds exceed normal operating needs. All bank deposits must be registered.
Field Payables Properly Approved	Verify disbursement transactions (local) are supported. FAP 2201.5, 2501-2507	All disbursements must be properly supported (i.e., receipts or forms completed) and are handled by a variety of people at the unit (Retail Associates, management, other clerks, management's designees). Disbursements may include refunds (PS Form 3533), stamped envelope discounts (PS Form 3220), employee reimbursements (PS Form 1164), local supplies and services (PS Form 8230 with vendor's invoice), and local utilities (PS Form 8230 with utility invoice). Purchases and payment hierarchy are as follows: eBuy; SmartPay Purchase Card; PS Form 8230, <i>Authorization for Payment</i> , and PS Form 8232, <i>Payment for Personal Services Contractors</i> submitted to the Scanning and Imaging Center; no-fee money order for emergency one-time local expense, not to exceed \$500; and cash for emergency one-time local expense, not to exceed \$25.
	Update the Voyager master PIN list. Voyager Web Handbook; Site Fleet Card Guide 2.2	Voyager is the commercial credit card program for fleet-related expenses. Personal Identification Numbers (PINs) are confidential 4-, 5-, or 6-digit numbers that Voyager randomly assigns to postal vehicle operators and site managers, and are used to authorize purchases made with Voyager cards. Each employee is allowed to have only one PIN. The site manager maintains the PIN list. Site managers must notify Voyager when a driver is no longer assigned to their area, or when a new driver needs to be added to the roster. If an employee leaves the Postal Service, site managers must notify Voyager to cancel that employee's PIN. PINs cannot be reissued.
	Secure the Voyager master PIN list. Voyager Web Handbook; Web Version of Site Fleet Card Guide, 3.2	The Voyager site manager maintains the site's PIN list, and is responsible for its security. Only one employee should know and use a single PIN. PIN information must be kept separate from the cards. PINs are never to be written on Voyager cards or on any receipt or invoice. PINs are to be memorized. PIN information is personal, confidential, and must be kept private and secure.
	Ensure Voyager transactions are supported with receipts. AS-709: 422.1, 422.5; Voyager Web Handbook	All employees must provide a receipt or invoice with every card purchase. The vehicle number must be written on all receipts and invoices. All receipts, invoices, and printed reports are to be kept on file for 2 years. Site managers are to investigate purchases without receipts by questioning the driver on the report.
	Reconcile monthly Voyager purchases. Site Fleet Card Guide, part 4.1, 5; Voyager Web Handbook	Site managers are to electronically verify, reconcile (and indicate this reconciliation by "checking" the appropriate block in the eFCS System), and file receipts and invoices at least monthly. At least monthly, the site manager is responsible for ensuring that their driver receipts are reconciled with the applicable Invoice Report available through the USPS Electronic Fleet Card System (eFCS). Receipts and invoices for Maintenance Reserve Vehicles (loaned vehicles) are to be sent to the VMF for reconciliation with the Voyager invoice reports by the VMF site manager. If there is a problem with an individual charge, the site manager only has 60 days to dispute the transaction (reference Part 5 of the Site Fleet Card Guide). In accordance with USPS requirements, records documenting payment reconciliation must be retained for 2 years.
Ensure SmartPay® Purchase Card transactions are supported with receipts. AS-709: 335, 421.21, 421.51	SmartPay® Purchase cardholders must support all purchases with the required documentation (what was ordered, approved, received, and paid). Cardholders must maintain a file to document all purchases, including Receipts, Approved Purchase Requests (eBuy and/or PS Form 7381), Charge and Credit Receipts, Credit Card Buying Log or eBuy Credit Card Log, Delivery Documentation, U.S. Bank Statement of Account, San Mateo ASC Credit Card Payment Report, and/or other documentation. All purchases must be reasonable business expenses and supported with an approved eBuy, Requisition for Supplies, Services and Equipment, or another acceptable purchase request.	

FINANCIAL AID: A Resource for Key Financial Activities

	CONTROLS AND REFERENCES	KEY FINANCIAL ACTIVITIES
Retail Sales and Cash Reconciled Daily	Remit all funds from retail operations. FAP 901.2; PO-209: 4-1, 6-8, 14-1–14-3	Retail Associates must remit all funds received for the sale of stamps and other postal products and services daily by using PS Form 1412, <i>Daily Financial Report</i> , supported by required documentation. At the unit level, funds received after the last deposit has been made are to be retained and the total entered in AIC 753, Cash Retained, on PS Form 1412. RAs are to register these funds to the safe overnight and include them in the next day's deposit. Make no more than one deposit a day unless security requires more frequent deposits or the bank requires separate deposits for checks and currency.
	Restrict access to Postal Service information resources to authorized employees (POS ONE). NCR R27.0 POS ONE Procedures Guide, 16, 40; AS-805: 9-4.1.3	Access to information resources is based on the individual's roles and responsibilities, and POS ONE security roles are to be assigned by management or designee based on those roles and responsibilities. Only authorized employees are allowed to have access to the POS ONE system. An updated active employee list should be maintained in POS ONE.
	Adequately separate duties (POS ONE). FAP 203	Each POS ONE duty must be performed by the employee authorized to hold and perform that role in the system. For all units, adequate internal controls must be in place to separate the duties of personnel who handle cash or accountable paper from the duties of personnel who record and establish responsibility for financial transactions.
	Monitor or reconcile master trust account balances. FAP 1904.1-1904.3, 2102	Totals of individual trust accounts should equal the totals on the PS Form 3083, <i>Trust Accounts Receipts and Withdrawals</i> ; master trust balances should equal balances from the Accounting Data Mart (ADM) and the monthly Narrowcaster Report. Balances are to be monitored and differences reconciled.
	Monitor employee items or promptly clear them. FAP 1801.1-1801.3; PO-209: 11-6.3.2	Each office must have a process in place to verify that entries to AICs 057, 068, 754, 755, 764, and 767 (employee overages and shortages) are tracked and monitored for local payment. A master control of all employee items should be maintained, and the items should be promptly resolved and cleared.
	Monitor or resolve financial differences. FAP 802-806	Each office must have a process in place to verify that entries to AICs 247 and 647 (financial differences) are tracked, monitored, promptly resolved, and cleared. A detailed record of each item must be maintained by management or designee.
	Properly follow close-out procedures. FAP 501-508.1; PO-209: 14-3, 6-11.3.5; NCR R26.0 POS ONE Procedures Guide v1.02, 8, 9	Close-out employees must ensure that the daily financial activity has supporting documentation and that the unit is in balance. Close-out employees are to verify that each AIC has the required supporting documentation and that Postage Validation Imprinter (PVI) readings are in balance. After the office closes and Retail Associates have left the area, place the vinyl deposit bag with the three bait money orders on top of the security container in an unlocked counterline drawer, or on the postmaster's or supervisor's desk.
Properly prepare bank deposits. FAP 901; PO-209: 4-1, 6-8, 14-1–14-3	Retail Associates and the close-out employee are to make independent counts when submitting funds for deposit. Funds must be inaccessible to the public and concealed from view. Each RA counts their funds and records the information. Then the close-out employee must perform an independent count of the same funds, record the information, and compare the results of the two counts. Total unit remitted funds must be consolidated with a witness present before being deposited into the bank. Any employee can be designated as a witness. After witnessing the counting, closing, and sealing of the bank deposit envelope, the witness and close-out employee both must sign the unit copy of the deposit slip and the envelope's flaps or seals. If no witness is available, the deposit slip must be endorsed with "No witness available (NWA)." Advance deposits are to be made when funds exceed normal operating needs. Bank deposits must be registered.	
Time Records Approved Before Payroll Submission	Have adequate documentation to support payroll transactions. F-21: 142.22-25, 142.32, 146.22-23, 146.25, 312.40, 313.50, 353.3, 363; ELM: 516.23, 517; F-401 5.K.2	Documentation to support time worked and leave requested and/or taken must be maintained at all offices. This includes time cards, and PS Form 2240 for time/leave adjustments. Absences of duty are to be documented on PS Form 3971, <i>Request for or Notification of Absence</i> . All leave requests for military duty are to be documented on PS Form 3971, with a copy of the military orders attached. Employee absences while serving jury duty are to be documented on PS Form 1224, <i>Court Duty Leave-Statement of Service</i> . A court-printed record of service will serve as a facsimile of the PS 1224 and serve as a substitute for PS 1224. PS Form 1017-A, <i>Time Disallowance Record</i> , must be established at the first occurrence of disallowed time and must be maintained for each additional disallowance. When appropriate, time cards must also be documented for disallowed time.
	Complete Postal Service Form 1723, <i>Assignment Order</i>, to support higher level authorization. F-21: 421.3, 585.1	Assignment of employees to perform higher level duties, or any duties other than those of their permanent position, must be documented on PS Form 1723, <i>Assignment Order</i> .

FINANCIAL AID: A Resource for Key Financial Activities for BMEUs

	KEY FINANCIAL ACTIVITIES	
Business Mail and Periodical Mail acceptance controls in place and transactions properly recorded in the financial records	Verify that the mailer's sections of the postage statement are complete. DM-109, Section 352	Any mailing claiming a discount and all permit imprint mailings must be accompanied by a postage statement completed and signed by the mailer (in duplicate if the mailer wants a receipted copy). If a mailer (agent) makes any changes to a postage statement, the mailer must correct the postage statement accordingly and note the correction.
	Complete the U.S. Postal Service sections of the postage statement. DM-109, Chapter 3	Acceptance employees must complete the sections on the postage statements applicable to mailing presented.
	Round date and sign the postage statement. DM-109, Chapter 3	Acceptance employees must sign and round date postage statements.
	Post data from the postage statement to the appropriate accounting system within a reasonable amount of time. DM-109, Chapter 3	After completing and signing postage statements, acceptance employees must immediately input the data into <i>PostalOne!</i> or the applicable manual system. Clerks are not to batch statements into <i>PostalOne!</i>
	Attach PS Form 3607, <i>Weighing and Dispatch Certificate</i>, to the postage statement. DM-109, Section 244	When the acceptance function is co-located with a plant, each office must have a process in place to identify mailings as paid before being released to Operations. Some facilities may use PS Form 3607, <i>Weighing and Dispatch Certificate</i> , or placards for this purpose.
	Accept discounted and permit imprint mailings according to Postal Service instructions. DM-109, Section 321	Acceptance employees must follow the initial verification process, which includes verifying that funds are on deposit, fees are paid, authorizations are correct, indicia is correct, endorsements are correct, and that the mail piece is eligible for the classification claimed. Acceptance employees must also complete and sign postage statements and immediately input the data into <i>PostalOne!</i> or the applicable manual system. Clerks are not to batch statements into <i>PostalOne!</i>
Customer accounts reasonably and fairly presented in the financial records	Ensure the Business Mail Entry Unit (BMEU) is properly secured. ASM 274.1, 271.2, 271.31-271.32, 271.344	Installation heads are responsible for ensuring the safety of on-duty postal employees, as well as the security and integrity of the mail, and all postal property entrusted to them. Managers are expected to encourage employee involvement and participation in the security of the workplace.
	Close inactive Business Mail, periodicals, and BRM/PD advance deposit accounts and/or refund balances. FAP 1907, 2006	Administering offices must have a process in place to ensure that inactive customer trust accounts are closed and that funds are refunded as required.
Special Postage Payment Systems (SPPS) controls in place and transactions reasonably and fairly presented in financial records	Reconcile master trust balances in ADM with balances maintained by unit. FAP 1904.1, 2004.1; <i>PostalOne!</i> reconciliation instructions on ASC Web site	Balances in <i>PostalOne!</i> and manual ledgers must be reconciled with the Accounting Data Mart (ADM) trust funds-customer report. For <i>PostalOne!</i> sites, the system-generated PS Form 3083, <i>Trust Accounts Receipts and Withdrawals</i> , is used to make the comparison. In manual offices, an adding machine tape should be run for each sub-ledger account and compared to the consolidated page. That information is compared to the PS Form 3083 and the ADM trust funds-customer report.
	Comply with SPPS agreements and Value Added Refund (VAR) mailings. DM-109, Chapter 7	Postage Payment Agreements for manifest mailing systems, alternate mailing systems, optional procedure mailings, and value added refunds must be current and contain standard operating procedures (SOP). Agreements must be on file at both the acceptance office and the Detached Mail Unit (DMU), if applicable, and acceptance employees must follow the SOP as specified in the agreement.
Sample manifest mailings at the prescribed frequency. DM-109, Chapter 7	Manifest Mail System (MMS) agreements must be current, and acceptance employees must follow the standard operating procedures cited in the agreement. Sampling procedures must also be followed as specified in the MMS agreement. Note: Some BMEUs may use <i>PostalOne!</i> to perform eMMS sampling.	